

Stock No: 1525



Kian Shen Corporation

2025 Annual Report

Publication date: March 31, 2026

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

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

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

Spokesperson: Chen, Yi-Yu

Title: Finance Manager

Telephone: (03)478-3121

Email: ethan.chen@kian-shen.com

Acting spokesperson: Chen, Qiong-Ru

Title: Head of the Accounting Department

Telephone: (03)478-3121

Email: azu.chen@kian-shen.com

II. Addresses and telephone numbers of the company and factory

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

Telephone: (03)478-3121

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

Name: Stock Affairs Section of Kian Shen Corporation

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

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

Telephone: (02)2515-6421

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

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

CPA firm: EY Taiwan

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

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

Telephone: (04)2559-8999

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

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

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One. Letter to Shareholders

I. Operational Highlights

- (I) In 2025, the overall operations were affected by factors such as a labor shortage among customers, design amendments, and delays in the mass production schedule, resulting in lower than expected growth in the electric bus shell business. Although the supply of medium and large vehicle shells gradually resumed in the second half of the year, the sales recovery was limited. Additionally, due to adjustments in platform deck market demand, customers reduced orders, and the parts business was also impacted by localized production in Southeast Asia, leading to a decline in sales performance. Overall, the 2025 annual consolidated operating revenue was NT\$1.246 billion, a decrease of 15% compared to the previous year.
- (II) In terms of profitability, the overall revenue scale gradually returned to normal in the second half of the year, which helped improve the utilization of production capacity and reduced the pressure of sharing fixed costs such as depreciation and personnel expenses. Additionally, improvements in the product mix of vehicle shells and electric bus shells drove an increase in gross profit from operations. However, due to the shared chassis development project, research and testing costs increased. Although there were government subsidies in the fourth quarter, the consolidated net operating income for 2025 was still NT\$41.17 million, a decrease of 25% compared to the previous year.
- (III) Regarding the reinvested company, due to the rapid rise of China's domestic brands and intensified market price competition, the market share of Japanese brands continues to be under pressure, posing greater operational challenges for each reinvested company. In response to market changes, each company continues to strive to maintain profit levels through procurement negotiations, cost control, and improving operational efficiency. The recognized equity investment income for 2025 was NT\$250 million, a decrease of 6% compared to the previous year.

- (IV) Overall, the 2025 net profit attributable to owners of the parent company was NT\$236 million, with earnings per share of NT\$3.21.

II. Outlook

- (I) Looking ahead to Year 2026, as global industry demand gradually stabilizes and the trends of new energy vehicles and sustainable transportation continue to develop, the overall automotive market maintains its growth momentum. The Company will continue to monitor market demand changes, industry competition dynamics, and the overall economic environment, and will prudently promote various business developments.
- (II) Regarding core operations, the Company will continue to introduce high-efficiency production equipment, optimize processes, and strengthen research and development capabilities. While maintaining the stable supply of existing products, the Company will actively expand into new energy bus shells and related new businesses to enlarge revenue scale and enhance overall competitiveness.
- (III) Regarding the reinvested company, in the face of intensified competition in the Chinese automobile market, each reinvested company will continue to align with customer product and production planning, focus resources on market-competitive models, and improve operational performance through cost improvement and expense control, prudently responding to market changes.

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

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

Chairman



March 31, 2026

Two. Company Profile

I. Date of Establishment: May 30, 1963

II. Company History:

- 1955 October : Mr. Tsao, Chi-Lung founded Kian Shen Hardware Factory, which initially focused on producing various types of steel shovels and hand tools. It was granted the Class A mark by the Bureau of Central Standards, and its products were sold in 18 countries worldwide.
- 1963 : The company name was changed to Kian Shen Hardware Factory Co., Ltd.
- 1970 : The capital was increased to NT\$3 million, and was selected as a satellite factory approved by the military to engage in research and manufacturing of military vehicles and weapon components.
- 1974 : The Company became a satellite factory of China Motor Corporation, supplying rear body assemblies for small trucks.
- 1978 : The company name was changed to Kian Shen Corporation.
- 1979 : The new Yangmei factory covering an area of over 58,000 square meters was completed, specializing in the production of small truck rear carriages and container beams for supply to China Motor Corporation and Weilian Industrial Company.
- 1981 : The main beams and crossbeams of heavy-duty trucks were officially adopted by Huatong Automobile Company (joint venture with General Motors of the United States) after trial assembly.
- 1983 : Produced American Harley locomotive fuel tanks and various types of car bumpers, and marketed them in the U.S. market.
- 1984 : Collaborated with Japan's Takebe Iron Works to produce the shells of large trucks and buses for supply to Kuozui Motors, Ltd. and China Motor Corporation.
- 1986 : Supplied stamping parts and molds for Fengyong Automobile Company.
- 1990 November : The Company was restructured and China Motor Corporation acquired 100% of its equity.
- 1991 April : China Development Trust joined the Company's management team and acquired 10% equity.
- 1991 August : Kuozui Motors, Ltd. participated in the investment and acquired 35% of the equity.
- 1991 December : Establish a wooden bed assembly and painting production line to produce wooden bed rear vehicle bodies.
- 1992 December : The new coating factory was completed and put into use, replacing traditional manual spraying with automatic impregnation to improve the working environment, avoid environmental pollution, and enhance product quality.

1993	November	:	Handled supplementary public offering.
1995	December	:	Technical cooperation with Japan's Yonan Industries Co., Ltd. to produce load arms and supply them to China Motor Corporation.
1996	March	:	The Investment Commission of the Ministry of Economic Affairs approved the Company's indirect investment in mainland China's Fuxiang (Fuzhou) Automobile Company, accounting for 35% of its equity.
1996	July	:	Passed ISO9002 certification of Bureau of Standards, Metrology and Inspection, MOEA.
1996	August	:	Produce bus shells for supply to Isuzu Motor Company in Taiwan.
1998	December	:	Passed QS9000 certification.
1999	May	:	The Company's shares were officially listed.
2000	March	:	Started exporting RK beams to Japan's Hino Heavy Vehicles.
2000	July	:	Passed ISO14001 certification by UK's UKAS.
2001	March	:	Technical cooperation with Japan's Hirata Industries Co., Ltd. and Miwa Production Institute.
2002	March	:	Established a BVI offshore investment company.
2002	July	:	Established a joint venture Guangzhou Enten Yulong Transmission System Co., Ltd. with Japan's NTN.
2002	October	:	The Industrial Development Bureau, MOEA granted the Outstanding Occupational Safety and Health Management Demonstration Team Award to the Company.
2002	November	:	Passed the certification of OHSAS18001 Occupational Safety and Health Management System.
2003	September	:	Jointly established "Beijing Ruihan Enten Automotive Parts Co., Ltd." with South Korea's Flange and Japan's NTN.
2003	October	:	The Industrial Development Bureau, MOEA granted the Industrial Sustainable Elite Award to the Company.
2004	January	:	Passed the certification of TS-16949 Quality Management System.
2004	August	:	Establish the subsidiary Jiang Sheng Investment Company.
2004	November	:	The Council of Labor Affairs granted to the Company the Five Star Award for National Excellent Units in Promoting Labor Safety and Health.
2006	March	:	Jointly established Xiamen Jinlong Kian Shen Vehicle Shell Co., Ltd. with Xiamen Electromechanical Group.
2007	November	:	Establish Hong Kong Kian Shen Investment Company.
2007	December	:	Obtained the TQ AAA level supplier evaluation of China Motor Corporation.
2008	December	:	The subsidiary Jiang Sheng Investment Company handled its liquidation.
2009	July	:	MOEA granted to the Company the Outstanding R&D Alliance Award of the 29 Industry Development of Industrial Technology Plan.
2011	February	:	Received the Excellent Manufacturer's Design and Development

			Excellent Performance Award from Yulong Nissan Motor's Cooperative System.
2012	July	:	Selected by the Ministry of Finance as a business operator with excellent performance in issuing unified invoices.
2014	January	:	Jointly established Xiangyang Enten Yulong Transmission System Co., Ltd. with Enten (China) Investment Company.
2014	March	:	Received the Excellent Manufacturer's Excellent Overall Performance Award from Yulong Nissan Motor's Cooperative System.
2014	August	:	Received the ISO14001 Environmental Sustainability Award.
2015	September	:	Renewed technical cooperation with Japan's Takebe Iron Works.
2016	February	:	Rated A level in the safety and health management system evaluation of the First Section of Kuozui Motors' cooperation Association for three consecutive years.
2019	December	:	Received the Health Workplace Certification Mark from the Ministry of Health and Welfare.
2020	April	:	The Company ranked among top 6%~20% of all the TWSE and TPEx listed companies in Corporate Governance Evaluation for five consecutive years.
2020	November	:	Approval of ISO45001 certification.
2021	February	:	"Beijing Ruihan Enten Automotive Parts Co., Ltd." handled equity transfer.
2021	March	:	Produced electric bus shells for supply to Foxtron Vehicle Technologies Co., Ltd.
2021	June	:	Produced wooden bed rear vehicle bodies for supply to Hotai Vehicle Body Manufacturing Co., Ltd.
2022	March	:	Established a dedicated production line for low-floor buses.
2022	July	:	Rated A level in the safety and health management system evaluation of the First Section of Kuozui Motors' cooperation Association.
2022	November	:	Renewed technical cooperation with Japan's Takebe Iron Works.
2023	February	:	Awarded A level in the evaluation of China Motor Quality Assurance System.
2023	August	:	Obtained patent certifications of M644682 for vehicle platform cover and M644681 and M644683 for truck tailgate structure.
2023	October	:	The Company was certified ISO 27001 Information Security Management System.
2025	October	:	Recognized as an Outstanding Enterprise in the "Corporate Sustainability Report Public Occupational Health and Safety Indicator Active Evaluation" by the Occupational Safety and Health Administration, Ministry of Labor.

Three. Corporate Governance Report

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

(I) Information of Directors

Title	Nationality or place of registration	Name	Gender Age	Date of Election (Inauguration)	Term	Date first elected	Shareholding when elected		Current shareholding		Current shareholdings of spouse and minor children		Shareholding in other people's names		Education and experience	Current concurrent positions at the Company and other companies	Other supervisors, directors or supervisors with a relationship of spouse or second-degree kinship.			Remarks
							Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Percentage of shareholding	Number of Shares	Shareholding Percentage			Title	Name	Relationship	
	Taiwan	China Motor Corporation					32,201,367	43.87%	32,201,367	43.87%										
Chairman	Taiwan	China Motor Corporation Representative: Hstung, Tung-lai	Male 51~60 years old	2025.07.01	Three years	2024.01.01	-	-	-	-	-	-	-	-	EMBA, National Central University	Vice President of China Motor Corporation Chairman of ROC-Spicer Ltd. Director of Hong Kong Kian Shen Investment Company Director of Kian Shen Investment Co., Ltd.	-	-	-	2
Director	Taiwan	China Motor Corporation Representative: Tseng, Chung-Chih	Male 61 years old Above	2025.07.01	Three years	2013.07.01	-	-	-	-	-	-	-	-	Tamkang University Department of Mechanical Engineering	Director and President of Kiang Shen Corporation Assistant Vice President of China Motor Corporation Director of Fuzhou Fuxiang Automobile Industry Co., Ltd. Director of Guangzhou Enten Yulong Transmission System Co., Ltd. Director of Xiamen Jinlong Kian Shen Vehicle Shell Co., Ltd. Director of Xiangyang Enten Yulong Transmission System Co., Ltd. Director of Taiwan Transportation Vehicle Manufacturers Association	-	-	-	-

March 31, 2026

Remarks						
Other supervisors, directors or supervisors with a relationship of spouse or second-degree kinship.	Relationship					
	Name			-	-	
	Title			-	-	
Current concurrent positions at the Company and other companies			Advisor of Kuozui Motors, Ltd. Director of Fuzhou Fuxiang Automobile Industry Co., Ltd. Managing Director of Taiwan Transportation Vehicle Manufacturers Association Vice President of the Taiwan Automobile Safety Association	Vice President of Kuozui Motors, Ltd. Director of Xiamen Jinlong Kian Shen Vehicle Shell Co., Ltd. Vice President of the SAE Taipei Section	AVP of Kuozui Motors, Ltd.	
Education and experience			Department of Industrial Design, Datong University Department of Industrial Design	EMBA, National Central University	Department of Mechanical Engineering, Seikei University Department of Mechanical Engineering	
Shareholding in other people's names	Shareholding Percentage		-	-	-	
	Number of Shares		-	-	-	
Current shareholdings of spouse and minor children	Percentage of shareholding		-	-	-	
	Number of Shares		-	-	-	
Current shareholding	Shareholding Percentage	32.94%	-	-	-	0.01%
	Number of Shares	24,178,711	-	-	-	10,600
Shareholding when elected	Shareholding Percentage	32.94%	-	-	-	0.01%
	Number of Shares	24,178,711	-	-	-	10,600
Date first elected			2019.04.01	2025.02.01	2025.02.01	
Term			Three years	Three years	Three years	
Date of Election (Inauguration)			2025.07.01	2025.07.01	2025.07.01	
Gender Age			Male 61 years old Above	Male 51~60 years old	Male 51~60 years old	
Name		Kuozui Motors, Ltd.	Kuozui Motors, Ltd. Representative: Chien, Wen-Chih	Kuozui Motors, Ltd. Representative: Ho, Shih-Rong	Kuozui Motors, Ltd. Representative: Satoshi Kodaka	Yulon-Administered Enterprises Co., Ltd.
Nationality or place of registration		Taiwan	Taiwan	Taiwan	Japan	Taiwan
Title			Vice Chairman	Director	Director	

Other supervisors, directors or supervisors with a relationship of spouse or second-degree kinship.	Remarks				
	Relationship				
	Name				
	Title				
Current concurrent positions at the Company and other companies		Vice President of China Motor Corporation Chairperson of China Engine Corporation Chairman of Coc Tooling & Stamping Co., Ltd. Chairman of Uni-Calsonic Corp.	Assistant Vice President of China Motor Corporation Director of Yueki Industrial Co., Ltd.	Assistant Vice President of China Motor Corporation Director of Alliance Auto Parts Manufacturing Co., Ltd. Director of Uni-Calsonic Corp. Director of Coc Tooling & Stamping Co., Ltd. Director of ROC-Spicer Ltd.	Independent Director of Carnival Industrial Corporation Independent Director of DFI Inc. Supervisor of Maxkit Technology Co., Ltd.
Education and experience		Entrepreneur Class, National Cheng Chi University Department of Mechanical Engineering, National Sun Yat-sen University Department of Mechanical Engineering	Pingtung Institute of Technology Department of Mechanical Engineering Technology	EMBA, National Central University	National Chengchi University School of Economics, National Cheng Chi University
Shareholding in other people's names	Shareholding Percentage	-	-	-	-
	Number of Shares	-	-	-	-
Current shareholdings of spouse and minor children	Percentage of shareholding	-	-	-	-
	Number of Shares	-	-	-	-
Current shareholding	Shareholding Percentage	-	-	-	-
	Number of Shares	-	-	-	-
Shareholding when elected	Shareholding Percentage	-	-	-	-
	Number of Shares	-	-	-	-
Date first elected		2022.01.01	2026.01.15	2024.01.01	2016.07.01
Term		Three years	Three years	Three years	Three years
Date of Election (Inauguration)		2025.07.01	2026.01.15	2025.07.01	2025.07.01
Gender Age		Male 51~60 years old	Male 51~60 years old	Male 51~60 years old	Male 61 years old Above
Name		Yulon-Administered Enterprises Co., Ltd. Representative: Yang, Hung-Ching	Yulon-Administered Enterprises Co., Ltd. Representative: Wu, Yueh-Feng	Yulon-Administered Enterprises Co., Ltd. Representative: Chen, Ching-Chi	Yeh, Te-Chang
Nationality or place of registration		Taiwan	Taiwan	Taiwan	Taiwan
Title		Director	Director	Director	Independent Director

Remarks					
Other supervisors, directors or supervisors with a relationship of spouse or second-degree kinship.	Relationship				
	Name				
	Title				
	Current concurrent positions at the Company and other companies		Professor in the Department of Accounting Information, National Taipei University of Business Independent Director of HongHwa Advanced Technology Corp. Independent Director of Ares International Corp. Director of the Small and Medium Enterprise Credit Guarantee Fund Corporate supervisor of the Zhongwei Development Center Foundation		
Education and experience		National Chengchi University PhD in Accounting		Stanford University, USA PhD in Legal Science	
Shareholding in other people's names	Shareholding Percentage				
	Number of Shares				
Current shareholdings of spouse and minor children	Percentage of shareholding				
	Number of Shares				
Current shareholding	Shareholding Percentage				
	Number of Shares				
Shareholding when elected	Shareholding Percentage				
	Number of Shares				
Date first elected		2025.07.01		2025.07.01	
Term		Three years		Three years	
Date of Election (Inauguration)		2025.07.01		2025.07.01	
Gender Age		Female 51~60 years old		Male 51~60 years old	
Name		Hsiao, Hsing-Chin		Liu, Hong-En	
Nationality or place of registration		Taiwan		Taiwan	
Title		Independent Director		Independent Director	

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

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

Note 3: Hsiung, Tung-Tai, the representative of Yulon-Administered Enterprises Co., Ltd., was dismissed on April 1, 2025, and Chen, Ching-Chi was appointed as Director.

Note 4: Yang, Hung-Ching, the representative of Yulon-Administered Enterprises Co., Ltd., was dismissed on January 15, 2026, and Wu, Yueh-Feng was appointed as Director.

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

March 31, 2026

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

Requirement Name	Professional qualifications and experience	Status of independence	Number of independent director positions concurrently holding at other public companies
	Yangmei Plant, Production Management Department Manager, and Director of Coc Tooling & Stamping Co., Ltd.	Exchange Act during their term of office.	
Yeh, Te-Chang	Having work experience in board operations and financial investment. Formerly the Advisor of Wafer Works Corporation, Independent Director of Carnival Industrial Corporation, Independent Director of DFI Inc., and Advisor and President of USI Management Consulting Corporation.		2
Hsiao, Hsing-Chin	Having work experience in board operations and financial accounting. Formerly the Vice President of National Taipei University of Business, Dean of the College of Finance and Economics, Head of the Department of Accounting Information, Independent Director of HongHwa Advanced Technology Corp., and Independent Director of Ares International Corp.		2
Liu, Hong-En	Experience in corporate administration and legal affairs. Former Associate Professor, Graduate Institute of Interdisciplinary Legal Studies, National Chengchi University, Associate Professor, jointly appointed by the International College of Innovation, National Chengchi University, and Committee member of the Lawyer Ethics and Disciplinary Committee, National Bar Association.		-

(III) Diversity and Independence of the Board of Directors

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

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

As of the date of the annual report's publication, 3 directors were over 61 years old, and 7 directors were 51-60 years old. Among them, all independent directors have met the requirements of the Securities and Futures Bureau of the Financial Supervisory Commission on independent directors. None of the directors have a spousal relationship or a familial relationship within the second degree of kinship. For information regarding each director's academic background, gender, professional qualifications, work experience, and diversity, please refer to the table above and the "Information on Board Members" on the Company's website.

(IV) Major shareholder of corporate shareholder

March 28, 2026

Names of corporations	Major shareholder of the corporation	Shareholding ratio (%)
China Motor Corporation	1. Tai Yuen Textile Co., Ltd.	25.19
	2. Mitsubishi Motors Corporation	14.00
	3. Yulon Motor Co., Ltd.	8.05
	4. Diamond Hosiery & Thread Co., Ltd.	6.76
	5. Nan Shan Life Insurance Co., Ltd.	1.30
	6. Mercuries Life Insurance Co., Ltd.	1.14
	7. Chen, Chin-Feng	1.06
	8. Pan German Investment Co., Ltd.	0.90
	9. E.SUN Commercial Bank.	0.86
	10. Yong Han Investment Co., Ltd.	0.72
Kuozei Motors, Ltd.	1. Toyota Motor Corporation	65.00
	2. Hotai Motor Co., Ltd.	30.00
	3. Hino Motors, Ltd.	5.00
	(Total shareholding percentage of aforementioned shareholders is 100%)	
Weitai Investment Co., Ltd.	1. Yen-Chen, Li-Lien	33.32
	2. Yen, Pei-Yu	33.29
	3. Yen, Hsiang-Nan	33.29
	4. Pan German Investment Co., Ltd.	0.04
	5. Wei Wen Investment Co., Ltd.	0.02
	6. Le Wen Investment Co., Ltd.	0.02
	7. Jin Yu Investment Co., Ltd.	0.02
	(Total shareholding percentage of aforementioned shareholders is 100%)	

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

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

March 28, 2026

Name of corporations	Major shareholders of corporations	Shareholding ratio (%)
1. Tai Yuen Textile Co., Ltd.	1. Xiang Wei Investment Co., Ltd.	22.15
	2. Yen Tjing Ling Industrial Development Foundation	14.24
	3. Hoffman Brothers Investment Co., Ltd (British Virgin Islands)	9.80
	4. Evans Co., Ltd (British Virgin Islands)	9.71
	5. West Bridge Investment Co., Ltd. (Cayman Islands)	9.13
	6. Li Yuan Investment Co., Ltd.	7.17
	7. Yun Shueng Investment Corp.	6.82
	8. Diamond Hosiery & Thread Co., Ltd.	5.89
	9. Li Peng Investment Co., Ltd.	5.61
	10. Yuan Wei Investment Co., Ltd.	3.10
2. Mitsubishi Motors Corporation	1. Nissan Motor Co., Ltd.	26.67
	2. Mitsubishi Corporation	22.23
	3. Japan Master Trust Bank, Ltd. (Trust Department)	6.83
	4. STATE STREET BANK AND TRUST COMPANY 505001	3.23
	5. BROWN BROTHERS HARRIMAN (LUXEMBOURG) SCA CUSTODIAN FOR ARCUS FUND SICAV – ARCUS JAPAN FUND	2.08
	6. Mitsubishi Heavy Industries, Ltd.	1.60
	7. Mitsubishi UFJ Bank, Ltd.	1.10
	8. Custody Bank of Japan, Ltd. (Trust Account)	0.91
	9. MAN INTERNATIONAL ICVC - MAN GLG JAPAN COREALPHA FUND	0.89
	10. Japan Custody Bank, Ltd. (Trust Account 4)	0.88
3. Yulon Motor Co., Ltd.	1. Tai Yuen Textile Co., Ltd.	17.43
	2. China Motor Corporation	16.02
	3. Yen-Chen, Li-Lien	3.19
	4. Taipei Branch of UBS received Yen, Pei-Yu Trust Property Account	3.17
	5. Taipei Branch of UBS received Yen, Hsiang-Nan Trust Property Account	3.17
	6. Pan German Investment Co., Ltd.	2.10
	7. Yen Tjing Ling Industrial Development Foundation	1.03
	8. Weитай Investment Co., Ltd.	0.92
	9. Wei Wen Investment Co., Ltd.	0.87
	10. Diamond Hosiery and Thread Co., Ltd.	0.73

Name of corporations	Major shareholders of corporations	Shareholding ratio (%)
4. Diamond Hosiery & Thread Co., Ltd.	1. Wanda Company (British Virgin Islands) 2. Tai Yuen Textile Co., Ltd. 3. Xiang Wei Investment Co., Ltd. 4. Vivian Wu Yen Business & Industry Development Foundation 5. Le Wen Investment Co., Ltd. 6. Wei Wen Investment Co., Ltd. 7. Yen-Chen, Li-Lien 8. Yen, Pei-Yu 9. Yen, Hsiang-Nan (Total shareholding percentage of aforementioned shareholders is 100%)	72.51 21.97 5.09 0.1684 0.13 0.13 0.0002 0.0002 0.0002
5. Nan Shan Life Insurance Co., Ltd.	1. Runcheng Investment Holdings Co., Ltd. 2. Ruen Hua Dyeing & Weaving Co., Ltd. 3. Tu, Ying-Tsung 4. Ruentex Xing Co., Ltd. 5. Ruentex Development Co., Ltd. 6. Ruentex Industries Co., Ltd. 7. Yen Sing Investment Co., Ltd. 8. Ruentex Leasing Co., Ltd. 9. Chi-Pin Investment Company 10. Pan City Co., Ltd.	89.55 1.34 1.16 0.97 0.23 0.21 0.16 0.12 0.11 0.09
6. Mercuries Life Insurance Co., Ltd.	1. Mercuries & Associates Holding, Ltd. 2. Sheng Ya Investment Co., Ltd. 3. Shang Lin Investment Co., Ltd. 4. Shu Ren Investment Co., Ltd. 5. Mercuries Foods Co., Ltd. 6. Mercuries & Associates, Ltd. 7. BNP Financial Markets Investment Account Custodied by Citibank (Taiwan) Limited 8. Goldman Sachs International Investment Account Custodied by HSBC Bank (Taiwan) Limited 9. Shan Li Transportation Co., Ltd. 10. Dong Li Logistics Co., Ltd.	31.13 4.94 3.40 3.39 2.35 2.12 1.71 1.71 1.05 0.95
7. Chen, Chin-Feng	N/A (Not a corporation)	-
8. Pan German Investment Co., Ltd.	1. Weitai Investment Co., Ltd. 2. Wei Wen Investment Co., Ltd. 3. Le Wen Investment Co., Ltd.	33.36 33.34 33.30
9. E.SUN Commercial Bank.	E.Sun Financial Holding Co., Ltd.	100
10. Yong Han Investment Co., Ltd.	1. Yulon Motor Co., Ltd.	100

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

March 28, 2026

Name of corporations	Major shareholders of corporations	Shareholding ratio (%)
1. Toyota Motor Corporation	1. Japan Master Trust Bank, Ltd. 2. Toyota Industries Corporation 3. Custody Bank of Japan, Ltd. 4. Nippon Life Insurance Company 5. State Street Bank and Trust Company 6. JPMorgan Chase Bank 7. Denso Corporation 8. BNY MELLON (Standing Agent (Ltd.), Sumitomo Mitsui Banking Corporation) 9. Toyota Real Estate Co., Ltd. 10. Mitsui Sumitomo Insurance Co., Ltd.	11.43 7.55 5.14 4.01 3.62 3.48 2.85 2.13 1.58 1.29
2. Hotai Motor Co., Ltd.	1. Hotai Motor Co.,Ltd. 2. Toyota Motor Corporation 3. Li Gang Enterprise Co., Ltd. 4. Jin Yuan Shan Investment Co., Ltd. 5. Cheng Sun Trading Co., Ltd. 6. Shen Rong Investment Co., Ltd. 7. Yuan Tuo Investment Co., Ltd. 8. Jin Ji Investment Enterprise Co., Ltd. 9. Zi Geng Development Co., Ltd. 10. Tai Chang Investment Co., Ltd.	8.83 8.13 7.42 6.60 4.49 3.11 2.69 2.49 2.43 2.29
3. Hino Motors, Ltd.	1. Toyota Motor Corporation 2. Japan Master Trust Bank, Ltd. (Trust Department) 3. Custody Bank of Japan, Ltd. (Trust Department) 4. STATE STREET BANK AND TRUST COMPANY 505001 5. HSBC BANK PLC A/C M AND G (ACS) VALUE PARTNERS CHINA EQUITY FUND 6. STATE STREET BANK AND TRUST COMPANY 505223 7. J.P.MORGAN CHASE BANK 385781 8. STATE STREET BANK WEST CLIENT-TREATY505234 9. Hino Motors Employee Shareholding Association 10. Tokio Marine & Nichido Fire Insurance Co., Ltd.	50.14 10.30 3.27 1.69 1.37 0.77 0.67 0.62 0.56 0.52

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

March 28, 2026

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

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

March 31, 2026

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

Title		Nationality	Name	Gender	Date of Election (Inauguration)		Shareholding		Shareholdings of spouse and minor children		Shareholding in other people's names		Education and experience		Current concurrent positions at other companies	Managers with relationships of spouse or relative within the second degree of kinship	Remarks		
Assistant Vice President	Taiwan	Huang, Yu-Cheng	Male	2022.12.01	None	None	None	None	None	None	None	None	National Central University Institute of Industrial Economics, National Central University	Director and President of Xiamen Jinlong Kian Shen Vehicle Shell Co., Ltd. Director of Fuzhou Fuxiang Automobile Industry Co., Ltd.	-	-	-	1	
Accounting and Finance Manager	Taiwan	Chen, Yi-Yu	Male	2025.01.01	None	None	None	None	None	None	None	None	Chung Yuan Christian University M.B.A., Department of Accounting	Supervisor of Guangzhou Enten Yulong Transmission System Co., Ltd. Supervisor of Xiangyang Enten Yulong Transmission System Co., Ltd. Supervisor of Fuzhou Fuxiang Automobile Industry Co., Ltd.	-	-	-	2	

Note 1: Yu, Der-Hsiang, the Vice President, was dismissed due to retirement on February 28, 2025, and the head of information security department was succeeded by Huang, Yu-Cheng, the Assistant Vice President.

Note 2: Chang, Ya-Ling, the Assistant Vice President, was dismissed due to retirement on February 10, 2025. The positions of the Director of Corporate Governance and Accounting and Finance Manager were succeeded by Chen, Yi-Yu, the Finance Manager.

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

1. Remuneration to General Directors and Independent Directors

Unit: NT\$ Thousand

Title	Name	Directors' remuneration						Sum of A, B, C, and D and as a percentage of net income after tax		Remuneration to directors holding employee positions concurrently				Sum of A, B, C, D, E, F and G and as a percentage of net income after tax	Remuneration from an invested company other than the Company's subsidiaries or parent company
		Compensation (A)	Pension (B)		Remuneration to Directors (C)	Fees for services rendered (D)		The Company	All companies in financial statements	Pension (F)		Remuneration to employees (G)		The Company	All companies in financial statements
Corporate director	China Motor Corporation	-	-	-	527	-	-	0.22%	0.22%	-	-	-	-	0.22%	-
Corporate director	Kuozui Motors, Ltd.	-	-	-	633	-	-	0.27%	0.27%	-	-	-	-	0.27%	-
Corporate director	Yulon-Administered Enterprises Co., Ltd.	-	-	-	422	-	-	0.18%	0.18%	-	-	-	-	0.18%	-
Chairman (Note 2)	Hsiung, Tung-Tai	496	-	-	-	96	96	0.25%	0.25%	-	-	-	-	0.25%	4,130
Chairman (Note 2)	Chen, Chao-Wen	110	-	-	-	24	24	0.06%	0.06%	-	-	-	-	0.06%	1,295
Vice Chairman	Chien, Wen-Chih	459	-	-	-	96	96	0.24%	0.24%	-	-	-	-	0.24%	-
Director	Tseng, Chiung-Chih	-	-	-	-	96	96	0.04%	0.04%	103	103	47	47	1.27%	635
Director (Note 1)	Lan, Kun-Sheng	-	-	-	-	8	8	-	-	-	-	-	-	-	-
Director (Note 1)	Ho, Shih-Rong	-	-	-	-	88	88	0.04%	0.04%	-	-	-	-	0.04%	-
Director (Note 1)	Naoki Kobayashi	-	-	-	-	8	8	-	-	-	-	-	-	-	-

Title	Name	Directors' remuneration						Sum of A, B, C, and D and as a percentage of net income after tax		Remuneration to directors holding employee positions concurrently						Sum of A, B, C, D, E, F and G and as a percentage of net income after tax		Remuneration from an invested company other than the Company's subsidiaries or parent company
		Compensation (A)		Pension (B)		Remuneration to Directors (C)		Fees for services rendered (D)		Salaries, bonuses and special allowances (E)	Pension (F)		Remuneration to employees (G)					
		All companies in financial statements	The Company	All companies in financial statements	The Company	All companies in financial statements	The Company	All companies in financial statements	The Company		The Company	All companies in financial statements	The Company		All companies in financial statements			
Director (Note 1)	Satoshi Kodaka	-	-	-	-	88	88	0.04%	0.04%	-	-	-	-	-	0.04%	0.04%	-	
Director (Note 4)	Yang, Hung-Ching	-	-	-	-	96	96	0.04%	0.04%	-	-	-	-	-	0.04%	0.04%	4,706	
Director (Note 4)	Wu, Yueh-Feng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,653	
Director (Note 3)	Chen, Ching-Chi	-	-	-	-	72	72	0.03%	0.03%	-	-	-	-	-	0.03%	0.03%	2,912	
Independent director	Yeh, Te-Chang	-	-	-	-	540	540	0.23%	0.23%	-	-	-	-	-	0.23%	0.23%	-	
Independent director (Note 5)	Hsiao, Hsing-Chin	-	-	-	-	280	280	0.12%	0.12%	-	-	-	-	-	0.12%	0.12%	-	
Independent director (Note 5)	Wang, Hsuan	-	-	-	-	270	270	0.11%	0.11%	-	-	-	-	-	0.11%	0.11%	-	
Independent director (Note 5)	Liu, Hong-En	-	-	-	-	280	280	0.12%	0.12%	-	-	-	-	-	0.12%	0.12%	-	
Independent director (Note 5)	Lo, Yung-An	-	-	-	-	270	270	0.11%	0.11%	-	-	-	-	-	0.11%	0.11%	-	

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

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

Note 3: Hsiung, Tung-Tai, the representative of Yulon-Administered Enterprises Co., Ltd., was dismissed on April 1, 2025, and Chen, Ching-Chi was appointed as Director.

Note 4: Yang, Hung-Ching, the representative of Yulon-Administered Enterprises Co., Ltd., was dismissed on January 15, 2026, and Wu, Yueh-Feng was appointed as Director.

Note 5: In the 2025 shareholders' meeting election for the 13th Board of Directors, Independent Directors Wang, Hsuan and Lo, Yung-An were dismissed on July 1, and Hsiao, Hsing-Chin and Liu, Hong-En were newly appointed as Independent Directors.

2. Remuneration to President and Vice Presidents

Unit: NT\$ Thousand

Title	Name	Compensation (A)		Pension (B)		Bonuses and special allowances (C)		Remuneration to employees (D)				Sum of A, B, C, and D and as a percentage of net income after tax		Remuneration from an invested company other than the Company's subsidiaries or parent company
		The Company	All companies in financial statements	The Company	All companies in financial statements	The Company	All companies in financial statements	The Company		All companies in financial statements		The Company	All companies in financial statements	
								Amount in cash	Amount in shares	Amount in cash	Amount in shares			
President	Tseng, Chiung-Chih	1,694	1,694	103	103	1,043	1,043	47	-	47	-	1.22%	1.22%	635
Vice President	Peng, Yuan-Shuang	1,472	1,472	91	91	684	684	33	-	33	-	0.97%	0.97%	-
Vice President	Weng, Cheng-Yi	1,619	1,619	98	98	1,177	1,177	45	-	45	-	1.25%	1.25%	-
Vice President	Yu, Der-Hsiang	255	255	15	15	53	53	0	-	0	-	0.14%	0.14%	-

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

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

Object of payment	Proportion of total remuneration to profit net of tax		Percentage of increase (decrease)
	2025	2024	
Director	3.33%	2.60%	0.73%
President and Vice Presidents	3.58%	3.52%	0.06%

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

The 2025 net operating income and investment income both declined compared to the previous year, which led to a decrease in remuneration and bonuses. A newly appointed Vice Chairperson was also remunerated, resulting in the total Directors' remuneration being similar to the previous year, thus increasing the proportion of Directors' remuneration. The remuneration ratio of the President and Vice Presidents slightly increased because the reduction in their remuneration was smaller than the reduction in profit net of tax. In addition, the fixed part such as remuneration is paid according to the value of their participation in and contribution to the Company's operations, with reference to the industry level, and there is no special correlation with the Company's after-tax profit or loss.

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

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

In accordance with Article 20 of the Company's Articles of Incorporation, if there is net profit after tax in the current year, no more than 1% of the net profit after making up for the accumulated losses shall be appropriated as remuneration to directors and no less than 0.1% of the remuneration to employees, among which no less than 0.05% shall be distributed to grassroots employees.

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

According to Article 16 of the Company's Articles of Association, the directors of the Company may receive remuneration, and the remuneration shall be set based on the industry standard. The remuneration provided to the Company's general and independent directors is established through a thorough evaluation of various factors, including the obligations, liabilities, and temporal investments linked to their positions and their involvement in functional committees. A clear correlation exists between these variables

and the remuneration received. In addition, the compensation levels are compared to those of directors in comparable industries and other publicly traded companies affiliated with the same conglomerate. The remuneration scheme is approved by the Board of Directors following a resolution and in accordance with applicable Company Act regulations. Directors' remuneration is evaluated based on their participation in the Company's operations (40%), selection and continuing education of directors (20%), Internal control (20%), knowledge of the Company and responsibilities (20%) are included in performance evaluation and remuneration considerations.

(2) Managers' remuneration distribution policy:

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

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

Unit: NT\$ Thousand

	Title	Name	Amount in shares	Amount in cash	Total	Proportion of total amount to net profit after tax
Manager	President	Tseng, Chiung-Chih	-	47	47	0.02%
	Vice President	Weng, Cheng-Yi	-	45	45	0.02%
	Vice President	Peng, Yuan-Shuang	-	33	33	0.01%
	Assistant Vice President	Chen, Chen-Kui	-	93	93	0.04%
	Assistant Vice President	Huang, Yu-Cheng				
	Assistant Vice President	Chang, Ya-Ling				
	Accounting and Finance Manager	Chen, Yi-Yu				

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

III. Corporate Governance Status

(I) Operation status of board of directors

- The Board of Directors held eight meetings in 2025 and up to the end of March 2026, and the attendance of directors is as follows:

Title	Names of corporations	Name	Actual number of attendances	Number of proxy attendances	Actual attendance rate	Remarks
Chairman	China Motor Corporation	Hsiung, Tung-Tai	8	-	100%	Re-elected on July 1, 2025
Chairman		Chen, Chao-Wen	1	-	100%	Dismissed on March 31, 2025
Director		Tseng, Chiung-Chih	8	-	100%	Re-elected on July 1, 2025
Vice Chairman	Kuo-zui Motors, Ltd.	Chien, Wen-Chih	8	-	100%	Re-elected on July 1, 2025
Director		Ho, Shih-Rong	8	-	100%	Re-elected on July 1, 2025
Director		Satoshi Kodaka	8	-	100%	Re-elected on July 1, 2025
Director	Yulon-Administered Enterprises Co., Ltd.	Yang, Hung-Ching	6	1	86%	Dismissed on January 15, 2026
Director		Wu, Yueh-Feng	1	-	100%	New appointment on January 15, 2026
Director		Chen, Ching-Chi	7	-	100%	Re-elected on July 1, 2025
Independent director	-	Yeh, Te-Chang	7	1	86%	Re-elected on July 1, 2025
Independent director	-	Hsiao, Hsing-Chin	5	-	100%	Newly appointed on July 1, 2025
Independent director	-	Wang, Hsuan	3	-	100%	Dismissed on June 30, 2025
Independent director	-	Liu, Hong-En	5	-	100%	Newly appointed on July 1, 2025
Independent director	-	Lo, Yung-An	3	-	100%	Dismissed on June 30, 2025

Other matters to be recorded:

- In case of any of the following circumstances in the operation of the board meetings, state the date, session, content of the proposal, all independent directors' opinions, and the Company's handling of the independent directors' opinions:
 - The items listed in Article 14-3 of the Security and Exchange Act: Please refer to the important resolutions of the shareholders' meeting and the board meeting for the opinions of independent directors.
 - Other than those described above, any objections or qualified opinions raised by independent directors against board resolutions with records or declarations in writing: None.
- For the implementation of the directors' avoidance of the proposals involving personal interests, state the name of the director, the content of the proposal, the reason for the avoidance, and the status of their participation in voting: The Company's directors uphold a high level of self-discipline and do not participate in voting on board proposals if there is a potential conflict of interest that could harm the Company's interests.
- For the Company's disclosure of information including the evaluation cycle and period, evaluation scope, method and evaluation content of the board's self (or peer) evaluation, please refer to the Status of Evaluation of the Board of Directors in the following table.
- In the current year and the most recent year, the goal of strengthening the functions of the Board of Directors (e.g., the establishment of an Audit Committee, enhancement of information transparency, etc.) and the evaluation of the implementation, the Company has established an Audit Committee in 2022.

2. Status of Evaluation of the Board of Directors

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Once a year	January 1, 2025 to December 31, 2025	1. Performance evaluation of the board of directors. 2. Performance evaluation of individual board members. 3. Performance evaluation of the Remuneration Committee. 4. Performance evaluation of the Audit Committee.	Internal self-evaluation by the board, self-evaluation by individual board members, and self-evaluation by the Remuneration Committee and the Audit Committee.	1. Performance evaluation of the board: Participation in the operation of the Company; improvement in the quality of board resolutions, composition and structure of the board of directors; election and continuing study of directors, and internal control. 2. Performance evaluation of individual board members: awareness of the Company and responsibility, participation in the operation of the Company, the director's professionalism and continuing study, and internal control. 3. Performance evaluation of the Remuneration Committee: participation in the operation of the Company, improvement in the awareness of the duties of the Remuneration Committee, quality of decision making by the Remuneration Committee, composition of the Remuneration Committee, and election of its members. 4. Performance evaluation of the Audit Committee: participation in the operation of the Company, improvement in the awareness of the duties of the Audit Committee, quality of decision making by the Audit Committee, composition of the Audit Committee and election of its members, and internal control.

(II) Operations of the Audit Committee

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

Title	Name	Professional qualifications and experience
Convener	Hsiao, Hsing-Chin	Independent Director Hsiao, Hsing-Chin holds a PhD in Accounting and a CPA certificate from National Chengchi University, and is a Professor in the Department of Accounting Information, National Taipei University of Business, Director of the Small and Medium Enterprise Credit Guarantee Fund, and Corporate Supervisor of the Zhongwei Development Center Foundation. He is concurrently Independent Director of HongHwa Advanced Technology Corp. and Independent Director of Ares International Corp.
Committee member	Yeh, Te-Chang	Independent Director Yeh, Te-Chang holds a master's degree from the School of Economics, National Chengchi University, and serves as Supervisor of Maxkit Technology Co., Ltd. He is currently also an Independent Director of Carnival Industrial Corporation and Independent Director of DFI Inc.
Committee member	Liu, Hong-En	Independent Director Liu, Hong-En holds a PhD in Legal Science from Stanford University, USA, and serves as an Associate Professor at the Graduate Institute of Interdisciplinary Legal Studies, National Chengchi University, an Associate Professor jointly appointed by the International College of Innovation, National Chengchi University, a Research Fellow at the International AI Law Research Foundation, and the Director of the Center for Bioethics and Medical Law, National Chengchi University.

2. Term of office of current committee members: The Company established the Audit Committee in 2022. The term of office of the second-term committee members is from July 1, 2025, to June 30, 2028, and as of the end of March 2025 and 2026, the Committee held five meetings (A), with the attendance of the committee members as follows:

Title	Name	Actual number of attendances (B)	Number of proxy attendances	Actual attendance rate (%) (B/A)	Remarks
Convener	Hsiao, Hsing-Chin	3	-	100%	Elected on July 1, 2025
Convener	Wang, Hsuan	2	-	100%	Dismissed on June 30, 2025
Committee member	Yeh, Te-Chang	4	1	75%	Re-elected on July 1, 2025
Committee member	Liu, Hong-En	3	-	100%	Elected on July 1, 2025
Committee member	Lo, Yung-An	2	-	100%	Dismissed on June 30, 2025

Other matters to be recorded:

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

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

Session and term/date	Proposal content	Matters listed in Article 14-5 of the Securities and Exchange Act	Proposals not approved by the Audit Committee, but approved by more than 2/3 of all directors
13th meeting of the 1st term 2025.03.07	1. 2024 individual and consolidated financial statements	V	
	2. 2024 earnings distribution proposal	V	
	3. Proposal to issue the Company's 2024 "Declaration on Internal Control System"	V	
	4. Appointment, remuneration and independence of the Company's CPAs for 2025	V	
	Resolution result: All attending members passed the proposal as it was.		
	The Company's handling of the opinions of the Audit Committee: After being submitted to the 16th meeting of the 12th-term board of directors, the proposal was approved by all attending directors as it was.		
14th meeting of the 1st term 2025.05.05	1. Consolidated financial statements for the first quarter of 2025.	-	
	2. Bank credit line renewal.	V	
	3. Financing-nature commercial promissory note renewal.	V	
	Resolution result: All attending members passed the proposal as it was.		
	The Company's handling of the opinions of the Audit Committee: After being submitted to the 18th meeting of the 12th-term board of directors, the proposal was approved by all attending directors as it was.		
1st meeting of the 2nd term 2025.08.01	1. Proposal to elect the convener of the Company's 2nd Audit Committee.	V	
	2. Consolidated financial statements for the first half of 2025.	V	
	Resolution result: According to the election results, Committee member Hsiao, Hsing-Chin will serve as the convener and meeting chair of the second Audit Committee, and all attending members passed the proposal as it was.		

Session and term/date	Proposal content	Matters listed in Article 14-5 of the Securities and Exchange Act	Proposals not approved by the Audit Committee, but approved by more than 2/3 of all directors
	The Company's handling of the opinions of the Audit Committee: After being submitted to the 2nd meeting of the 13th-term board of directors, the proposal was approved by all attending directors as it was.		
2nd meeting of the 2nd term 2025.11.10	1. Consolidated financial statements for the first three quarters of 2025.	-	
	2. Proposal to formulate the Company's 2026 audit plan.	V	
	3. Proposal to amend the Company's "Procedures for Professional Accounting Judgment and Flow Management Methods for Changes in Accounting Policy and Estimates"	V	
	4. Proposal to amend the Company's "Internal Control System" and "Internal Audit Implementation Rules".	V	
	Resolution result: All attending members passed the proposal as it was.		
	The Company's handling of the opinions of the Audit Committee: After being submitted to the 3rd meeting of the 13th-term board of directors, the proposal was approved by all attending directors as it was.		
3rd meeting of the 2nd term 2026.03.09	1. 2025 individual and consolidated financial statements	V	
	2. 2025 earnings distribution proposal	V	
	3. Proposal to issue the 2025 Internal control system statement	V	
	4. Appointment, remuneration and evaluation of independence and performance of certifying CPAs for 2026.	V	
	Resolution result: 1. All attending members passed the first three proposals as they were. 2. Proposal No. 4 was passed by all attending members as proposed, and the Chairman of the Audit Committee was appointed as the proxy to give prior consent to the non-assurance services added in the future.		
	The Company's handling of the opinions of the Audit Committee: After being submitted to the 5th meeting of the 13th-term board of directors, the proposal was approved by all attending directors as it was.		

5. Separate Communications between the Company's Independent Directors, the Head of Internal Audit, and the CPAs

(1) Communication Methods between the Company's Independent Directors, the Head of Internal Audit, and the CPAs

- A. The Independent Directors hold meetings with the CPAs on a regular basis (at least four times per year) through the Audit Committee. The CPAs communicate with the Independent Directors regarding the audit of the Company's financial condition and the implementation of internal controls, including updates on relevant laws and regulations and explanations of matters with a significant impact on profit or loss.

- B. The Independent Directors hold meetings with the Head of Internal Audit on a regular basis (at least four times per year) through the Audit Committee to report on the execution status of the Company's internal audit and the operation of internal controls.

(2) Summary of Communications in 2025 and up to the end of March 2026

Date	Key Communication Points between Independent Directors and CPAs	Key Communication Points between Independent Directors and the Head of Internal Audit
2025.03.07	➤ Explanation of the scope, approach, and conclusions of the Group audit for 2024. ➤ Explanation of the key audit matters for 2024. ➤ EY Insight – Data Analysis. ➤ Explanation of updates to securities regulatory and tax laws and regulations.	➤ Report on key internal audit activities from December 2024 to January 2025. ➤ The internal audit unit communicated with attendees regarding questions raised.
	Communication Result: No objections.	Communication Result: No objections.
2025.05.05	➤ Explanation of the scope, approach, and conclusions of the Group review for the first quarter of 2025. ➤ EY Insight – Data Analysis ➤ Explanation of the 2025 audit schedule planning. ➤ Explanation of updates to securities regulatory and tax laws and regulations.	➤ Report on key internal audit activities from February to March 2025. ➤ The internal audit unit communicated with attendees regarding questions raised.
	Communication Result: No objections.	Communication Result: No objections.
2025.08.01	➤ Explanation of the scope, approach, and conclusions of the Group review for the second quarter of 2025. ➤ EY Insight – Data Analysis ➤ Explanation of updates to securities regulations.	➤ Report on key internal audit activities from April to June 2025. ➤ The internal audit unit communicated with attendees regarding questions raised.
	Communication Result: No objections.	Communication Result: No objections.
2025.11.10	➤ Explanation of the scope, approach, and conclusions of the Group review for the third quarter of 2025. ➤ EY Insight – Data Analysis ➤ Explanation of the 2025 Group audit schedule planning and key audit matters. ➤ Explanation of updates to securities regulations.	➤ Report on key internal audit activities from July to September 2025. ➤ Report on the results of the 2026 risk management assessment and the 2026 internal audit plan. ➤ The internal audit unit communicated with attendees regarding questions raised.
	Communication Result: No objections.	Communication Result: No objections.
2026.03.09	➤ Explanation of the scope, approach, and conclusions of the Group audit for 2025. ➤ Explanation of the key audit matters for 2025. ➤ EY Insight – Data Analysis ➤ Explanation of updates to securities regulatory and tax laws and regulations.	➤ Report on key internal audit activities from November 2025 to January 2026. ➤ The internal audit unit communicated with attendees regarding questions raised.
	Communication Result: No objections.	Communication Result: No objections.

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

Assessment items	Operation status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
I. Has the Company formulated and disclosed its corporate governance best practice principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	V		The Company has formulated and disclosed its corporate governance best practice principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and disclosed it on the MOPS and the Company's website.	Compliant with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
II. Company Equity Structure and Shareholders' Equity				Compliant with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
(I) Has the Company established internal operating procedures to handle shareholder suggestions, doubts, disputes and litigation, and implement them in accordance with the procedures?	V		(I) Regarding shareholders' suggestions, questions, disputes, and litigation matters, in addition to the spokesman system to answer and explain, shareholders can visit the Company's website at https://www.kian-shen.com/ to reflect their opinions, and the responsible unit will properly respond; in addition, a dedicated stock affairs unit is set up in the Finance Department to handle and respond at any time.	
(II) Does the Company have a list of the major shareholders who actually control the Company and the final controllers of the major shareholders?	V		(II) The Company keeps track of the list of the major shareholders who actually control the Company and the ultimate controllers of major shareholders, and file shareholding and share pledge and release in accordance with the information reporting procedures for TWSE listed companies.	
(III) Has the Company established and implemented risk control and firewall mechanisms with affiliated enterprises?	V		(III) The Company implements risk control and firewall mechanisms with its affiliates in accordance with the "Regulations Governing Operations Related to Finance and Business Between Related Parties".	

Assessment items	Operation status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary	
(IV) Has the Company formulated internal regulations to prohibit insiders from trading securities using information not yet published on the market?	V		(IV) The Company has formulated "Management Procedures for Preventing Insider Trading" to prohibit insiders from trading securities using information not yet published on the market.	
III. Composition and Responsibilities of the Board of Directors				Compliant with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
(I) Does the board of directors plan to establish diversity policies, specific management goals, and implement them?	V		(I) The Company has established relevant regulations on the composition and diversification of board members in the "Measures for Election of Directors". Board members not only have different gender and nationalities, but also have work experience in different fields, possessing the necessary knowledge, skills and literacy to perform their duties, such as operational judgment, accounting and financial analysis, business management, crisis management, industrial knowledge, international market perspective, leadership and decision-making. For details, please refer to the attachment and "Board Member Information" on the Company's website.	
(II) In addition to setting up the Remuneration Committee and the Audit Committee according to law, has the Company voluntarily set up other functional committees?	V		(II) The Company has established the Remuneration Committee and the Audit Committee in accordance with laws and regulations, and will evaluate and establish other functional committees based on the needs of corporate governance and risk management operations.	

Assessment items	Operation status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
(III) Has the Company formulated the performance evaluation measures and the evaluation method for the board of directors, conducted the performance evaluation annually and regularly, and submitted the results of the performance evaluation to the board meeting and used them for the reference of individual directors' remuneration and nomination for renewal?	V		(III) The Company has completed the formulation of the Measures for Performance Evaluation of the Board of Directors, and conducts the annual performance evaluation in late December of each year and submits the evaluation results to the following year's board meeting for reporting. The performance evaluation report for the board of directors for 2025 was completed as required, and submitted to the 5th meeting of the 13th board of directors (March 9, 2026). In addition, in accordance with the Measures, an external performance evaluation is conducted on the board of directors every three years, and the Company commissioned the Taiwan Corporate Governance Association to carry out the evaluation in September 2024, and the report was issued in October of the same year. The Company's procedure for setting remuneration is based on the "Measures for Performance Evaluation of the Board of Directors" which serves as the evaluation basis, and reasonable remuneration is given with reference to the overall operational performance of the Company, the decision-making quality of the board of directors and functional committees, and the evaluation results of the internal control system and individual performance. The appropriateness of the related remuneration has been reviewed by the Compensation Committee and the Board of Directors to seek a balance between the Company's sustainable operations and risk management.	Compliant with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Assessment items	Operation status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary	
(IV) Does the Company regularly evaluate the independence of its certifying CPAs?	V		(IV) The evaluation of the independence of certifying CPAs is explained as follows: 1. In accordance with the "Corporate Governance Best-Practice Principles", the Company evaluates the independence of CPAs with reference to the Audit Quality Indicators (AQIs) on a regular basis (once a year). We have prepared the evaluation table, which was attached, and obtained the declaration of independence issued by the CPA firm and AQI information. After evaluation, the Ernst & Young CPAs Huang, Yu-Ting and Huang, Chien-Tse appointed by the Company for 2026 did not violate the provisions of accounting laws and regulations on independence in learning, and their work experience and professional qualifications meet the eligibility requirements. 2. The evaluation criteria include the interest relationship between the CPAs and the Company, whether they are prone to double standards, whether they act as advocates for the Company, whether they are familiar with the Company's personnel, whether they have been coerced by the Company, and the duration of their practice. 3. According to the assessment made by the Audit Committee and the Board of Directors in March 2026, the CPAs appointed by the Company are independent.	

Assessment items	Operation status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
IV. For a TWSE/TPEX listed company, has it allocated eligible and an appropriate number of corporate governance personnel, and designated a director of corporate governance to be responsible for corporate governance related matters (including but not limited to providing information necessary for directors and supervisors to perform business, assisting directors and supervisors in complying with laws and regulations, handling matters related to the board meeting and shareholders' meeting according to law, and preparing minutes of the board meeting and shareholders' meeting, etc.)?	V		Chen, Yi-Yu (with more than three years of professional experience in the financial management of public companies), Manager of the Company's Finance Department, is responsible for supervising corporate governance affairs, and the Company has designated Finance Department as the responsible unit for corporate governance with currently 10 persons. The main responsibilities of the corporate governance unit are to handle matters related to the Company's board of directors and shareholders' meetings, prepare minutes of board of directors and shareholders' meetings, provide directors with the information required for business execution, and report to the board of directors the results of the review of independent directors' qualifications with relevant laws and regulations during their tenure, and other corporate governance related affairs. For details on the implementation of corporate governance affairs in 2025 and the continuing education of the corporate governance officer, please refer to the Company's website.	Compliant with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
V. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers), set up stakeholder zones on the Company's website, and properly responded to important	V		The Company has a website at https://www.kian-shen.com/, which discloses financial, business, and corporate governance-related information. On the Company's website at: https://www.kian-shen.com/, a Stakeholders Area has been set up, and there are contact methods at all levels for stakeholders (customers, the general public, and suppliers) to express their opinions and respond appropriately.	Compliant with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Assessment items	Operation status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary	
corporate social responsibility issues of concern to stakeholders?				
VI. Has the Company appointed a professional stock affairs agency to handle the affairs of the shareholders' meeting?		V	The Company handles its own stock affairs and responds to shareholder suggestions at any time.	Compliant with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
VII. Information Disclosure (I) Has the Company set up a website to disclose financial business and corporate governance information?	V		(I) The Company has a website at https://www.kian-shen.com/ , which discloses financial, business, and corporate governance-related information. The Company has a website at https://www.kian-shen.com/ , which discloses financial, business, and corporate governance-related information.	Compliant with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
(II) Has the Company adopted other methods of information disclosure (such as setting up an English website, appointing a special person to be responsible for the collection and disclosure of company information, implementing the spokesperson system, placing on the company website the corporate investor briefing process, etc.)?	V		(II) The Company has built a Chinese and English website with the spokesman's contact method on it. At the same time, a dedicated person is designated to collect and disclose company information. The relevant information about corporate investor briefings has also been placed on the Company website for investors to view.	

Assessment items	Operation status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
(III) Has the Company announced and filed its annual financial report within two months after the end of the fiscal year, and announced and filed its first, second, and third quarter financial reports and monthly operating conditions before the prescribed time limit?		V	(III) The Company currently files its financial report and monthly operating status on the prescribed date in accordance with the "Business Matters to Be Handled by Listed Securities Issuers".	Compliant with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
VIII. Does the Company have other important information that can help to understand the operation of corporate governance (including but not limited to employee rights and interests, employee care, investor relations, supplier relations, rights of interested parties, directors and supervisors' further study, implementation of risk management policies and risk measurement standards, implementation of customer policies, and the Company's purchase of liability insurance for directors and supervisors)?	V		Please refer to the note.	Compliant with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Assessment items	Operation status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
IX. Please explain the situation that has been improved according to the corporate governance evaluation results issued by the Corporate Governance Center of Taiwan Stock Exchange Corporation in the most recent year, and propose priority strengthening items and measures for those that have not been improved. The results of the 12th (2025) "Corporate Governance Assessment" are to be announced at the end of April. For the unscored indicator of the 11th board of directors (2024) announced in April 2025, the Company itself strives to score, as follows: (I) The Company plans to hold the general shareholders' meeting on May 26, 2026, where the report on directors' remuneration will be listed as a separate agenda item. The meeting will also explain the directors' remuneration policy and disclose the detailed remuneration for each director and independent director in order to meet the score requirement of Indicator 1.1. (II) The Company prepared its sustainability report based on the GRI Standards issued by the Global Reporting Initiative (GRI), and with reference to the SASB and TCFD guidelines, and submitted it to the Board of Directors on August 1, 2025. The report was also uploaded to the Market Observation Post System and disclosed on the Company's official website (https://www.kian-shen.com/tw/Web/csr_1) to meet the score requirement of Indicator 4.4.				
X. Note: Important information that helps to understand the operation of corporate governance. Employee rights: The Company implements various protections for the rights and interests of employees in accordance with the Labor Standards Act, and has established an Employee Handbook which outlines the rights employees should have. Employees' rights and interests are disclosed on the Company's internal website and bulletin boards from time to time. (I) Employee care: The Company's various measures for employee care include setting up the employee cafeteria, dormitory, library, health rm, nursing rm, staff lounge, etc. Additionally, we subsidize employee travel, and regularly organize employee health checks. (II) Investor relationship: The Company regularly announces information on its future development and financial status that investors are concerned about on the Company's website, and holds corporate investor briefing sessions at least twice every year to explain the current operating status and future prospects to investors. The Company has established a spokesman system to provide investors with answers to relevant questions and explain the Company's future development. (III) Supplier relationship: The Company's Procurement Section is in charge of the development, negotiation, evaluation and management of domestic and foreign suppliers. We also handle quality improvement of parts from suppliers from time to time, and explain the Company's annual plan and future development to suppliers every year. (IV) Rights of stakeholders: The Company manages the rights and obligations of stakeholders in a manner that complies with laws and regulations, and requires relevant units of stakeholders to correspond accordingly. (V) Further study of directors (including independent directors): The Company regularly provides information on further study to directors (including independent directors), and encourages directors (including independent directors) to participate in further study; in addition, in response to the implementation of new laws or accounting systems, we also arrange external professional instructors to offer classes for directors (including independent directors), and the total training hours in 2025 is 84 hours. The relevant training hours are				

Assessment items	Operation status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary	
disclosed on the Market Observation Post System.				
(VI)	Implementation of risk management policies and risk measurement standards: The Company has established the Audit Office and conducts regular audits of potential risks. In addition to reporting the implementation of audit plans and the improvement and tracking of abnormal items to the Audit Committee and the Board of Directors on a quarterly basis, the Company conducted its annual risk assessment in September 2025. This assessment was reviewed by the Risk Management Team to enhance risk identification and to initiate risk control and countermeasures. On November 10, 2025, the Audit Committee and the Board of Directors supervised risk management. Based on the Company's risk assessment results and the opinions of major stakeholders, the audit plan for 2026 was formulated. On March 9, 2026, the Audit Committee and the Board of Directors were reported on the operation status of risk management for 2025.			
(VII)	Implementation of customer policy: The Company maintains a stable and good relationship with customers to create company profits.			
(VIII)	The Company's purchase of liability insurance for directors (including independent directors): In order to strengthen corporate governance, the Company purchases liability insurance for directors (including independent directors) every year, and the relevant situation is disclosed on MOPS.			
(IX)	Succession plan for board members and key management: Please refer to the Company's website/Human Resources/Training and Development/Training System.			

Attachment: Accountant Independence Assessment Form

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

Evaluation direction	Situations affecting independence		Evaluation result	Violation of independence Independence	
				Yes	No
(V) Evaluation of whether the CPA is coerced by the company	12	To reduce public expenses, pressure is exerted on members of the audit service team to inappropriately reduce the audit work that are required to perform.	No such situation.		✓
	13	The Company requires members of the audit service team to accept management's improper choices in accounting policies or improper disclosures in the financial statements.	No such situation.		✓
(VI) Evaluation during the CPA's professional career.	14	Whether the same CPA has been performing the audit services for more than seven years (including the current year).	No such situation.		✓

(IV) Composition and operation status of Remuneration Committee:

1. Information of Remuneration Committee members

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

2. Operation status of Remuneration Committee

- (1) The Company's Remuneration Committee has three members.
- (2) Term of office of current committee members: The term of office of the 6th-term committee members is from July 1, 2025 to June 30, 2028, and for 2025 and until the end of March 2026, the committee held four meetings (A), with the attendance of the committee members as follows:

Title	Name	Actual number of attendances (B)	Number of proxy attendances	Actual attendance rate (%) (B/A)	Remarks
Convener	Liu, Hong-En	3	-	100%	Elected on July 1, 2025
Convener	Lo, Yung-An	1	-	100%	Dismissed on June 30, 2025
Committee member	Yeh, Te-Chang	4	-	100%	Re-elected on July 1, 2025
Committee member	Hsiao, Hsing-Chin	3	-	100%	Elected on July 1, 2025
Committee member	Wang, Hsuan	1	-	100%	Dismissed on June 30, 2025
Other matters to be recorded:					
1. If the board meeting does not adopt or amend the suggestions of the Remuneration Committee, state the date of the board meeting, the session, the content of the proposal, the resolution of the board meeting, and the Company's handling of the opinions of the Remuneration Committee (if the remuneration adopted by the board meeting is superior to the suggestions of the Remuneration Committee, state the circumstances and reasons for the differences): No such situation.					
2. If the members of the Remuneration Committee disagree or reserve their opinions on the resolutions, and there are records or written statements in place, state the date, session, content of the proposal, opinions of all members, and the handling of the opinions of the members: No such situation.					

(3) Operation status of Remuneration Committee:

Session and term/date	Proposal content	Resolution result	The Company's handling of the opinions of the Remuneration Committee.
8th meeting of the 5th term 2025.03.07	1. Distribution of directors' and employees' remuneration for 2024.	All attending members passed the proposal as it was.	After being submitted to the 16th meeting of the 12th-term board of directors, the proposal was approved by all attending directors as it was.
1st meeting of the 6th term 2025.08.01	1. Election of the Convener and meeting chairman for the 6th Remuneration Committee.		After being submitted to the 2nd meeting of the 13th-term board of directors, the proposal was approved by all attending directors as it was.
2nd meeting of the 6th term 2025.12.18	1. Adjustment to managers' salaries for 2025.		After being submitted to the 4th meeting of the 13th-term board of directors, the proposal was approved by all attending directors as it was.
	2. Proposal to set up the 2026 business performance goals.		
3rd meeting of the 6th term 2026.03.09	1. Distribution of directors' and employees' remuneration for 2025.		After being submitted to the 5th meeting of the 13th-term board of directors, the proposal was approved by all attending directors as it was.

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

Promotion item	Implementation status			Differences from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
I. Has the Company established a governance structure to promote sustainable development, and set up a full-time (part-time) unit to promote sustainable development, which is authorized by the board meeting to be handled by senior management and supervised by the board of directors?	V		The Company has established a Sustainable Development Committee and designated the “Management Department” as the responsible unit for promoting sustainable development. The President serves as the Chairperson, and the committee structure is established in accordance with the Company's organizational setup. The committee is responsible for executing matters related to corporate sustainability. It reports annually in March to the Board of Directors on the implementation results of sustainable development. On March 9, 2026, it reported to the Board of Directors on the implementation status of promoting sustainable development for the year 2025, and also disclosed it on the Company's website. Sustainability-related strategies are closely tied to the Company's mid- and long-term development. Therefore, the Board of Directors members are appropriately assigned to guide the committee in planning sustainable development strategies. Additionally, at the end of each year, the Board of Directors discusses the budget for the following year and approves the operating performance goals.	Compliant with the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
II. Does the Company conduct risk assessment on environmental, social and corporate governance issues related to the company's operations in accordance with the principle of materiality, and has it formulated relevant risk management	V		The Company is mainly engaged in the manufacturing and sales of automotive parts, and has not engaged in high-leverage or high-risk investments. It has functional committees (such as the Remuneration Committee and Audit Committee) to inspect and manage relevant risks and response strategies at any time based on the standards that directors and operators should comply with. In addition, each functional unit of the Company conducts detailed risk identification based on division of labor, and has formulated relevant management policies to effectively reduce the risks of the Company's operations, including: 1. Operational Risk Management	Compliant with the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Promotion item	Implementation status			Differences from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
policies or strategies?			(1) Implementing policies for ethical corporate management (2) Insuring liability insurances for directors and key personnel (3) Actively collecting information on laws, regulations, policies, and market changes, and developing countermeasures (4) Implementing corporate governance training to take precautions against the impact and influence of legislative amendments. 2. Financial Risk Management (1) Integrating financial control mechanisms and tax planning (2) Regularly implementing currency hedging measures (3) Carefully evaluating market liquidity and bank interest rates (4) Strategically evaluating the benefits of reinvested companies. 3. Environmental and Climate Risk Management (1) Obtaining the ISO-14001: 2015 certification, valid from 2023/12/29 to 2026/12/28 (2) Establishing various standard operating procedures for emergency response to address changes due to force majeure (3) Developing disaster prevention and reporting mechanisms. 4. Occupational Safety and Health Risk Management (1) Establishing a dedicated unit to plan and supervise safety and health operations, and continuously improving personnel, equipment and environmental risks (2) Developing a "Targeted Improvement Plan" and continuously tracking and confirming progress. 5. Information Management Risk (1) Implementing the ISO 27001 information security management system and obtaining certification (2) Developing a confidential data protection management policy and implementing confidential data protection (3) Creating an information security manual (4) Setting up endpoint protection systems and conducting strict network monitoring.	

Promotion item	Implementation status			Differences from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			6. Intellectual Property Risk Management (1) Leveraging existing design technologies and the capabilities of suppliers' products to develop new product applications and expand new business opportunities.(2) Establishing an intellectual property management plan aligned with the Company's operational objectives, and continuously maintaining the patent rights of the Company's self-developed products.(3) Applying for patents in conjunction with project development to protect the Company's intellectual property rights.(4) Reporting to the Board of Directors on a regular annual basis. On March 9, 2026, the implementation status of the intellectual property management for 2025 was reported to the Board of Directors and disclosed on the Company's website.	
III. Environmental Issues (I) Has the Company established an appropriate environmental management system according to its industrial characteristics?	V		(I) The Company has obtained the ISO-14001:2015 version of the environmental management system certification, and continues the validity of the certificate. Speak, write and produce consistently for system specifications. Assigned dedicated personnel for waste, air pollution and wastewater, who regularly file discharge volumes. Assignment of dedicated personnel: Waste: Level B waste treatment technicians. Air pollution: Dedicated Level B air pollution control personnel. Wastewater: Dedicated Level A wastewater treatment personnel. Energy: Energy administrators.	Compliant with the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
(II) Is the Company committed to improving energy efficiency and using renewable materials with low	V		(II) 1. The Company upholds garbage classification to reduce resource waste, established internal web pages, promotes paperless official documents, reduces paper consumption, installs inverters on	

Promotion item	Implementation status			Differences from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
impact on the environment?			machinery to control standby power consumption to save energy, and changes the production process to reduce the use of oil and paint. 2. Introduced entry of energy-saving equipment, added solar panels, and introduced power monitoring system. 3. Regularly files to the Environmental Protection Bureau the emission standards of waste produced, sets environmental, safety and health goals/targets annually for management, and improves equipment. 4. Promote equipment improvement, process improvement, and optimization of other ancillary equipment. 5. Five major energy-saving improvement projects promoted in 2025: (1) Upgrading the chiller main unit at the electrophoretic painting site to a Grade 1 Energy Efficiency variable frequency chiller. (2) Replacing the roots blower at the wastewater treatment plant with an energy-saving turbo blower. (3) The 15HP air compressor used for night-time oil painting of wooden beds, which had a low load rate, was replaced with a 10HP variable frequency air compressor. (4) Adjustment and optimization of the pressure difference settings between fixed-frequency and variable-frequency air compressors in the shared compressor area. (5) Complete the establishment of the EMS Energy Management System to strengthen energy management. 6. In 2025, the Company continued to promote energy-saving improvements, resulting in an annual electricity consumption of 4,401,200 kWh, a saving of 313,017 kWh compared to the	

Promotion item	Implementation status			Differences from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			previous year, with a reduction rate of 6.98%. The sales revenue for the year simultaneously decreased by 14.6%. Despite the reduction in operational scale, the overall energy-saving effectiveness still showed a positive performance. The Company is aligning with operational adjustments to continuously review the power usage structure and equipment efficiency, balancing operational needs with rational energy use. Moving forward, in accordance with the spirit of the Sustainable Development Best Practice Principles, the Company will continue to refine its energy-saving management mechanism to narrow the gap with best practices.	
(III) Does the Company assess the potential risks and opportunities of climate change to the enterprise now and in the future, and take countermeasures for climate related issues?	V		(III) 1. The Company is very concerned about the environmental impact of climate change, and voluntarily discloses carbon emissions through inventory checks. At the same time, an energy conservation group is established, with each department assigning a window to carry out energy conservation statistical analysis, and regular meetings are held every quarter. 2. In the annual inventory check of the ISO-14001:2015 environmental management system, energy-saving improvement measures are included in the annual special improvement projects.	Compliant with the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
(IV) Does the Company count the greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulate policies	V		(IV) 1. To ensure the systematic management of various environmental issues, the Company has introduced the ISO 14001 environmental management system certification, and regularly reviews the achievement of goals and environmental improvement performance. The Company also regularly convenes	

Promotion item	Implementation status			Differences from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
for energy conservation and carbon reduction, greenhouse gas reduction, water reduction or other waste management?			relevant department heads every month to review and improve the internal environmental KPIs of the factory. 2. The statistics on greenhouse gases, water consumption and waste materials in the past two years are as follows: (1) Greenhouse gas: The Company introduced various energy-saving improvement measures, with a goal of reducing emissions by 3% each year; the greenhouse gas emissions in 2024 were 3,904 tons CO₂e, and the preliminary statistics for 2025 show emissions of 3,529 tons CO₂e, a reduction of 9.6%. The assurance of 2025 emissions is currently underway. (2) Water consumption: The Company continuously measures, monitors and directly operates water resources consumption, and plans to improve the efficiency of water consumption for operations and reduce pollution. The goal is to reduce total water consumption by more than 1% annually as a medium- to long-term management objective, gradually strengthening water-saving and water management measures. The water usage for 2024 and 2025 was 23,347 tons and 67,937 tons, respectively, an increase of 190% compared to the previous year. The reasons for the increase in water usage were the renovation of the fire water tank, maintenance of various tanks in the electrophoretic deposition (ED) pre-treatment pool, and the use of recycled water for cleaning in the production process on-site. (3) Waste: The waste generated by the	

Promotion item	Implementation status			Differences from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			Company is general production waste, which is disposed of through incineration, physical treatment and recycling according to the "Waste Cleaning Plan". We have signed contracts with qualified vendors and entrusted them with disposal. In 2024 and 2025, the waste disposal volumes were 163.79 tons and 135.72 tons, respectively, a reduction of 17.14% compared to the previous year, indicating that the Company has achieved certain effectiveness through process management, recycling and reuse, and material review measures.	
IV. Social Issues (I) Has the Company formulated relevant management policies and procedures in accordance with relevant regulations and international human rights conventions?	V		(I) The Company designated the “Management Department” as the responsible unit for human rights management, and complies with labor related laws and regulations, and adheres to internationally recognized human rights norms and principles, including the spirit and basic norms of the United Nations Global Covenant, the United Nations Universal Declaration of Human Rights, and the International Labor Organization Declaration of Fundamental Principles and Rights of Engineering. We protect employees' basic human rights, including freedom of association, collective bargaining rights, caring for disadvantaged groups, prohibiting the use of child labor, eliminating any form of forced labor, and eliminating employment and work discrimination, and do not engage in activities that harm the basic rights of workers. For details, please refer to "Human Rights Policy" on the Company's website. The Company’s “Human Rights Policy” is available on the Company’s website (https://www.kian-shen.com/tw/Web/page/66).	Compliant with the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Promotion item	Implementation status			Differences from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
(II) Has the Company formulated and implemented reasonable employee welfare measures (including salary, vacation and other benefits), and appropriately reflected the business performance or results in employee compensation?	V		(II) 1. The Company and its Employee Welfare Committee regularly discuss various employee welfare measures every year, including domestic and foreign tour assistance, language learning subsidies, annual health checks, scholarships and maternity bonuses. 2. The Company has achieved equal pay for the same work and equal promotion opportunities for men and women. The average proportion of female employees in 2025 was 17%, the average proportion of female supervisors was 8%. 3. The salaries paid on a monthly basis are included in the salaries of the Company's employees. In addition, the Company calculates and allocates quarterly bonus, three festival bonuses, additional annual bonus, management team performance and other incentive bonuses, as well as employees' remuneration that is not less than 0.1% of the annual pre tax net profit before deduction of employees' remuneration and directors' remuneration according to the Company's Articles of Association. Among them, the remuneration distributed to the grassroots employees is not less than 0.05%. The amount and distribution method are determined by the Resolution by the Board of Directors and reported to the shareholders' meeting. The amount allocated to each employee is determined by his/her position, contribution, and performance. The average employee salary adjustment is disclosed on MOPS. 4. According to the Company's "Business Management Measures", the management team formulates business plans and strategic objectives, tracks the	Compliant with the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Promotion item	Implementation status			Differences from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			progress of execution and corrects the plan every quarter, conducts employee evaluation every six months, and reflects the results of the stage at the right time. Rewards are given through the "Promotion Management Measures" and "Incentive Management Measures". For details, please refer to "Employee Benefits" on the Company's website.	
(III) Does the Company provide a safe and healthy working environment for employees, and conduct regular safety and health education for employees?			(III) Introduction of ISO 45001: The Company obtained in 2018 the Occupational Safety and Health Management Certification, which is valid from December 6, 2023 to December 6, 2026. 1. The Company arranges annual health checks for employees, with the most recent one conducted on September 5, 2025, including general health examinations and special health examinations for a total of 285 people. 2. The Company, in accordance with relevant regulations, conducts environmental measurement and inspections twice a year, specifically in January and July. The inspection items include factors such as noises, organic solvents, and lighting in the work environment. The results of all inspections comply with the standards set by the competent authority, indicating that the work environment is maintained in a safe and compliant state. 3. The Company regularly holds health promotion lectures related to occupational safety, health management, and lifestyle healthcare, and posts safety, hygiene, and health promotion slogans in the factory and office areas to enhance employees' awareness of occupational safety, hygiene, and health risks, creating a safe and friendly working	Compliant with the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Promotion item	Implementation status			Differences from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			environment. 4. The Company has established a "Safety and Sensory Training Hall" within the factory, which uses scaled-down simulations of high-risk machinery and equipment to present actual working scenarios. This is intended to strengthen personnel's understanding of potential hazards and their risk identification capabilities. The training hall is used for the safety and health education and training of new employees, in-service employees, and contractors, to enhance the overall personnel's awareness of occupational safety and health, reduce the risk of occupational accidents, and create a safe and healthy workplace. 5. The Company itself complies with the relevant provisions of the "Labor Health Protection Rules" and the "Personal Data Protection Act" by explaining the content of health examination items superior to statutory requirements to employees in advance and conducting a comprehensive survey of individual wishes. The implementation is based on the results of employees' voluntary consent, balancing labor health promotion and the protection of personal privacy rights. 6. A physician from the Department of Occupational Medicine is scheduled to conduct factory inspections monthly, during which personal health care and consultation services are provided to employees from time to time. Relevant health education and promotion are also conducted to help employees enhance their health awareness and to early detect and prevent potential health risks. 7. There were no major disasters (or fires) in 2025. The Company carry out irregular audits for each work	

Promotion item	Implementation status			Differences from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons															
	Yes	No	Summary																
			environment, and establish a disaster emergency response organization that regularly organizes education and training, firefighting, emergency evacuation, and disaster prevention drills to implement the concept of "disaster prevention for everyone." 8. Occupational disasters in 2025: <table><tr><th>Content</th><th>2024</th><th>2025</th></tr><tr><td>Employee disability injury frequency (FR)</td><td>6.88</td><td>0</td></tr><tr><td>Number of employee commuting disability cases</td><td>1 cases (victim)</td><td>3 cases (victim)</td></tr><tr><td>Disability injury frequency of third-party manufacturers (FR)</td><td>0 case</td><td>0 case</td></tr><tr><td>Major occupational disasters</td><td>0 case</td><td>0 case</td></tr></table> After review, the Company has taken practical actions to reduce the occurrence rate of disasters: (1) Publicity of prohibited behavior. (2) Automatic check for the implementation status. (3) 4RKY hazard prediction activity. (4) Monthly safety inspections and irregular audits. (5) Safety related activities and competitions.	Content	2024	2025	Employee disability injury frequency (FR)	6.88	0	Number of employee commuting disability cases	1 cases (victim)	3 cases (victim)	Disability injury frequency of third-party manufacturers (FR)	0 case	0 case	Major occupational disasters	0 case	0 case	
Content	2024	2025																	
Employee disability injury frequency (FR)	6.88	0																	
Number of employee commuting disability cases	1 cases (victim)	3 cases (victim)																	
Disability injury frequency of third-party manufacturers (FR)	0 case	0 case																	
Major occupational disasters	0 case	0 case																	
(IV) Has the Company established an effective career development training program for employees?	V		(IV) The Company's Management Department is responsible for planning and implementing training, including pre-employment training, on-the-job training, multifunctional training, and further study courses in English and Japanese, and appropriate employees are designated to participate in various professional skills courses. The training cost totaled NT\$526 thousand in 2025, for a total of 6,095 hours.																
(V) Does the Company comply with relevant laws and regulations and international standards on issues	V		(V) 1. The Company has formulated relevant measures as follows to gain customers' trust and satisfaction with its products: (1) Customer Service Measures (2) The "Customer Complaint Handling																

Promotion item	Implementation status			Differences from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
such as customer health and safety, customer privacy, marketing and labeling of products and services, and has it formulated relevant policies and complaint procedures to protect the rights and interests of consumers or customers?			Measures" requires that after the product is sold, the Company continues providing services to customers, meet their needs, and safeguard the rights of consumers and stakeholders. 2. The products produced by the Company comply with the regulations and the requirements of the central factory, and the production is carried out in accordance with the standards of the international quality system ISO9001 and IATF16949.	
(VI) Has the Company formulated a supplier management policy that requires suppliers to comply with relevant specifications on issues, such as environmental protection, occupational safety and health or labor human rights, and the implementation status?	V		(VI) - Suppliers must comply with the ISO 9001 quality management system certification, and requires suppliers to avoid, reduce, or control the generation and discharge of any form of pollutants or waste. - The introduction of new suppliers requires basic information, organizational structure, and business certification (approval letter), and regulated materials must comply with government regulations. - Suppliers are required to comply with environmental laws and regulations, the Company conducts occasional visits and holds symposiums to increase the understanding of and assistance to stakeholders.	
(B/F)			- The Company adopts a one-year contract system for suppliers, and the contents already include the supplier's compliance with terms such as quality, technology, safety and health. If any of the terms are violated or any illegal activities occur, the contractual partnership can be terminated at any time. - In 2025, related educational training sessions for hazard notification were	Compliant with the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Promotion item	Implementation status			Differences from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			conducted for suppliers and contractors, accumulating a total of 120 training hours throughout the year. The content covered operational risk identification, safety precautions, and relevant safety and health regulations, with the aim of enhancing the occupational safety and health awareness of supply chain and contractor personnel, thereby reducing the likelihood of operational risks. 6. The Company conducts monthly evaluations of suppliers, focusing on service, product quality, and delivery punctuality. A range of evaluation mechanisms, including contract termination, rewards, and on-site coaching, are implemented in accordance with these assessments. Occasionally, supplier conferences are held to share information about the sustainability philosophy and objectives, as well as to acknowledge suppliers who have shown outstanding performance.	
V. Has the Company prepared the sustainability report or guidelines that disclose non-financial information of the company by reference to internationally accepted reporting standards or guidelines? Has the aforementioned report obtained the assurance or guarantee opinion of a third-party certification organization?	V		The Company's 2025 sustainability report is prepared in accordance with the "Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" issued by the Taiwan Stock Exchange and in compliance with the GRI Sustainability Reporting Standards (GRI Standards) issued by the Global Reporting Initiative in 2021, the AA 1000 AccountAbility Principle Standard, the industry disclosure standards issued by the Sustainability Accounting Standards Board (SASB), and the Task Force on Climate-related Financial Disclosures (TCFD) as the disclosure frameworks. The 2025 sustainability report covers various aspects of corporate social responsibility management, key topics and issues, project performance, and other information. In addition, the report was reviewed by the heads of relevant departments and the	Compliant with the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Promotion item	Implementation status			Differences from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			Chairperson of the Sustainable Development Committee, based on their professional knowledge and management experience, and was commissioned to EY Taiwan to perform a limited assurance procedure in compliance with the Standard on Assurance Engagements 3000 and the "Directions for the Implementation of Assurance Institutions for the Sustainability Report of TWSE/TPEX Listed Companies" issued by the Taiwan Stock Exchange, as well as the "Q&A of the Directions for the Implementation of Assurance Institutions for the Sustainability Report of TWSE/TPEX Listed Companies."	
VI. If the Company has its own Sustainable Development Best Practice Principles in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", please describe the differences between their operations: The Company has formulated its Sustainable Development Best Practice Principles according to the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", established a complete internal control system, and disclosed the annual implementation of its Sustainable Development Best Practice Principles and Sustainable Development Report on the Company's website. All operations are conducted in compliance with laws and regulations, and there are no discrepancies.				
VII. Other important information that facilitates the understanding of the implementation of sustainable development: The Company itself has separately established full-time units including "Corporate Governance", "Environmental Sustainability Development", "Stakeholder Care", and "Labor Workers' Rights and Social Care" groups, with the Finance Department, Management Department, Business Department, and Manufacturing Department serving as the main responsible departments of each group. (I) Corporate governance: The 11th (2024) corporate governance appraisal ranked the Company in the top 21% - 35%. The results of the 12th (2025) corporate governance appraisal will be announced at the end of April. (II) Environmental sustainability: Actively promoting energy-saving and carbon reduction measures by implementing improvement projects such as upgrading the chiller main unit at the electrophoretic painting site to a level 1 energy-efficient and high-efficiency variable frequency chiller, replacing the Roots blower at the wastewater treatment plant with an energy-saving air suspension blower, replacing the 15HP air compressor used for night-time oil painting of wooden beds with a 10HP variable frequency air compressor due to low load rate, optimizing the differential pressure settings between fixed-frequency and variable-frequency air compressors in the shared compressor area, and completing the establishment of the EMS Energy Management System to strengthen energy management. Additionally, evaluating and replacing high energy-consuming equipment and devices				

Promotion item	Implementation status			Differences from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons												
	Yes	No	Summary													
			annually and installing solar panels in the factory for self-generated power to reduce carbon emissions and fulfill corporate environmental responsibilities.													
(III)			Stakeholder care: The Company visits the village chiefs in the communities (Hsiu-Tsai-Li and Tai-Ping-Li) before the 25th day of each month to learn about the needs of stakeholders and provide assistance in order to maintain the safety of residents in the village.													
(IV)			Community development: Active engagement in diverse community welfare initiatives and voluntary community service in Taoyuan City is regarded as a top priority. Additionally, efforts are made to collaborate with the Xiucan Village cleaning campaign and coordinate the Xiucan Mountain Climbing and Mountain Walk, both of which aim to mitigate environmental pollution. Actively promote environmental protection and social participation actions. In 2025, the Company participated in the central plant environmental protection activities—"Taoyuan Zhuwei Beach Clean-up" and "Beach Clean-up, Protect the Ocean & Roll to the Future," with a total of 26 participants contributing 104 service hours.													
(V)			The Company organized a winter warmth-giving event, donating funds to five social welfare organizations, including the Yangmei District Yude Children's Home and the Kangfu Intelligent Development Center. The total donation amount for 2025 amounted to NT\$150 thousand.													
(VI)			Industry-academia cooperation: To fulfill corporate social responsibility, industry-academia cooperation is used to provide students with practical experience in related industries before they enter the job market, and to improve their employment opportunities; at the same time, it also improves the company's core technology and reserve talents. The main focus is on those who are willing to intern at the factory. In the future, the Company will develop cooperation with more schools based on its characteristics and business needs. The status of industry-academia cooperation in 2025 is as follows:													
			<table><tr><th>School</th><th>Number of people</th><th>Period</th></tr><tr><td>Ming Chi University of Technology</td><td>3</td><td>2024/09/01~2025/09/05</td></tr><tr><td>Vanung University</td><td>2</td><td>2024/07/02~2025/06/30</td></tr><tr><td>Tongtex Secondary High School</td><td>6</td><td>2025/08/01~2026/05/31</td></tr></table>	School	Number of people	Period	Ming Chi University of Technology	3	2024/09/01~2025/09/05	Vanung University	2	2024/07/02~2025/06/30	Tongtex Secondary High School	6	2025/08/01~2026/05/31	
School	Number of people	Period														
Ming Chi University of Technology	3	2024/09/01~2025/09/05														
Vanung University	2	2024/07/02~2025/06/30														
Tongtex Secondary High School	6	2025/08/01~2026/05/31														
(VII)			Social service: Participating in Yangmei Police Station's police friend association activities to strengthen good local interactive relationships.													
(VIII)			Human rights: Setting up dedicated parking spaces for pregnant women, providing maternity gifts, nursing rooms, health counseling for postpartum mothers, and holding a monthly counseling and care meeting for foreign (Thailand/Indonesia) employees to collect opinions and actively improve their lives and work, as well as enhancing the living environment and quality of life for foreign employees to provide them with good living conditions.													
(IX)			Health promotion: Taking care of the health and safety of employees, hiring a "Chang Gung Hospital specialist doctor" every month to conduct a safety audit within the factory area, and providing personal medical consultation for employees to achieve the goal of a friendly and safe workplace; organizing various health-related lectures and health promotion activities, with a total reward amount of NT\$112 thousand granted to encourage employees to actively participate.													

Promotion item	Implementation status			Differences from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
(X)			Safety: Implementing the fire prevention plan and automatic inspection plan, requiring new employees to complete 3 hours of training, and arranging for in-service personnel to complete at least 3 hours of training within 3 years, and holding safety related lectures for suppliers and contracted businesses, with a total of 187 hours in 2025.	
(XI)			Fire prevention: The fire alarm system is installed for the entire factory and is connecting to the security rm to timely monitor the situation in the plant. At the same time, the factory is equipped with monitoring systems for important equipment and safety entrances and exits, with network connection to keep track of information at any time.	
(XII)			Hygiene: In order to take care of the health of employees and the happiness of their families, the Company arranges regular employee health checks every year. The most recent one was conducted on September 5, 2025, including general health examinations and special operations health examinations for a total of 285 people. These are tracked and managed to ensure that the health status of employees continues to receive attention.	
(XIII)			"Zero" disasters in the workplace and participated in the filing activity of no disasters in the central factory.	
(XIV)			Handled relevant training and measure revisions according to the regulations of the central competent authority, and posted legal regulations on the Company's website for inquiry.	
(XV)			For detailed implementation results of the Company's corporate social responsibility, please refer to the Company's sustainability report and official website https://www.kian-shen.com/tw/Web/csr_1 .	

VIII.

Implementation of climate-related information

Item	Implementation status
I. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	The Company's climate governance structure is led by the Board of Directors as the highest governing body. A Sustainable Development Committee has been established, and the Management Department has been designated as the responsible unit for promoting sustainable development, with reports on the implementation results of sustainable development submitted to the Board of Directors at least once a year. On March 9, 2026, it reported to the Board of Directors on the implementation status for the year 2025; relevant information has been disclosed on the Company's official website. The Company has established a dedicated working group composed of senior managers, mainly including the following two groups: 1. Sustainability Environment Group: The group is responsible for formulating and implementing the environmental management system, ensuring compliance with relevant environmental laws and regulations and international standards, and continuously evaluating the Company's sustainability transition progress. The group focuses on improving resource efficiency and establishing mechanisms to address climate change, promoting the Company's ongoing development in environmental protection. In addition, a dedicated environmental management unit and personnel have also been established by The Company itself. Cross-departmental meetings are held regularly for discussion and coordination to ensure that all departments are jointly committed to achieving environmental sustainability goals. 2. Risk Management Group: The group is responsible for formulating and implementing risk management policies and procedures for all companies within the group, with a particular focus on climate-related risks, and paying close attention to the latest laws and regulations and standards related to industry climate risks. The group regularly updates the identification results of climate risks and opportunities to ensure that the Company can timely adjust its response strategies, reduce potential risks, and seize market opportunities. To more effectively incorporate climate change risks into the Company's risk management framework, the Company formulated the "Risk Management Policy and Procedures" on March 8, 2021, and integrated climate change risk management into the overall risk management process for the consolidated companies, ensuring that the entire company follows unified guiding principles when dealing with climate change risks.
II. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of	In order to effectively respond to the challenges brought by climate change, the Company assesses the potential impact of climate risks and opportunities on its business, conducts a comprehensive review of possible climate impacts at each operational site, and integrates existing countermeasures to develop specific solutions. The goal is to reduce the impact of climate change on the Company's operations and finances, and to enhance the climate resilience of the organization. The Company categorized the 2 identified physical risks, 5 transition risks, and 6 opportunity issues by their time range into short-term (within 3 years), mid-

Item	Implementation status				
the business (short, medium, and long term).	term (3 to 5 years), and long-term (more than 5 years). The Company assesses the potential operational and financial impacts of climate risks and opportunities on the Company, and develop action plans accordingly to effectively cope with the challenges and opportunities brought by climate change. (For related analysis, please refer to the 2025 Sustainability Report to be published in August 2026.)				
	Significant Risk/Opportunity (short, medium, long term):				
	Risk/ Opportunity	Risk Categories and Opportunities	Short-term (Within 3 years)	Mid-term (3-5 years)	Long-term (Above 5 years)
	Risk	Physical Risk	-	High-temperature disasters	Extreme climate change has led to an increase in the severity of extreme weather events, such as typhoons and floods.
		Transition Risk	- Higher product and service requirements - Research and development of low-carbon production technologies	- Uncertainty of legal regulations and policies - Costs of equipment investment due to policies promoting climate change adaptation	Changes in stakeholder perceptions
	Opportunity		Use of low-carbon energy	- In line with international sustainable development trends - Development of low-carbon process production lines - Water resource management - Improvement in energy efficiency	Development of new markets

Item	Implementation status		
(B/F)	Financial impact and response strategy:		
	Risk/ Opportunity	Impact on finances -/+	Countermeasure
	Uncertainty of legal regulations and policies	-To ensure the Company complies with sustainable regulatory requirements and to meet the increasing demand from investors for sustainability reports, professional accountants have been appointed as consultants, leading to an increase in the company's operating costs.	• Comply with the requirements of the competent authority and timely provide and disclose accurate data on greenhouse gas emissions. • Strengthen climate change response and prevention, continuously search for relevant regulatory developments, and ensure that the Company's corporate management complies with policy requirements. • Accelerate the low-carbon transition in internal processes and operational management, and evaluate and formulate greenhouse gas reduction.
	Extreme climate change has led to an increase in the severity of extreme weather events, such as typhoons and floods.	-Due to the collective risk characteristics of the automotive supply chain, if any supplier (including the Company) is unable to deliver on time due to natural disasters or other unforeseen events, it may result in a production line suspension for the entire automotive plant, thereby causing the Company to bear losses related to the suspension. - Extreme weather (such as typhoons) may affect employees' attendance. To ensure operational schedules (including the requirement for a TWSE-listed company to complete closing operations on time according to regulations), adjustments in manpower allocation or overtime arrangements may be necessary to compensate for work progress, thereby increasing personnel and operational costs.	• Assess the risk of extreme weather faced by manufacturing plants and establish standardized response procedures. • Increase inventory levels before the typhoon season to ensure a smooth supply chain, enabling on-time delivery and maintaining normal production. • Establish backup suppliers and emergency production systems: If the major supplier is affected by a disaster, backup suppliers can quickly commence production to ensure supply chain stability. • Enhance employees' training on cloud storage systems by utilizing the auto-save feature of Microsoft 365 cloud operating system, and regularly test the system's fault tolerance to ensure that operations can be quickly resumed even in the event of a disaster. • Establish a remote backup mechanism, regularly inspect the operation of the backup mechanism, and conduct disaster recovery drills to ensure the system and data can be quickly restored in the event of a disaster.
	Costs of equipment investment due to policies promoting climate change adaptation	- The cost required for replacing machinery and equipment increases the company's capital expenditures.	Prioritize the upgrade or replacement of high-energy consumption or high-pollution equipment to mitigate the impact on operations.

Item	Implementation status		
(B/F)	Risk/ Opportunity	Impact on finances -/+	Countermeasure
	Higher product and service requirements	-As carbon footprint disclosure requirements become increasingly stringent, companies need to allocate additional resources for data collection, monitoring, and reporting. They may also need to upgrade technology or adopt more environmentally friendly production methods, thereby driving up operating costs. -Adopting environmentally friendly raw materials and investing in higher-cost production technologies will further increase manufacturing costs.	• Establish a comprehensive carbon footprint calculation and monitoring system to enhance the accuracy and transparency of carbon emissions data. • Introduce environmentally friendly production processes to reduce pollutants and waste generated during production and develop a green supply chain. • Invest in high-efficiency equipment and environmentally friendly energy-saving technologies to reduce energy consumption and production carbon emissions.
	Research and development of low-carbon production technologies	-In response to the international sustainable development trend, companies will continuously promote low-carbon transitions and invest in high-tech low-carbon investments and equipment updates, resulting in increased operating costs.	• Strengthen the development of low-carbon transition talents and cultivate employees into the low-carbon transition model: Develop professionals with low-carbon transition knowledge and skills, and help employees understand and participate in the company's low-carbon transition. • Design product life cycle to reduce feasibility timeline in the research and development phase, and lower transition costs and technical risks: incorporate low-carbon design in the product development phase and assess technical feasibility in advance, thereby reducing technical risks and the costs of later transitions.
	Changes in stakeholder perceptions	- Failing to comply with environmental regulations may damage the Company's reputation and increase operational risk, thereby reducing investors' willingness to invest. This could put the Company at a disadvantage in acquiring funds, leading to a reduction in available capital and further impacting operational efficiency and business development.	• Establish a corporate sustainability mindset and regularly release sustainability reports. These reports provide detailed disclosures of the Company's efforts and achievements in environmental protection, allowing investors to understand the Company's specific actions in compliance and sustainable development.

Item	Implementation status		
(B/F)	Risk/ Opportunity	Impact on finances -/+	Countermeasure
	High-temperature disasters	- Due to high-temperature disasters, suppliers' inability to deliver on time will lead to a production line suspension, causing suspension losses. - Delivery delays may cause customer production lines to shut down and lead to claims against the company, resulting in financial losses.	• Establish a safety stock mechanism to address sudden raw material shortages. • Establish backup suppliers and emergency production systems: If the major supplier is affected by a disaster, backup suppliers can quickly commence production to ensure supply chain stability. • Strengthen protection for employees against extreme high temperatures to ensure their safety and health, and formulate emergency response plans. • Installing ventilation equipment to lower the temperature in the workplace can effectively improve the environmental quality of the work area, reduce the impact of high temperatures on employees, and enhance operational efficiency.
	In line with international sustainable development trends	By enhancing sustainable performance, the Company can improve its reputation and market exposure, thereby promoting revenue growth and increasing market value, attracting more attention from customers and investors.	Strengthening the disclosure of ESG information enhances the transparency of the sustainability report, in line with international sustainable development trends.
	Development of low-carbon process production lines	By expanding the new energy product line, strengthening technological research and development capabilities, and enhancing international layout, the Company can attract new customer groups, thereby driving sales revenue growth.	• By increasing technological innovation and product differentiation, thereby increasing market share and boosting revenue, while introducing new automated equipment to enhance quality control and production capacity in response to the market demand for high-quality products. • By replacing CO2 welding process line equipment with laser welding production equipment and developing the technology to switch from primarily welded container trailers to those joined with bolts or rivets, production efficiency and environmental friendliness will be improved.

Item	Implementation status		
(B/F)	Risk/ Opportunity	Impact on finances -/+	Countermeasure
	Development of new markets	+ By successfully tapping into low-carbon green energy opportunities, development of new markets to expand diversified income sources.	Focus on developing the production of electric vehicle and hydrogen vehicle shells, and expand production capacity according to market order demand. Actively cooperate with relevant government policies, particularly those related to new energy, green transportation, and environmental protection.
	Use of low-carbon energy	+ Adopt self-used solar power generation and other low-carbon energy sources to reduce electricity costs and decrease carbon fee expenditures.	The Company established solar power generation facilities in 2025, utilizing renewable energy to reduce energy costs and decrease carbon emissions. Simultaneously studying the feasibility of energy storage facilities to ensure that excess electricity generated during the day can be stored and used at night or during peak demand, thereby improving energy utilization efficiency and power supply stability.
	Water resource management	+ By improving the quality of groundwater, expand its application in domestic water use to reduce tap water consumption and manage water resources more effectively. By using filtered groundwater for pre-treatment before electrophoretic painting, impurities and particles in the water can be reduced, minimizing their impact on the surface of the workpiece, decreasing the likelihood of particle adhesion, and subsequently reducing painting defects. Not only does it improve product quality, but it also effectively reduces the cost of reworking defective products.	• Establish a groundwater filtration system to improve water quality, reduce the use of tap water, and conserve water resources. • Regularly inspect pipelines, valves, and equipment, perform leak detection and repairs to prevent water resource wastage. • Strengthen the regular maintenance and upkeep of water resource equipment to ensure operational efficiency and reduce unnecessary energy loss.
	Improvement in energy efficiency	+ Energy-saving equipment can enhance energy use efficiency and reduce energy consumption in daily operations, thereby decreasing costs for electricity and water usage. + The government provides various subsidies and incentive policies to enterprises that adopt	• Promote various energy-saving and carbon reduction initiatives within the company to enhance energy use efficiency and reduce carbon emissions, assisting the company in achieving environmental protection and sustainable development goals. • Regularly assess equipment operational efficiency and update or replace underperforming equipment to ensure optimal operation, further

Item	Implementation status		
		energy-saving and carbon reduction measures, which can not only alleviate the initial investment financial pressure but also bring additional cash flow support. This helps to improve financial management and enhance the company's capital operation efficiency.	reducing energy consumption and carbon emissions. • Gather and analyze the energy-saving incentive mechanisms and related policies promoted by the competent authority to assess their feasibility for future investments. Through in-depth research on the government's energy-saving and carbon reduction policies, financial and decision-making basis can be provided for the company to formulate sustainable development strategies with long-term benefits. This ensures that the direction of capital investment aligns with policy incentives and maximizes the efficiency of capital utilization.
III. Describe the financial impact of extreme weather events and transformative actions.	1. Financial impact of extreme weather events Extreme weather events (such as typhoons, floods, and high temperatures) may pose significant impacts on business operations, including damage to on-site infrastructure, long-term power outages, or water shortages. These in turn can affect production operations and workforce allocation, resulting in production line delays and reduced operational efficiency. The aforementioned situation may lead to a decrease in sales revenue, an increase in operational and manufacturing costs, and enhance the likelihood of the Company facing reputational risk. 2. Financial impact of transition: Under transition risks, the Company needs to respond to changes in policies and laws and regulations, market demands, technological developments, and reputation expectations. As oversight by the competent authority becomes increasingly strict, failing to comply with relevant regulations may result in fines or compliance risk. Facing the market, customers have increasing expectations for suppliers to take climate and environmental responsibility and have heightened demands for climate governance from suppliers. If a company fails to plan a well-structured sustainability governance pathway, it may lose potential customers or business opportunities. Meanwhile, the growing pursuit of low-carbon products in the market and by consumers, as well as stakeholders' concerns about climate issues, may also impact a company's reputation and willingness to invest. The aforementioned factors may lead to increased operational costs, higher capital expenditures, and may further elevate the a company's reputational risk.		

Item	Implementation status
IV. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	The Board of Directors is the highest governing body for the Company's risk management. To strengthen risk management, the Company has established the "Risk Management Policies and Procedures" and a risk management group responsible for identifying and managing various risks in the Company's operations, particularly the physical risks and transition risks arising from climate change, and leading the planning and implementation of related countermeasures. Based on the Company's strategic objectives and the risk management policies approved by the Board of Directors, risk identification and analysis are conducted for the short-, medium-, and long-term goals and business scopes of each department. The Risk Management Team will regularly review the risk assessment reports submitted by each operational unit to ensure that all operational risks are effectively controlled within acceptable limits, and will continue to optimize the principles of risk management operations. In addition, the risk management group will report the risk management implementation status for the previous year to the Board of Directors at least once a year, during board meeting in the first quarter, and will also submit the annual risk assessment report for the year to ensure that the Board of Directors is timely informed of the risk status and can make corresponding decisions and provide guidance.
V. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	The Company utilizes climate scenario analysis to assess the resilience of it when facing climate risks. This year, the medium emission scenario (SSP2-4.5) was adopted for physical risk, and the net-zero emissions scenario (NZE) for 2050 was adopted for transition risk.
VI. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	The Company utilizes climate scenario analysis to assess the resilience of it when facing climate risks. This year, the medium emission scenario (SSP2-4.5) was adopted for physical risk, and the net-zero emissions scenario (NZE) for 2050 was adopted for transition risk.
VII. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	Currently, the Company has not implemented this plan. It will be included in the planning depending on its necessity in the future.
VIII. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	Currently, the Company has not implemented an internal carbon pricing mechanism. It will be included in the planning depending on its necessity in the future.

Item	Implementation status
IX. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	Currently, the Company has not set specific climate-related goals. However, in the future, the Company will follow a sustainable development carbon reduction path and gradually plan and set carbon reduction and climate-related goals to ensure the alignment of business development and environmental responsibility. To fulfill our carbon reduction commitment, the Company will continue to promote improvements in equipment and processes while optimizing the energy efficiency of auxiliary equipment to reduce carbon emissions. These measures will cover Scope 1 (direct carbon emissions) and Scope 2 (indirect carbon emissions from energy), ensuring that carbon reduction actions are effectively implemented, further enhancing the Company's environmental resilience and competitiveness.
X. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan.	Please refer to the table below for details.

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

(I) Information on greenhouse gas inventory

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

The Company has formally integrated the greenhouse gas inventory system into the daily operations management process and established a comprehensive data collection and monitoring mechanism to fully understand the current status of greenhouse gas usage and emissions. In the future, the effectiveness of various reduction actions will continue to be tracked and verified, and related inventory information will also be regularly disclosed in the sustainability report to enhance information transparency and external trust. The Company conducts greenhouse gas inventory in accordance with ISO 14064-1:2018 standards to comprehensively monitor the Company's greenhouse gas emissions, reduce the carbon footprint of products, and improve the negative impact on the environment during operations. The Company is also gradually improving the disclosure of the boundaries and scope of the greenhouse gas inventory.

In addition, the greenhouse gas emissions of the Parent Company for the most recent two fiscal years are as follows:

Item		2024		2025	
		Emissions (tons CO ₂ e)	Intensity Intensity (tons CO ₂ e/operating revenue in New Taiwan Dollars millions)	Emissions (tons CO ₂ e)	Intensity Intensity (tons CO ₂ e/operating revenue in New Taiwan Dollars millions)
Kian Shen Corporation	Scope 1 Direct greenhouse gas emissions	1,020.7013		825.4192	
	Scope 2 Indirect greenhouse gas emissions from energy	2,342.1499		2,086.1688	
	Scope 3 Other indirect greenhouse gas emissions	540.7742		616.915	
	Total	3,903.6254	2.676220069	3,528.5030	2.832637317

Explanation:

Note 1: Direct emissions (scope 1, i.e., emissions directly from sources owned or controlled by the Company), indirect energy emissions (scope 2, i.e., indirect greenhouse gas emissions from electricity, heat, or steam) and other indirect emissions (scope 3, i.e., including all other indirect emissions).

Note 2: Since the scope of the inventory for 2024 and 2025 was limited to the Taiwan-based operations, the calculation of operating revenue in millions of New Taiwan Dollars is mainly based on the operating revenue from the companies in Taiwan.

(II) Greenhouse gas assurance information

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.

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

As of the date of publication of the annual report, the greenhouse gas inventory assurance for 2025 is still ongoing, and the greenhouse gas assurance opinion has not yet been obtained. Upon completion, the assurance results are expected to be announced in the sustainability report for 2025 to be published in August 2026.

X. Greenhouse gas reduction targets, strategy, and concrete action plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.

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

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

The Company is actively exploring opportunities for low-carbon transition and promoting forward-looking carbon reduction technologies or low-carbon investments, such as process improvement, carbon capture and storage, and other initiatives, by continuously adjusting policies and plans. Additionally, the Company are implementing specific measures like improving energy efficiency, purchasing energy-saving equipment, and installing solar power systems to ensure that the emission reduction progress aligns with the Company's plans. These efforts are being integrated into the Company's operational competitive advantage.

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

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

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

Assessment items	Operation status			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
within its business scope that have a high risk of unethical behavior, and formulated a plan to prevent unethical behavior that at least covers the preventive measures for acts under paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies"? (III) Has the company specified operating procedures, conduct guidelines, disciplinary and appeal systems for violations in the unethical behavior prevention plan, implemented them, and regularly reviewed and amended the disclosure plan?	V		"Ethical Corporate Management Best Practice Principles" (CG-B-003) related procedures and behavior guidelines, and regularly evaluates and audits the risks of unethical behavior in business activities. In addition, in accordance with paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", it is clearly stipulated that unethical behaviors such as accepting bribes or other improper benefits in the position are not allowed. It is also clearly stipulated in the "Work Rules" of the Company that any unethical behavior will be punished. The Company has an appeal and whistleblowing system, and the whistleblowing channel information is disclosed on the company website. (III) To ensure that the Company's behavior complies with legal norms and ethical standards, the "Work Rules" of the Company clearly stipulate that any unethical behavior will be penalized and punished. For any unethical behavior, the Company has an appeal and whistleblowing system, and the whistleblowing channel information is disclosed on the company website. For any behavior that is suspected of violating professional ethics, the Company treats it with the most serious attitude and takes strict disciplinary measures against violators in all confirmed cases based on the Company's employee reward and punishment and appeal measures, or terminates employment or business relations and takes appropriate legal action.	

Assessment items	Operation status			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			Regarding the provision of prohibiting illegal political donations and prohibiting inappropriate charitable donations or sponsorships, the Company has formulated and implemented the "Donation and Sponsorship Measures" to ensure compliance with laws and regulations and the implementation of the internal control system.	
II. Implementation of Ethical Corporate Management (I) Does the Company evaluate the ethical corporate management record of its counterparties, and specify the terms of ethical behavior in the contracts signed with its counterparties?	V		(I) The Company conducts a annual evaluation of customers, suppliers, and business partners to prevent unethical behavior. They also sign trading contracts with stakeholders (e.g. suppliers, contractors, or other collaborators) with which the Company has business dealings, clearly specifying that the Company may terminate or rescind the terms and conditions of the contracts if the trading counterparties are involved in unethical conduct.	Compliant with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.
(II) Has the Company set up a dedicated unit subordinate to the board of directors to promote the ethical corporate management of enterprises, and regularly (at least once a year) report to the board of directors its ethical corporate management policy	V		(II) The Company has designated the Management Department as the dedicated unit to promote, communicate, and execute the Company's ethical corporate management; moreover, it checks whether the Company's business-related trading violates the ethical corporate management principle through various internal and external audits, and regularly reports on the implementation status during the board of directors meeting in March of each year. Completed in 2025: 61 person-times of	

Assessment items	Operation status			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
and plan to prevent unethical behavior, as well as the implementation of supervision? (III) Has the Company develop a conflict of interest prevention policy, provided appropriate presentation channels, and implemented them?	V		ethical management promotion and whistle-blowing system education for new employees, and 24 man-hours of internal control education and training for finance and audit personnel; initiated the implementation of the computer information security ISO system, conducted 2 information system vulnerability scanning operations, 1 information security drill, and regular promotions of information intellectual property rights and legal compliance. (III) The Company has clearly stipulated in the "Work Rules" that an employee may be expelled if he engages in work that conflicts with the Company's interests without the Company's approval and damages the rights and interests of the Company, and the circumstances are serious. The Company has also set up an internal opinion box and whistleblowing line to accept whistleblowing cases, and keeps the identity of the whistleblower and the content confidential.	
(IV) Has the Company established an effective accounting system and internal control system for the implementation of ethical operation, and has the internal audit unit formulated relevant audit plans based on the assessment results of unethical behavior risks, and audited the	V		(IV) The Company has established effective accounting and internal control systems, and the Audit Office conducts audits on the internal control system and external activities based on the risk assessment results of unethical behavior in conjunction with the annual audit plan, and reports the audit results and improvement status to the board of directors.	

Assessment items	Operation status			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
compliance with the unethical behavior prevention plan, or entrusted CPAs to perform the audit?				
(V) Does the company regularly hold internal and external training on ethical corporate management?	V		(V) In order to promote and advocate ethical behavior, the Company has uploaded the procedures and behavior guidelines related to the "Ethical Corporate Management Best Practice Principles" on the Company's internal website for employees to download and implement. The company provides guidance on ethical behavior and work rules for new employees to enable them to understand ethical behavior and relevant punishments. In addition, stakeholders (e.g. suppliers, contractors) who have business dealings with the Company must comply with the Company's code of business ethics during annual cooperation meetings or during routine transactions.	
III. Operation of the Company's Whistleblower System (I) Has the Company established a specific whistleblower and reward system, established a convenient channel for whistleblowing, and assigned appropriate personnel to handle complaints?	V		(I) In order to implement the ethical corporate management policy and actively prevent unethical behavior, the Company has established a "whistleblower system", which clearly stipulates the reporting channels for violations of ethical corporate management regulations. The head of the Company's Audit Department is the dedicated person responsible for accepting reported cases.	Compliant with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.

Assessment items	Operation status			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
(II) Has the Company established standard operating procedures for the investigation of matters reported, follow-up measures to be taken after the investigation, and relevant confidentiality mechanisms?	V		(II) The Company's "whistleblower system" has clearly stipulated the procedures and confidentiality mechanism for accepting accusations and investigations. The accusations received and subsequent investigations are processed with a confidential and rigorous attitude, and the procedures are clearly defined in internal regulations.	
(III) Does the Company take measures to protect the whistleblower from improper handling due to the whistleblowing?	V		(III) The Company shall declare in writing (in a confidentiality agreement) that for the handling of personnel involved in the reported case, it shall keep confidential the whistleblower's identity and the contents of the report, and promise to protect the whistleblower from improper treatment due to the reported matter.	
IV. Strengthening of Information Disclosure Does the Company disclose the content of its Ethical Corporate Management Best Practice Principles and the effectiveness of promotion on its website and MOPS?	V		The Company discloses the content of the "Ethical Corporate Management Best Practice Principles" on the Company's website and the Market Observation Post System, and regularly discloses the Company's operations on the Company's website, including the implementation of ethical corporate management and the measures taken.	Compliant with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.
V. If the Company has its own Ethical Corporate Management Best Practice Principles in compliance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies", please describe the differences between their operations: The Company has established its Ethical Corporate Management Best Practice Principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX				

Assessment items	Operation status			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
Listed Companies" in June 2014, and the revision was approved by the board meeting in May 2022. The actual operation is in line with legal regulations.				
VI. Other important information that will facilitate the understanding of the Company's ethical corporate management (such as the Company's review and revision of its Ethical Corporate Management Best Practice Principles): The Company discloses its Ethical Corporate Management Best Practice Principles in its internal regulations, annual reports, and company websites, enabling suppliers, customers, shareholders, and other relevant institutions and personnel to have a clear understanding of the Company's ethical corporate management philosophy and standards.				

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

(VIII) Implementation of the internal control system

1. Internal Control Declaration

Kian Shen Corporation

Internal control system statement

Date: March 9, 2026

Based on the results of self-assessment, the Company's internal control system for 2025 is hereby declared as follows:

- I. The Company knows that the establishment, implementation and maintenance of the internal control system is the responsibility of the Board of Directors and managers of the Company, and the Company has already established this system. Its purpose is to provide reasonable assurance for the achievement of the objectives of operational effectiveness and efficiency (including profitability, performance and asset security), reliability, timeliness, transparency of reporting, and compliance with relevant norms and relevant laws and regulations. The internal control system has its inherent limitations.
- II. No matter how perfect the design is, an effective internal control system can only provide reasonable assurance for the achievement of the three objectives above. Moreover, due to changes in environment and circumstances, the effectiveness of the internal control system may change accordingly. However, the Company's internal control system has a self supervision mechanism, and once deficiencies are identified, the Company will take corrective action immediately.
- III. The Company judges whether the design and implementation of the internal control system is effective in accordance with the judgment items of the effectiveness of the internal control system specified in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). The judgment items of the internal control system adopted in the Regulations are to divide the internal control system into five components according to the process of management control: 1. control environment, 2. risk assessment, 3. control operations, 4. information and communication, and 5. supervision operations. Each component element includes several items. For the items above, please refer to the provisions of the "Regulations".
- IV. The Company has adopted the internal control system judgment items above to evaluate the effectiveness of the design and implementation of the internal control system.
- V. Based on the evaluation results referred to in the preceding paragraph, the Company believes that the design and implementation of the internal control system as of December 31, 2025 (including supervision and management of subsidiaries), including the understanding of the effectiveness of operations and the extent to which efficiency goals have been achieved, the reliability, timeliness, transparency of reporting, and the compliance with relevant norms and relevant laws and regulations, as well as the compliance with relevant internal control systems, are effective and can reasonably ensure the achievement of the goals above.
- VI. This Declaration will become the main content of the Company's annual report and prospectus, and will be made public. If there are false, hidden and other illegal circumstances in the disclosure above, the legal liability under Articles 20, 32, 171 and 174 of the Securities and Exchange Act will be involved.

VII. This Declaration was approved by the board meeting of the Company on March 9, 2026, and none of the ten directors present expressed any reservation, all agreeing to the contents of this Declaration.

Kian Shen Corporation



Chairman: Hsiung, Tung-Tai signed



President: Tseng, Chiung-Chih signed



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

(IX) Important resolutions of the shareholders' meeting and board meetings in 2025 and up to the date of publication of the annual report

Type	Date	Important resolutions	Implementation status
Shareholders' meeting	2025.05.26	1. Recognition of the Company's 2024 Financial Statements	Already announced and filed according to regulations.
		2. Recognition of the Company's 2024 earnings distribution proposal	July 2, 2025 was set as the base date for cash dividend distribution, and July 30, 2025 was set as the payment date. (Cash dividends of NT\$3.1 per share)
		3. Approval of the amendment to the Company's "Articles of Association"	Already announced on the Company's website, and handled in accordance with the revised procedures.
		4. Re-election of the 13th Directors and Independent Directors of the Company. List of elected Directors: China Motor Corporation Representative: Hsiung, Tung-Tai, Tseng, Chiung-Chih; Kuozui Motors, Ltd. Representative: Chien, Wen-Chih, Ho, Shih-Rong, Satoshi Kodaka; Yulon-Administered Enterprises Co., Ltd. Representative: Yang, Hung-Ching, Chen, Ching-Chi. List of elected Independent Directors: Yeh, Te-Chang, Hsiao, Hsing-Chin, Liu, Hong-En.	Registration was approved by the Ministry of Economic Affairs on September 26, 2025, and announced on the Company's official website.
		5. Approval of lifting the non-competition restriction on directors under Article 209 of the Company Act	Already filed for material information according to regulations.

Board of Directors	Proposal content and subsequent handling	Matters listed in Article 14-3 of the Securities and Exchange Act	Independent directors' objections or reservations
16th meeting of the 12th term 2025.03.07	1. 2024 individual and consolidated financial statements	-	-
	2. Proposal for 2024 earnings distribution.	V	-
	3. The remuneration distribution plan for directors and employees for 2024 reviewed by the Company's Remuneration Committee.	V	-
	4. Proposal to issue the Company's 2024 "Declaration on Internal Control System".	V	-
	5. Appointment, remuneration and evaluation of independence and performance of certifying CPAs for 2025.	V	-
	6. Changes of supervisors at managerial level (and above) and organizational structure.	-	-
	7. Change of the Chief Information Security Officer of the Company.	V	-
	8. Change of the Company's Corporate Governance Officer.	V	-

Board of Directors	Proposal content and subsequent handling	Matters listed in Article 14-3 of the Securities and Exchange Act	Independent directors' objections or reservations
	9. Re-election of the 13th Directors and Independent Directors.	V	-
	10. Nomination of candidates for the 13th Board of Directors and the review of their qualifications.	V	-
	11. Proposal to lift the non-competition restriction on the Company's new directors.	V	-
	12. Proposal to allow the new directors to engage in competitive business activities.	V	-
	13. Proposal to revise the Company's "Articles of Association".	-	-
	14. Date and place of 2025 shareholders' meeting.	V	-
	Independent directors' opinions: None. The Company's handling of independent directors' opinions: None. Resolution result: All attending members passed the proposal as it was.		
17th meeting of the 12th term 2025.04.01	1. Proposal to lift the non-competition restriction on the Company's new directors.	V	-
	2. Election of the Company's Chairperson	V	-
	3. Nomination of candidates for the 13th Board of Directors and the review of their qualifications.	V	-
	Independent directors' opinions: None. The Company's handling of independent directors' opinions: None. Resolution result: All attending members passed the proposal as it was.		
18th meeting of the 12th term 2025.05.05	1. Consolidated financial statements for the first quarter of 2025.	-	-
	2. Bank credit line renewal.	-	-
	3. Financing-nature commercial promissory note renewal.	-	-
	4. Proposal of renewal of technical cooperation contract.	-	-
	Independent directors' opinions: None. The Company's handling of independent directors' opinions: None. Resolution result: All attending members passed the proposal as it was.		
1st meeting of the 13th term 2025.07.03	1. Election of the Chairperson and Vice Chairperson of the Company's 13th Board	-	-
	2. Appointment of members for the Company's 6th Remuneration Committee	-	-
	3. Proposal for the signing of industry-academia collaboration and academic feedback mechanism contracts with National Taipei University of Business and National Chengchi University.	-	-
	Independent directors' opinions: None. The Company's handling of independent directors' opinions: None. Resolution result: All attending members passed the proposal as it was.		
2nd meeting of the 13th term 2025.08.01	1. Consolidated financial statements for the first half of 2025.	-	-
	2. 2024 Sustainability Report	-	-
	3. Proposal to amend the "Rules Governing the Preparation and Filing of Sustainability Reports" of the Company.	-	-

Board of Directors	Proposal content and subsequent handling	Matters listed in Article 14-3 of the Securities and Exchange Act	Independent directors' objections or reservations
	Independent directors' opinions: None. The Company's handling of independent directors' opinions: None. Resolution result: All attending members passed the proposal as it was.		
13th term 3rd meeting 3th meeting of the 13th term 2025.11.10	1. Consolidated financial statements for the first three quarters of 2025.	-	-
	2. Proposal to formulate the Company's 2026 audit plan.	-	-
	3. Proposal to formulate the Company's "Plan to Enhance Corporate Value."	-	-
	4. Proposal to amend the Company's "Sustainable Development Best Practice Principles".	-	-
	5. Proposal to amend the Company's "Procedures for Professional Accounting Judgment and Flow Management Methods for Changes in Accounting Policy and Estimates"	-	-
	6. Proposal to amend the Company's "Internal Control System" and "Internal Audit Implementation Rules".	V	-
	Independent directors' opinions: None. The Company's handling of independent directors' opinions: None. Resolution result: All attending members passed the proposal as it was.		
4th meeting of the 13th term 2025.12.18	1. Financial forecast and capital expenditure budget for 2026.	-	-
	2. Appointment and promotion of supervisors at managerial level.	-	-
	3. Proposal to formulate the scope of the Company's non-managerial employees.	V	-
	Independent directors' opinions: None. The Company's handling of independent directors' opinions: None. Resolution result: Except for the second proposal, which requires a re-evaluation of the promotion requirements and will be re-submitted for review at the next Board of Directors meeting, all other proposals were approved by all attending directors as they were.		
5th meeting of the 13th term 2026.03.09	1. 2025 individual and consolidated financial statements	-	-
	2. 2025 earnings distribution proposal	V	-
	3. Remuneration distribution plan for directors and employees for 2025 reviewed by the Remuneration Committee.	V	-
	4. Proposal to issue the 2025 Internal control system statement	V	-
	5. Appointment, remuneration and evaluation of independence and performance of certifying CPAs for 2026.	V	-
	6. Planned expropriation of part of the Company's factory land by the Freeway Bureau.	-	-
	7. Appointment and promotion of supervisors at managerial level.	-	-
	8. Proposal to lift the non-competition restriction on the Company's new directors.	V	-
	9. Date and place of 2026 General shareholders' meeting.	V	-

Board of Directors	Proposal content and subsequent handling	Matters listed in Article 14-3 of the Securities and Exchange Act	Independent directors' objections or reservations
	Independent directors' opinions: None. The Company's handling of independent directors' opinions: None. Resolution result: All attending members passed the proposal as it was.		

- (X) In 2025 and up to the date of printing the annual report, directors or independent directors have expressed dissenting opinions on important resolutions of the Board of Directors with records or written statements: None.

IV. Information of CPAs' Fees

CPA firm name	CPA's name	CPA audit period	Audit fee	Non-audit fee	Total	Remarks
Ernst & Young Global Limited	Huang, Yu-Ting Huang, Chien-Tse	2025.01-2025.12	3,650	610	4,260	Non-audit fees: tax certification, direct deduction method, full-time employee salary checklist, transfer pricing report, annual report review, provisional tax filing, and substantial investment correction for undistributed earnings.

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

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

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

VII. Transfer of shares and changes in pledge of shares by directors, managerial officers and shareholders with shareholding of more than 10%

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

Unit: Shares

Title	Name	2025		As of March 31, 2026	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged	Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged
Chairman	Hsiung, Tung-Tai (Notes 4, 5)	-	None	-	None
Major shareholder	China Motor Corporation	-	None	-	None
Director	Tseng, Chiung-Chih	-	None	-	None
Major shareholder	Kuozui Motors, Ltd.	-	None	-	None
Vice Chairman	Chien, Wen-Chih	-	None	-	None
Director	Ho, Shih-Rong (Note 1)	-	None	-	None
Director	Satoshi Kodaka (Note 1)	-	None	-	None
Director	Yulon-Administered Enterprises Co., Ltd.	-	None	-	None
Director	Yang, Hung-Ching	-	None	-	None
Director	Chen, Ching-Chi (Note 5)	-	None	-	None
Independent director	Yeh, Te-Chang	-	None	-	None
Independent director	Hsiao, Hsing-Chin (Note 6)	-	None	-	None
Independent director	Liu, Hong-En (Note 6)	-	None	-	None
Manager	Tseng, Chiung-Chih	-	None	-	None
Manager	Peng, Yuan-Shuang	-	None	-	None
Manager	Yu, Der-Hsiang (Note 3)	-	None	-	None
Manager	Weng, Cheng-Yi	-	None	-	None
Manager	Chang, Ya-Ling (Note 2)	-	None	-	None
Manager	Chen, Chen-Kui	-	None	-	None
Manager	Huang, Yu-Cheng	-	None	-	None

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

Note 2: Chang, Ya-Ling, the Assistant Vice President, was dismissed on February 10, 2025.

Note 3: Yu, Der-Hsiang, the Vice President, was dismissed on February 28, 2025.

Note 4: Chen, Chao-Wen, the representative of China Motor Corporation, was dismissed on April 1, 2025, and Hsiung, Tung-Tai was appointed as Director.

Note 5: Hsiung, Tung-Tai, the representative of Yulon-Administered Enterprises Co., Ltd., was dismissed on April 1, 2025, and Chen, Ching-Chi was appointed as Director.

Note 6: On July 1, 2025, Independent Directors Wang, Hsuan and Lo, Yung-An were dismissed, and Hsiao, Hsing-Chin and Liu, Hong-En assumed office.

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

VIII.Information on Relationship Among Top Ten Major Shareholders

March 28, 2026

Name (Note 1)	Shareholding		Shareholdings of spouse and minor children		Shareholdings in other people's names total		Names and relationships of any of the top ten shareholders who are related parties, spouses, or second-degree relatives of one another. (Note 3)		Remarks
	Number of Shares	Shareholding ratio (%)	Number of Shares	Shareholding ratio (%)	Number of Shares	Shareholding ratio (%)	Name (or Name)	Relationship	
China Motor Corporation	32,201,367	43.87	-	-	-	-	-	-	
Hsiung, Tung-Tai	—	—	-	-	-	-	-	-	Representative of China Motor Corporation
Tseng, Chiung-Chih	—	—	-	-	-	-	-	-	Representative of China Motor Corporation
Kuozui Motors, Ltd.	24,178,711	32.94	-	-	-	-	-	-	
Chien, Wen-Chih	—	—	-	-	-	-	-	-	Representative of Kuozui Motors, Ltd.
Ho, Shih-Rong	—	—	-	-	-	-	-	-	Representative of Kuozui Motors, Ltd.
Satoshi Kodaka	—	—	-	-	-	-	-	-	Representative of Kuozui Motors, Ltd.
Chiang, Mu-Shan	2,512,820	3.42	—	—	—	—	Liao, Su-Luan Chiang, Li-Fu Chiang, Ya-Pin	Husband and wife Father and son Father and daughter	
Chiang, Li-Fu	2,018,060	2.75	—	—	—	—	Chiang, Mu-Shan Liao, Su-Luan Chiang, Ya-Pin	Father and son Mother and Son Brother and sister	
Kuo, Yung-I	1,190,000	1.62	—	—	—	—	—	—	
Chiang, Ya-Pin	981,060	1.34	—	—	—	—	Chiang, Mu-Shan Liao, Su-Luan Chiang, Li-Fu	Father and daughter Mother and daughter Brother and sister	
Liao, Su-Luan	765,460	1.04	—	—	—	—	Chiang, Mu-Shan Chiang, Li-Fu Chiang, Ya-Pin	Husband and wife Mother and Son Mother and daughter	
Weitai Investment Co., Ltd.	661,857	0.90	—	—	—	—	—	—	
Peng, Feng-Chen	333,000	0.45	—	—	—	—	—	—	
Weng, Chi-Chih	192,000	0.26	—	—	—	—	—	—	

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

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

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

IX. Comprehensive Shareholding Percentage

Unit: Shares; %

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

Four. Fundraising Status

I. Capital and Shares of the Company

(I) Source of share capital

1. Source of share capital

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

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

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

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

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

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

Note 6: Approved by the Securities Exchange Commission of the Ministry of Finance on June 23, 2003 per letter Ref. No. (92) Tai-Tsai-Cheng (I) 127576.
Note 7: Approved by the Securities Exchange Commission of the Ministry of Finance on June 29, 2004 per letter Ref. No. (93) Tai-Tsai-Cheng (I) 127972.
Note 8: Approved by the Financial Supervisory Commission of the Executive Yuan on June 15, 2005 per letter Ref. No. (94) Jin-Guan-Cheng (I) 123834.
Note 9: Approved by the Financial Supervisory Commission of the Executive Yuan on June 20, 2006 per letter Ref. No. (95) Jin-Guan-Cheng (I) 124924.
Note 10: Approved by the Financial Supervisory Commission of the Executive Yuan on June 26, 2007 per letter Ref. No. (96) Jin-Guan-Cheng (I) 0960032039.
Note 11: Approved by the Financial Supervisory Commission of the Executive Yuan on June 25, 2008 per letter Ref. No. (97) Jin-Guan-Cheng (I) 0970031491.
Note 12: Approved by the Financial Supervisory Commission of the Executive Yuan on June 26, 2009 per letter Ref. No. Jin-Guan-Cheng-Fa-Zi-0980031829.
Note 13: Approved by the Financial Supervisory Commission of the Executive Yuan on July 6, 2011 per letter Ref. No. Jin-Guan-Cheng-Fa-Zi-1000031066.
Note 14: Approved by the Financial Supervisory Commission of the Executive Yuan on August 4, 2016.

2. Type of Shares

March 31, 2026

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

3. Blanket declaration related information: None.

(II) List of Major Shareholders

Shareholding		Number of shares held	Shareholding ratio (%)
Name of major shareholder			
1.	China Motor Corporation	32,201,367	43.87
2.	Kuozui Motors, Ltd.	24,178,711	32.94
3.	Chiang, Mu-Shan	2,512,820	3.42
4.	Chiang, Li-Fu	2,018,060	2.75
5.	Kuo, Yung-I	1,190,000	1.62
6.	Chiang, Ya-Pin	981,060	1.34
7.	Liao, Su-Luan	765,460	1.04
8.	Weitai Investment Co., Ltd.	661,857	0.90
9.	Peng, Feng-Chen	333,000	0.45
10.	Weng, Chi-Chih	192,000	0.26

(III) Dividend policy and implementation status:

1. Dividend policy

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

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

2. Dividend distribution proposed for the year

The Company itself plans to distribute a cash dividend of NT\$205,520,378 from the undistributed earnings for 2025, at NT\$2.8 per

share. The 2025 earnings distribution proposal mentioned above was discussed and approved by the Board of Directors on March 9, 2026. It has not been resolved by the shareholders' meeting as of the date of the annual report printing.

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

(V) Remuneration to employees and directors

1. The percentage or range of employees' and directors' remuneration in accordance with the Company's Articles of Association is that the Company shall allocate no less than 0.1% of the "annual pre tax net profit before deduction of employees' remuneration and directors' remuneration" as employees' remuneration, and no more than 1% as directors' remuneration, respectively. The remuneration distributed to non-managerial employees shall not be less than 0.05%.
2. The estimated employees' remuneration and directors' remuneration of the Company itself for 2025 were recognized at 0.71% and 0.5% of the Profit before tax before deduction of employees' remuneration and directors' remuneration, respectively. On the shareholders' meeting date, if there is a change in the amount, it will be processed according to the changes in accounting estimates, and adjusted to the account in the year of the shareholders' meeting resolution.
3. Proposed employees' remuneration and directors' remuneration approved by the board meeting
 - (1) On March 9, 2026, the Board of Directors of the Company approved the distribution of the amount of NT\$2,239,211 for employees' remuneration and NT\$1,582,000 for directors' remuneration, with no difference from the estimated amount for 2025.
 - (2) The amount of employee remuneration distributed through stocks, and its proportion to the total amount of net profit after tax and employee remuneration in the current individual and respective financial reports: The Company did not distribute employee remuneration through stocks, so it is not applicable.
4. NT\$2,539,833 to employees and NT\$1,952,000 to directors for 2024 were distributed in 2025, which was approved by the Board of Directors on March 7, 2025 and is the same as the amount actually distributed after the shareholders' meeting.
5. In addition to allocating the above employees' remuneration, the management plans and strategic objectives are formulated by managers and above according to the Company's "Business Plan Management Measures", with quarterly tracking of execution progress and plan revisions, and semi-annual employee evaluations to timely reflect stage outcomes. Rewards are provided through the "Promotion Management

Measures" and "Incentive Management Measures". Incentive bonuses, such as the three-festival bonuses, year-end bonuses, and management team performance bonuses, are awarded based on operational performance and individual employee work performance, in order to encourage employees to create better performance for the Company and shareholders.

(VI) Shares repurchased by the Company: None.

II. Issuance of Corporate Bonds: None.

III. Issuance of Preferred Shares: None.

IV. Issuance of Global Depositary Receipts: None.

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

VI. Issuance of New Restricted Employees Shares: None.

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

VIII. Implementation of Fund Utilization Plan: Not Applicable.

Five. Operation Overview

I. Business Activities

(I) Scope of business

1. Main business activities

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

- 2. Business proportion: Manufacturing and sales of automotive related components and molds account for 99% of the business.
- 3. Current products: Car body shells, beams and crossbeams, platform decks, chassis suspension parts, sub-assy, stamping molds, jigs and metal parts.
- 4. New products planned for development:
The new products that the Company plans to develop in the future include: Shared chassis electric bus frame, hydrogen energy bus frame, electric tricycle body, hydraulic tailgate and aluminum rear body for commercial vehicles, container pallet, and products for the aftermarket other than OEM customers.

(II) Industry overview

1. Current industry status and development:

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

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

2. Relationship among upstream, midstream and downstream of the industry:
The automotive industry is both technology-intensive and capital-intensive, having a vast industrial chain and covering a wide range of related industries, including steel, plastics, rubber, glass, machinery, electrical engineering, electronics, finance, services, and others. The professional talent involved includes research and development, manufacturing, procurement, marketing, management, and maintenance. The industry is divided into upstream parts and components suppliers, midstream vehicle manufacturers, and downstream sales and various automotive-related services, with significant interconnections and impacts within the industry. Due to the complexity of the automobile manufacturing and assembly process, which requires tens of thousands of parts, parts and components suppliers and vehicle assembly plants form a central-satellite factory system, establishing long-term stable partnerships. Because of the close interconnections within the automotive industry, all vehicle manufacturers engage in varying degrees of vertical integration with their upstream and downstream partners.
3. Product development trend and competition:
Under the global ESG trend, governments around the world have committed to net-zero carbon emission goals and are actively promoting policies to guide the automotive industry in transitioning to new energy vehicles, which has led to a continuous increase in the sales of new energy vehicles and driven the technology development of key parts and components and the expansion of production scales, aiming to lower the cost of new energy vehicles and improve market acceptance. Additionally, in the domestic automotive market, with multiple brands competing for market share, central manufacturers have started to adopt imported parts and components or completely built-up vehicles to reduce the development and procurement costs of domestically produced parts and components. In response to this situation, effectively integrating the resources and products of the Company's mainland investment business,

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

(III) Technology and R&D overview

1. R&D expenses: The Company invested NT\$42.07 million in R&D expenses in 2025, accounting for approximately 3% of the net operating income.
2. Achievements of development work already completed in the past years:
 - * R&D of CMC's ET35 electric car frame/wooden bed rear body.
 - * R&D of frame for 20-ft container trailer.
 - * R&D of parts for CMC's wooden bed rear body parts for JS model/front cross member.
 - * R&D of parts for the shells and CMC's wooden bed rear body parts for TF model.
 - * R&D of Tron-e Electric Bus's vehicle shell.
 - * R&D of the frame for King Long's domestically-built mid-drive three electric bus.
3. Continuous and future research development plans:
 - * R&D of CMC's ET35 aluminum rear body.
 - * R&D of parts for the chassis floor and CMC's wooden bed rear body parts for DH model.
 - * R&D of Hotai 5T hydraulic tailgate and aluminum rear body.
 - * Shared chassis electric bus vehicle shell.
 - * R&D of RAC EV's electric bus shell.
 - * R&D of Tron-e Electric Bus's vehicle shell.
 - * R&D of the vehicle shell for Foxtron Electric Bus.
 - * R&D of King Long Electric Bus's vehicle shell.
 - * R&D of Capital Bus's electric/hydrogen energy bus shell.
 - * R&D of frame for 40-ft container trailer.
 - * R&D of Hydrogen Valley Bus's hydrogen energy bus shell.
 - * R&D of Extreme LN3 electric tricycle frame.

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

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

- (2) In response to the increasing domestic production of electric buses, we integrates the demand and models of the domestic bus industry, increases the Ratio of domestically produced components, collaborates with research institutions to actively study the solutions, and introduces new equipment to improve production capacity to meet the needs of customer orders.
2. Long-term business development plan
 - (1) Continuously competing for the business of metal plate parts, suspension parts and modular parts from other domestic car manufacturers.
 - (2) Continuously monitor the domestic and international industry trends, and promote opportunities for mold and component output.
 - (3) Expand the business of other platform deck products other than the vehicle business.
 - (4) Master the future development trend of green energy components of car factories, actively collect and research relevant information on aluminum beds, rolling, hydraulic and high tension steel plates and aluminum alloy processing, in order to keep up with the trend of technological evolution in car factories.
 - (5) Develop self-developed parts and components for the aftermarket and after-sales service markets.

II. Market and Production/Sales Overview

(I) Market analysis

1. Main product sales regions and ratios

The Company's main products are the shells, platform decks, parts, molds and jigs of car bodies. Currently, the main sales area is Taiwan. In 2025, the main sales revenue were NT\$222 million for shells, NT\$226 million for electric bus shells, NT\$467 million for platform decks, NT\$223 million for parts, and NT\$92.7 million for molds and jigs.

2. Future market supply and demand

In 2025, in addition to the impact of geopolitical and trade wars, consumer expectations regarding tariff policy adjustments have further suppressed market demand. As for domestic cars, due to the impact of the localization ratio policy, domestic car manufacturers face pressures of rising manufacturing costs and supply chain adjustments, leading to a decline in the domestic car market compared to the same period. In 2025, the overall car market sales reached 414 thousand units, a decrease of 9.5% compared to the previous year. Among them, the market share of sedans decreased

by 9.9%, while the main segment, RVs, declined by 11.1% compared to the same period. The sales of compact and medium-sized commercial vehicles decreased by 1.6% and 4.9%, respectively, compared to the same period. Meanwhile, the heavy vehicle market benefited from the replacement cycle, with sales growing by 2.6% compared to the same period.

Looking ahead to 2026, with the Taiwan-U.S. tariff agreement soon to be finalized, the automotive market is expected to experience relief in consumer demand. Additionally, the extension of the government's "old-for-new" policy, which now includes subsidies for cars under 2000cc, and the continued sales activities by various brands, as well as stable imports of foreign brand models, it is estimated that the new car market in Taiwan will maintain a volume of around 430 thousand units in 2026.

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

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

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

<Favorable factors>

- (1) In terms of the development and production of existing professional shells and wooden beds, the Company has an oligopoly advantage in technology and equipment, which can ensure a dominant domestic market share.
- (2) The company's products have long received recognition from the industry and customers, and for the expansion of new markets, it is easy to form alliances to expand new markets/businesses.
- (3) The Company has NC punch machines and mold making and laser punching manufacturing technology to reduce development costs. The renovation of the 5,0-ton hydraulic press and large ED coating

tank has been completed to improve the ability to produce large parts.

- (4) The Company has mainland subsidiaries of high homogeneity, which can effectively reduce development costs and increase price competitiveness through joint research and discovery of molds for parts used by both sides of the Taiwan Strait.
- (5) The Company continues paying attention to the demand of and changes in the domestic commercial car shell market, and has an important supply chain advantage for domestic shells.
- (6) The Company, in compliance with the government policy to replace existing fuel-powered mass transportation vehicles, has set up an electric bus shell production line which has started mass production and supply.

<Unfavorable factors>

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

<Countermeasures>

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

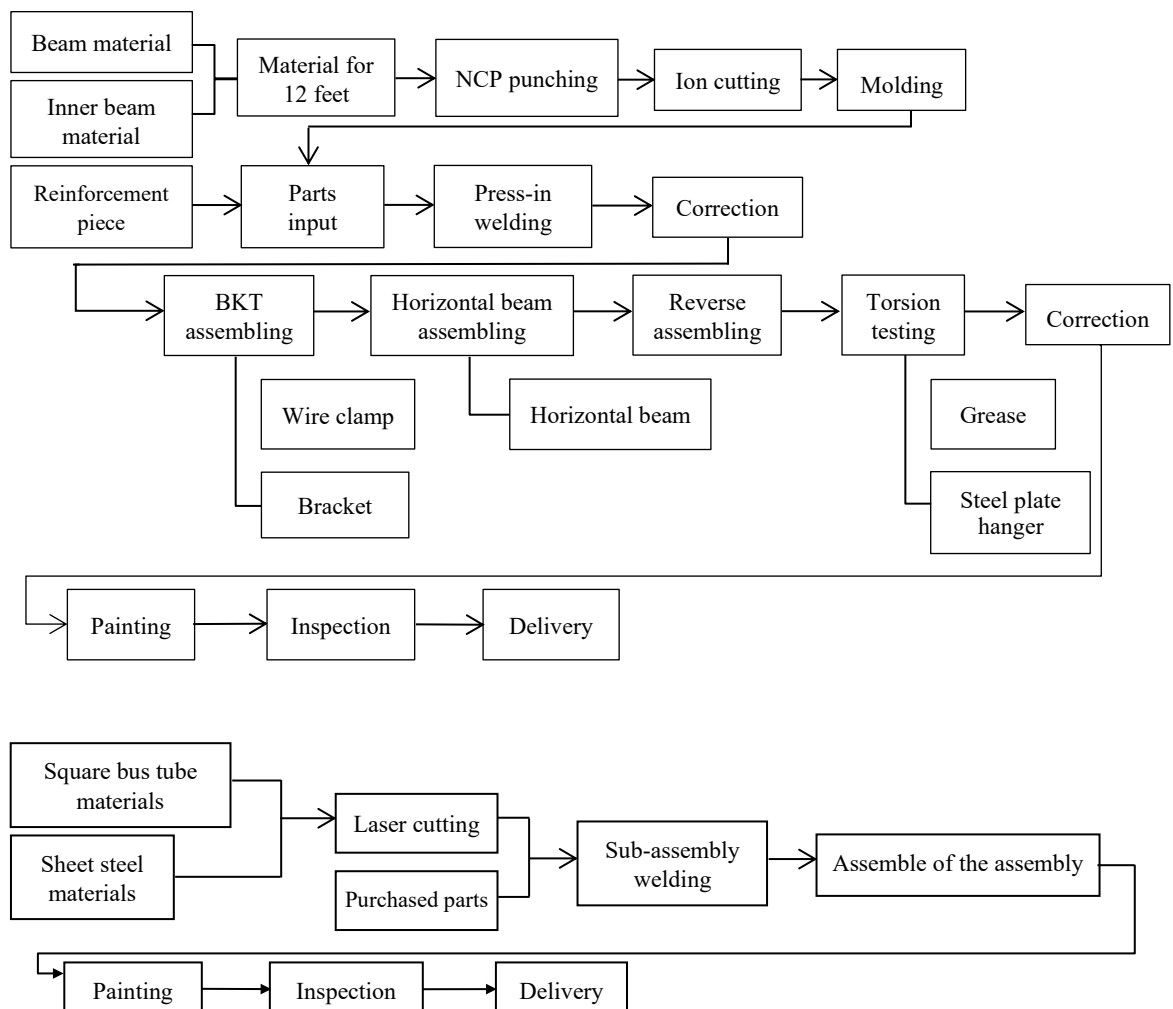
(II) Important applications and production process of main products

1. Important applications of main products

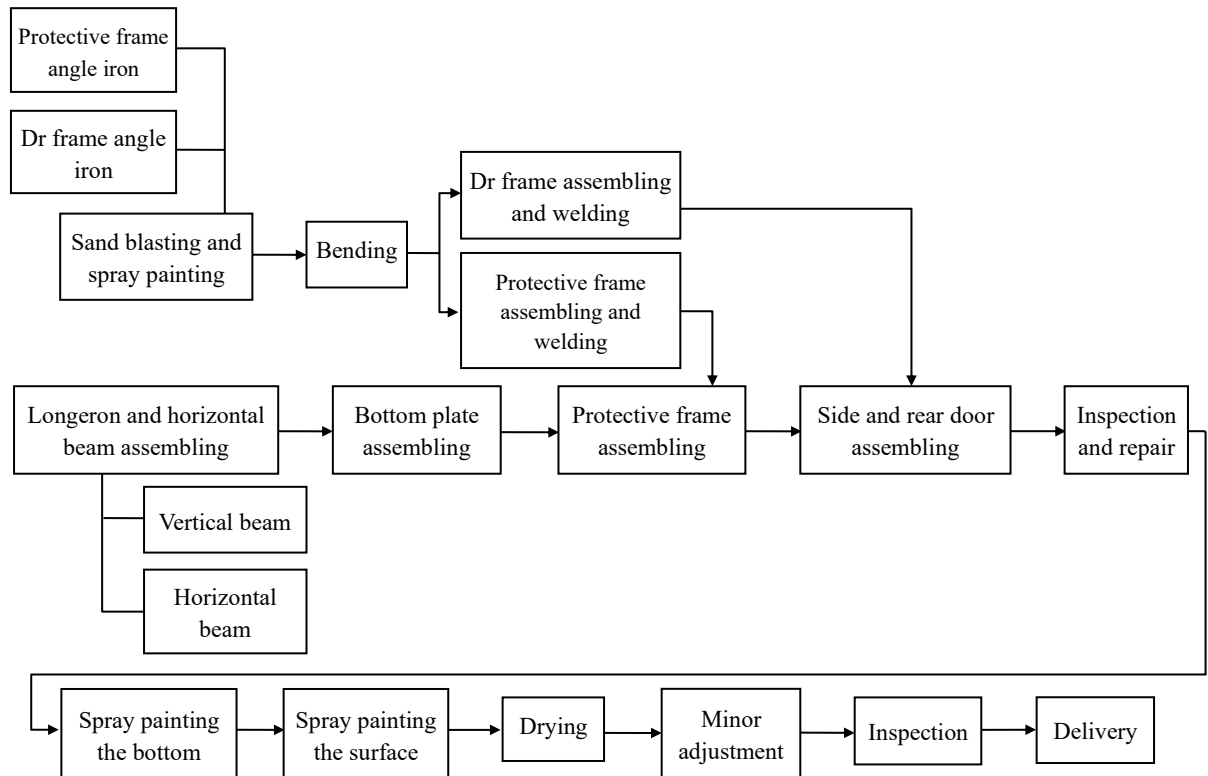
Product type	Important applications or functions
Vehicle shell	Supply of chassis of large, medium and small trucks with a total weight of 3.5 tons (including) and for medium and large buses.
Rear car body of platform deck	For the rear body of small trucks
Metal plate parts	Supply of chassis, body and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

2. Production process

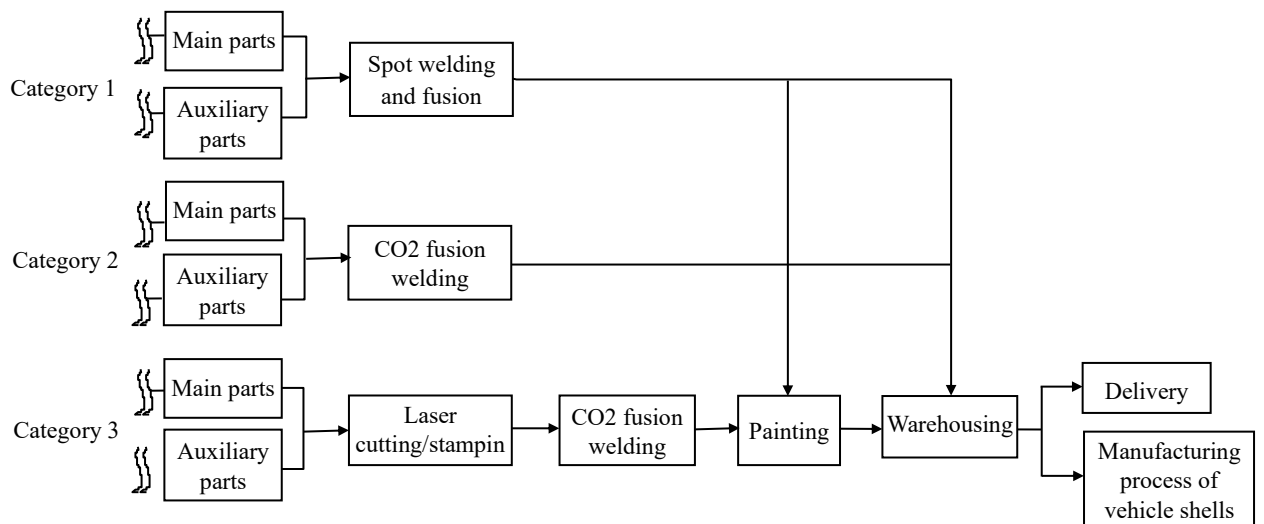
(1) Vehicle shell:



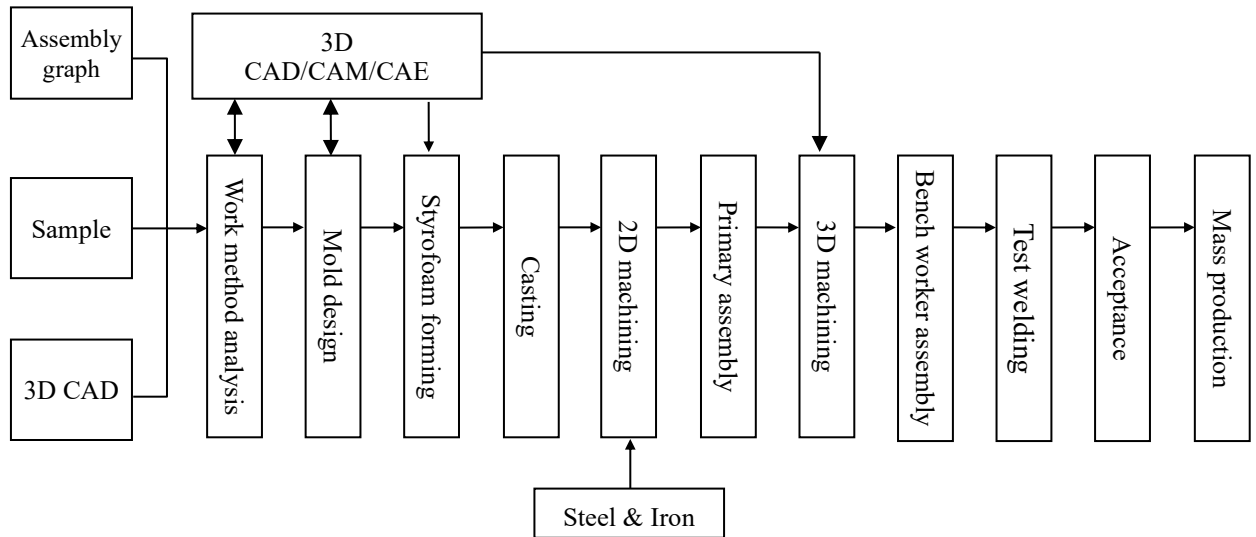
(2) Rear car body of platform deck



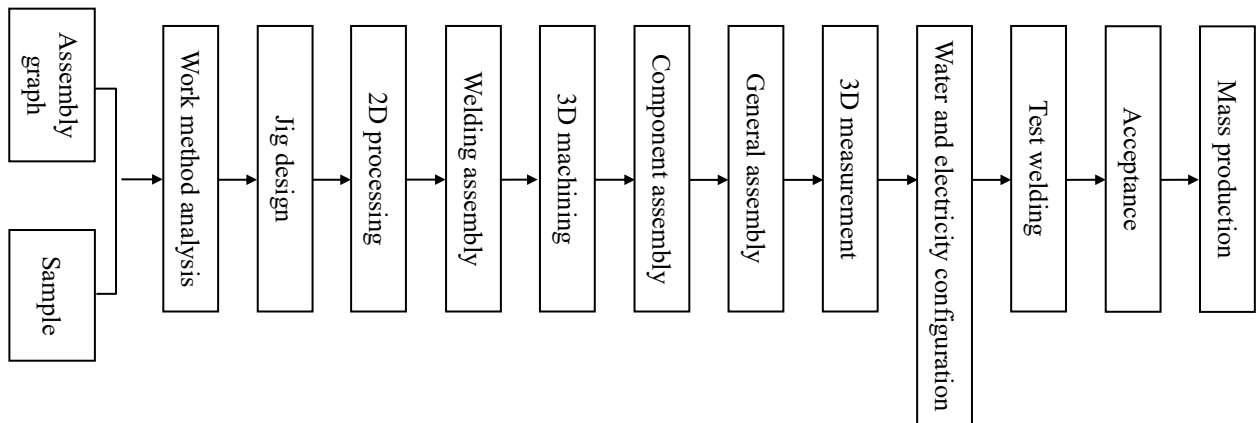
(3) Sheet metal components



(4) Car shell production process



(5) Jig production process



- (III) Supply status of key raw materials: The Company's raw materials are primarily purchased from domestic suppliers with whom we have long-term partnerships and supply agreements. These agreements not only ensure stable raw material prices, but also guarantee a reliable supply of materials.

(IV) Names of customers representing more than 10% of the total purchase (sale) in the last two years and the purchase (sale) amount and percentage

1. Major suppliers in the last two years

Unit: NT\$ Thousand

	2024				2025			
Item	Name	Amount	Percentage of net annual purchase	Relationship with the issuer	Name	Amount	Percentage of net annual purchase	Relationship with the issuer
1	Yueki Industrial Co., Ltd.	126,900	13%	Substantive related party	Yueki Industrial Co., Ltd.	129,258	16%	Substantive related party
2	Other	850,430	87%	-	Other	695,980	84%	—
	Net purchase amount	977,330	100%	-	Net purchase amount	825,238	100%	—

2. Major customers in the last two years

Unit: NT\$ Thousand

	2024				2025			
Item	Name	Amount	Percentage of net sales for the year	Relationship with the issuer	Name	Amount	Percentage of net sales for the year	Relationship with the issuer
1	China Motor Corporation	526,158	36%	Parent of the Company	China Motor Corporation	525,195	42%	Parent of the Company
2	Kuozui Motors, Ltd.	689,161	47%	Company adopting the equity method for the Investment in the Company	Kuozui Motors, Ltd.	352,892	28%	Company adopting the equity method for the Investment in the Company
	Other	243,315	17%		Other	367,573	30%	
	Net sales amount	1,458,634	100%		Net sales amount	1,245,660	100%	

III. Employees

Year		2024	2025	As of March 31, 2026
Number of employees	Direct employees	219	222	219
	Indirect employees	113	113	110
	Total	332	335	329
Average age		41.39	41.43	41.77
Average years of service		9.4	8.9	9.7
Education Background Distribution	PhD	-	-	-
	Master	14	13	11
	College and university	139	115	149
	Senior high school	127	119	120
	Below senior high school	52	52	49

Indicator	Percentage (%)	Pay equity index	Difference (%)
Female % of total employees	17%	Gap in "average" salary between men and women	1%
Female % of supervisors	8%	Gap in "median" salary between men and women	1%

- (I) The Company is committed to providing a work environment that is respectful and safe for all employees. We implement diversity in employment, fairness in compensation and promotion opportunities, and ensure that employees are not discriminated against, harassed or treated unfairly due to race, gender, religion, age, political orientation, and other rights protected by applicable laws and regulations.
- (II) The Company values workforce diversity. We currently employ seven individuals with disabilities, which is 2.33 times the legally required number. We provide reasonable accommodations and have established support systems to eliminate barriers in the workplace. In addition, the Company hires foreign nationals, including 40 from Thailand, 44 from Indonesia, 4 from China, 1 from Vietnam, and 2 from the Philippines. We respect the cultural customs of our employees and foster a friendly and inclusive work environment. No violations of labor or human rights have occurred.
- (III) In order to provide a working environment for employees and job seekers that is free from sexual harassment, and to prohibit the occurrence of sexual harassment in the workplace, the Company has formulated the "Workplace Sexual Harassment Prevention, Governance, and Appeal Measures".

IV. Information on Environmental Protection Expenses

- (I) Losses and fines incurred due to pollution of the environment in the past year and up to the date of publication of the annual report (including compensation and violations of environmental protection laws as a result of environmental protection inspections, specifying the date of disposition, disposition reference number, violated law provisions, content of violation, and content of disposition): None.
- (II) Expected environmental protection expenditures in the current and next two years:

Unit: NT\$ Thousand

Item \ Year		2025	2026	2027
	Environmental Protection Expenses	Actual amount	Estimated amount	Estimated amount
Planned procurement of pollution control equipment or expenditure content	(1) Operation costs of wastewater, waste gas and waste treatment	2,016	2,519	2,550
	(2) Pollution testing fees	1,123	1,284	1,300
	(3) Greenhouse gas inventory	158	360	360
Expected improvement	Compliance with: (1) Air Pollution Control Act (2) Water Pollution Control Act (3) Waste Disposal Act (4) Toxic and Concerned Chemical Substances Control Act			

V. Labor-Management Relations

- (I) Availability and execution of employee welfare committee, welfare measures, group insurance, further study and training and retirement policies in the past year and as of the date of publication of the annual report:
- Establishment of the Employee Welfare Committee
According to the Employee Welfare Regulations, the Company established an Employee Welfare Committee on November 27, 1991 to handle employee welfare matters. Currently there are 9 members; in addition to one ex-officio member (business executor) who is appointed by the Company, other members are selected from employees in different areas. Quarterly meetings are held, and temporary meetings are also held according to actual needs to study employee welfare measures and take care of welfare matters.
 - Employee welfare measures
 - The Company provides uniforms, well-equipped employee dormitories, training classrooms and employee restaurants.
 - The Company holds activities such as year-end party with lottery draw, and domestic and international travel (with travel subsidy).

- (3) Subsidies for employees' club activities, department meals, and catering.
 - (4) Free group regular insurance and injury insurance for employees, as well as regular physical examinations.
 - (5) The Company provides inpatient comfort, bereavement comfort and interaction with employees, and employee relatives may enjoy hospitalization subsidies.
 - (6) Presents for three major festivals, birthdays, weddings, maternity, retirement and souvenirs for senior colleagues.
 - (7) Provide employees with irregular quarterly incentive bonuses. Scholarships to employees and their children.
 - (8) High-quality stores in Taiwan are contacted to sign them up as "chartered stores" to provide diverse consumption and selection information to employees.
 - (9) Cooperate with the car factory's sales promotion activities and provide discounts for employees' car purchase.
 - (10) Female employee support program: breastfeeding room with complete equipment, health education and consultation for postpartum mothers, parking tickets for pregnant women's cars and motorcycles, and gift cash for childbirth.
3. Employee group insurance
- All formal employees of The Company itself are eligible to participate in group insurance for free, covering occupational disaster insurance, personal life insurance (disability compensation, death compensation, etc.), cancer prevention medical insurance (surgery subsidy and radiation therapy subsidy), hospitalization medical compensation, major injury and disease payment, fracture, and accidental injury and death compensation. The personal life insurance coverage is 10 months' salary, and the accidental injury and death compensation guarantee is 36 months' salary. The hospitalization and medical compensation is on a daily basis or the actual cost payment method (including employees' spouses and children). The estimated benefit amount for employees and their families in 2025 was about NT\$810 thousand.
4. Employee's further study and training
- (1) Education and training are one of the basic benefits of the Company's employees. In order to continuously cultivate talents, assist employees in their growth, and improve the quality of human resources, the Company has established an "Education and Training

Measures.” According to the Education and Training Measures, the number of hours for the Company's education and training in 2025 reached 6,095 hours, with an education and training cost of approximately NT\$526 thousand.

- (2) In order to implement the Company's education and training philosophy and fully perform the function, the Company's education and training system is divided into the following:
 - Internal hierarchy levels: Courses that enhance the skills of employees at all levels, including various management capabilities, lectures on environment, safety, hygiene and health, KM, OJT, quality, information, etc. The total training hours are 4,538 hours.
 - Pre-service training: Guiding new employees to familiarize themselves with the Company, organizational development and evolution, work environment, safety and health training, financial security, welfare introduction, etc. The total training hours are 441 hours.
 - External professional categories: Departments may periodically send personnel to participate in various training courses organized by external training institutions according to business execution needs. In 2025, a total of 43 people obtained professional certificates, technicians' certificates, training completion certificates, and refreshment training completion certifications, with a total training time of 1,116 hours.

5. Retirement system

- (1) In accordance with the "Labor Pension Act", the Company has established the Supervisory Committee of the Labor Retirement Fund to handle matters such as employee retirement application, pension payment, and employee retirement reserve appropriation. The committee is re-elected once every four years to review the contribution to the employee pension fund, the contribution of the pension fund, and the payment thereof. In 2025, a total of NT\$7.1 million was contributed to the new retirement pension system.
- (2) Starting from July 1, 25, if employees choose to apply the pension system of the Labor Pension Act, 6% of their monthly salary will be transferred to the personal pension account of the Bureau of Labor Insurance. The status of employee pension payment is explained in the quarterly meeting to ensure the rights and interests of employees.

- (3) The pension system according to the "Labor Standards Act" belongs to the defined welfare retirement plan managed by the government. The payment of employee pension is calculated based on the number of years of service and the average salary of the six months prior to the approved retirement date. The Company allocates a certain proportion of the employee's monthly salary as pension, which is deposited into the special account of Bank of Taiwan under the name of the Labor Pension Reserve Adult Committee. Before the end of the year, if the estimated balance of the special account is insufficient to pay the estimated pension for workers in the following year, the difference will be allocated in one lump sum before the end of March of the following year. The special account of Bank of Taiwan had a 2025 year-end balance of NT\$97.29 million, with no need to allocate any difference, and the monthly total salary allocation rate was 2%, which is sufficient to cover the old labor pension system for workers' retirement pensions.
6. Establishment of Labor-management Committee and Union

In order to coordinate labor relations and promote labor cooperation, it is necessary to increase communication between labor and the management within the enterprise, reduce conflicts, and enable both parties to reach consensus, thereby pooling the wisdom and potential abilities of everyone to work together to implement resolutions.

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

The Company attaches great importance to the safety, health, and legal rights of employees and continues to build a workplace that values both care and communication to promote labor-management harmony and organizational cohesion. The relevant measures are as follows:

(1) Employee well-being and care

The Company fully engaged in the physical and psychological health of employees, providing necessary consultation and guidance resources to assist them in achieving a good balance between work and life, and creating a safe and friendly working environment.

(2) Diverse communication and all-employee participation management

To strengthen employee participation and internal communication, the Company i advocates multi-directional communication and encourages employees to participate in management and express opinions, fostering team consensus and cohesion. Related practices include:

- Regularly disclose information related to the company's operation and management, allowing employees to fully understand the company's Operational Highlights, enhancing organizational recognition and risk awareness.
- Set up an opinion box to focus on employee related issues and protect their rights and interests.
- Establish the Employee Welfare Committee and hold regular labor-management meetings as a formal platform for communication and negotiation between labor and management.
- For foreign employees, through irregular meetings and a diverse communication mechanism, we strengthen information dissemination and opinion exchange to promote workplace integration and mutual understanding.

8. Work environment and employee safety protection measures

The safety of the employees is a top priority for the Company. In addition to complying with relevant national laws and regulations, the Company has also obtained the ISO 45001 certification, valid until December 6, 2026, demonstrating our commitment to continuously improving occupational safety and health standards. In addition, potential safety hazards arising from various types of work environments, such as cutting, rolling, electrical shock, falls, fires and explosions, falling objects, poisoning, suffocation, etc., are identified, risk assessments are conducted, and hazard prevention measures and relevant management standards are implemented to ensure the safety and well-being of all employees and stakeholders. At the same time, through the operation of the Occupational Health and Safety Management System, the Company continuously improves the safety hazard risks related to personnel, equipment, and the

environment. In 2025, 273 safety and health improvements were completed.

(1) Specific practices for a good working environment

To provide a safe, healthy, and comfortable working environment, The Company itself continuously promotes the following specific measures:

- Established a "Safety and Sensory Training Hall" to implement safety and health education and training for new employees, in-service employees, and contractors, strengthening practical risk identification and safe behavior.
- Smoking is completely prohibited in the workplace and restaurant areas, with smoking only allowed in designated smoking areas, to maintain air quality and employee health.
- Plan dedicated pedestrian pathways within the factory and implement pedestrian-vehicle separation management to reduce operational risks.
- Exhaust fans and local exhaust systems are installed in the factories, and large ventilation equipment is introduced to ensure air quality and improve comfort.
- Air conditioning is added in the spray operation areas to effectively improve the working environment requirements.
- Environmental testing is conducted every six months, focusing on dust, noise, and organic solvents in the factory areas, with continuous monitoring and improvements made to the work environments.
- Equipped the factory with monitoring systems for important equipment and safety entrances and exits with network connection to keep track of information at any time.

(2) Employee safety protection measures

- In 2025, there were a total of 7 occupational accident cases, affecting 2% of the total number of employees as of December 2025. After the incident, the Company immediately conducted a cause analysis and formulated improvement measures. The relevant equipment, operational processes, and safety operation standards (SOPs) were reviewed and revised, followed by a horizontal expansion and educational training. Additionally, managerial care and operational observations were strengthened to ensure the safety and well-being of employees.

- Plan diverse health promotion activities and implement incentive measures to encourage employees to participate in positive health behaviors. In 2025, we continuously obtained the "Self-assessment Qualification Mark for Workplace Health Promotion" certification from the Health Promotion Administration, Ministry of Health and Welfare.
- Regular health inspections are conducted for employees, including checkup items such as blood lipids, liver function, kidney function, and blood tests. For those with abnormal inspection results, in addition to providing health education guidance, regular follow-up checks or treatment are required to maintain employee health.
- On a monthly basis, the "Professional Physician of the Occupational Medicine Department of Chang Gung Hospital" visits the factory to provide on-site services, assisting in identifying and evaluating the hazardous factors affecting the physical and mental health of workers, proposing improvement suggestions, and arranging health education, hygiene guidance, and health promotion services to gradually build a friendly and safe workplace environment.
- Regularly hold joint meetings on occupational safety, health and environment to grasp the progress of safety, health and environmental improvement.
- A comprehensive fire and alarm system has been established throughout the factories, connected to the security room for real-time monitoring of plant activities. Every six months, emergency response drills, self-defense fire-fighting training, and workplace environment assessments are conducted as an important basis for continuous improvement of the work environment.

(II) In the most recent year and up to the date of publication of the annual report, there was no loss due to labor disputes.

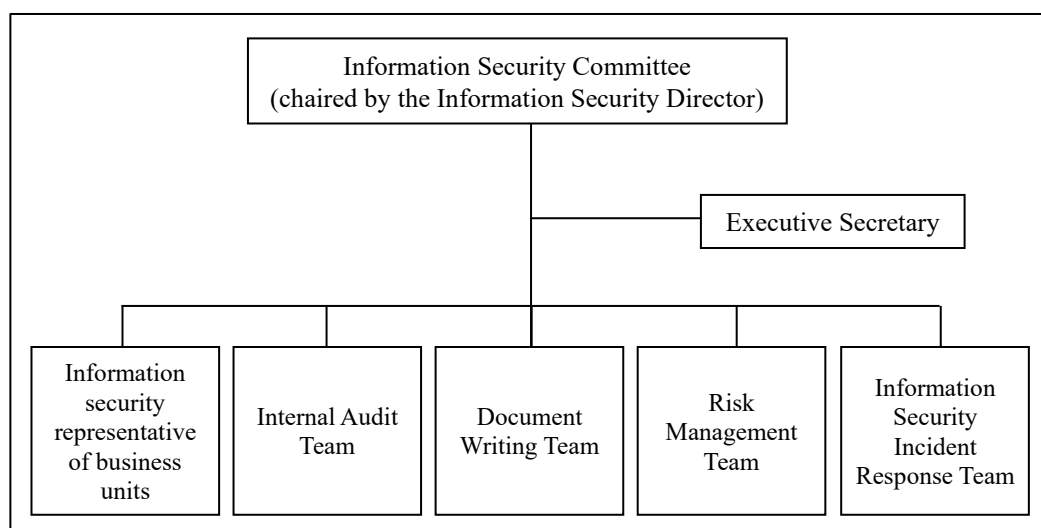
VI. Infocomm Security Management

This chapter is prepared in accordance with the "Regulations Governing Information to be Published in Annual Reports of Public Companies" and the supervisory requirements of the competent authority for strengthening Infocomm Security Management of listed (TPEX) companies. It also refers to the governance and disclosure key points of the "Information Security Control Guidelines for TWSE/TPEX Listed Companies" to enhance investors' understanding and comparability of the Company's information security governance.

(I) Infocomm security risk management framework

1. Governance structure

The Company has established the "Information Security Management Committee" to coordinate information security strategies, resource allocation, and performance reviews. The audit unit conducts information security-related audits according to the annual audit plan and regularly reports the results of information security governance and internal control audits to the Board of Directors.



2. Assignment of dedicated personnel

The Company, in accordance with the competent authority's grading requirements for Infocomm Security staffing in listed (TPEX) companies, has appointed a dedicated Infocomm Security supervisor and dedicated personnel. Through educational training and certification programs, the Company enhances professional capabilities and establishes cross-departmental channels (including information, legal, human resources, manufacturing, procurement, etc.) to promote the implementation of Infocomm Security policies.

(II) Infocomm security policy

1. Infocomm security policy

The Company's information security policy centers around "Information Security, Everyone is Responsible," with the goal of ensuring the confidentiality, integrity, and availability (CIA) of information assets, and prioritizes legal compliance and business continuity as its highest principles.

2. Management system and cycle operations

The Company operates in accordance with the Information Security Management System (ISMS), adopting a Plan-Do-Check-Act cycle management approach. Risk assessment, control measures, monitoring audits, corrective and preventive actions are incorporated into routine operations.

【Main cycle operations 2025】

- * Conduct an asset inventory taking of information and communication systems and maintain a register of core assets, with at least an annual review; significant changes are updated in real-time.
- * Information security risk assessment: Identify threats, vulnerabilities, and impacts on core business/core infocomm systems, formulate response plans, and conduct follow-ups.
- * Vulnerability management: Regular vulnerability scanning; high-risk vulnerabilities are remedied in accordance with the SLA to completion, and tracking records are retained.
- * Access and privileged account Management: Implement the principle of Least Privilege, regular reviews, and real-time adjustments for changes. Privileged accounts are integrated into centralized control with comprehensive audit trails.
- * Log monitoring and alerts: Collect key system/equipment logs and set up abnormal alert and handling processes.
- * Information security education and training: Company-wide promotional courses and professional courses for information security personnel; annual social engineering drills and improvements.
- * Outsourcing/supply chain security: Contracts stipulate security requirements and audit rights; supplier evaluation, monitoring, and termination of handover/deletion.
- * Business continuity and redundancy: Define RTO/RPO, backup and remote redundancy, regularly drill and improve.

3. Infocomm security risk management framework

(1) Risk identification and evaluation method

The Company focuses on core business and core infocomm systems, identifying risk based on threat scenarios (such as external attacks, ransomware, supply chain issues, internal misuse, physical/environmental threats, cloud and remote access, etc.), evaluating their impact on confidentiality, integrity, and availability and measuring the levels of risk, and producing a risk mitigation plan and improvement schedule.

(2) Risk disposal and control

Risk disposal strategies include: reduce (enhance control), transfer (insurance or contract), accept (with approval), avoid (cease high-risk operations). The major risks and improvement plans are reviewed by the Information Security Management Committee and regularly reported to the management and the Board of Directors.

(3) Summary of key risks and countermeasures

Main risk types	Potential impact	Existing control measures	Key improvements for the year 2025
Ransomware / malware	Business disruption, data unavailable	Backup and recovery, antivirus software	Immutable backups, threat intelligence collection and information governance
External service attack	Service interruption, data breach	Firewall, vulnerability management, monitoring and alerting	Enhance external service scanning, strengthen segmentation isolation
Internal abuse of access/ password leakage	Data breach, abnormal operation	Privileged account management, MFA, permission review	Expand MFA coverage, enhance privileged operation audit.
Supply chain/ outsourcing risk	Intrusion caused by third-party vulnerabilities	Supplier evaluation, contract security terms	Supplier management and auditing, introduction of third-party risk ratings

(III) Specific management plans

The Company adopts a Defense-in-Depth strategy, integrating management, technical, and personnel controls to reduce the impact of information security incidents on operations and finance:

1. Capital expenditure/project direction for 2025

- * Identity and access management: Extension of privileged account management (PAM), enhancement of multi-factor authentication (MFA), account lifecycle management, and permission review.
- * Backup and disaster recovery: Cloud backups for core systems, enhancing immutable backups (WORM) and recovery drill mechanisms.
- * Network and industrial control security: Segment zoning, isolation of key equipment.
- * Information security monitoring and incident response: Log centralization, alert rule optimization, incident response process drills, and integration with external intelligence.

2. Routine maintenance and audit

Including vulnerability management, patch management, configuration strengthening, asset inventory taking, backup recovery, audit tracking, social engineering drills, and educational training, with KPI/KRI performance tracking.

(IV) Resources invested in information security management

1. Resource input

The Company's information security investment includes: dedicated personnel, information security tools and services (such as backup, identity governance, monitoring and alerting), external audits, as well as training and drills.

2. KPI/KRI

- * Monitoring alerts: Key systems operate normally 99%.
- * Identity Governance: MFA coverage rate 100%, privileged account management rate 80%, permission review completion rate 100%.
- * Education and training: 100% completion rate for all-employee training, and a 70% improvement in the social engineering click-through rate.
- * Redundancy resilience: Backup success rate 99%, recovery drill achievement rate 100%, RTO/RPO compliance rate 100%.
- * External audit: ISO 27001:2022 surveillance and version upgrade verification was completed on July 23, 2025.

- (V) ISO 27001:2022 version upgrade acceptance and continuous improvement
The Company has completed the ISO 27001:2022 version upgrade acceptance and, according to the new control structure and risk-oriented thinking, enhanced governance. Key points include: Threat intelligence collection and information governance, strengthening supply chain information security requirements, improving information classification and access control, integrating incident management and reporting processes, and performance indicator-based information security management.
1. Main adjustment for version change:
 - * Risk assessment method and update corresponding to control items (2022 version control structure).
 - * Supply chain information security: Strengthening third-party risk management processes and contract management.
 - * Threat intelligence: Establish procedures for information collection, assessment, distribution, and improvement.
 - * Incident Management: Enhance the integration of detection, reporting, response, and recovery drills.
- (VI) Disclosure of major information and communication security incidents
The Company has established procedures for handling and reporting information security incidents, categorizing incidents based on their impact. When necessary, external disclosure is carried out in accordance with the significant information regulations of the stock exchange/OTC center. The Company also assesses the incident's impact on operations, finance, and goodwill, and completes corrective and preventive measures.
- (VII) Legal compliance and improvement direction for the year 2026
The Company complies with the requirements of the competent authority for disclosing Infocomm Security Management information in the annual report and continuously improves governance by referring to the infocomm security control guidelines. Future focus includes: Strengthening endpoint detection and response, zero trust/identity security, deepening supply chain risk management, enhancing industrial control information security and operational resilience, and indicator-driven governance improvement.
- (VIII) Losses, possible impacts from and implementation of countermeasures for major information security incidents in the most recent year and up to the date of the annual report publication; if there is no reasonable estimate available, state the fact that it cannot be reasonably estimated: None.

VII. Important Contracts

Nature of the contract	Counterparty	Start and end date of contract	Major contents	Restrictive clauses
Technical cooperation contract	Japan's Miwa Production Institute	From July 9, 2007 to July 8, 2026	Miwa Production Institute provides guidance on the manufacturing technology for the # shaped beams and related assembly parts commissioned by China Motor to the Company.	None
	Japan's Hirata Industries Co., Ltd.	From July 31, 2007 to July 30, 2026 From January 1, 2024 to December 31, 2026	Hirata Industries Co., Ltd. provides guidance on the manufacturing technology related to the front crossbeam, rear suspension metal parts used in the manufacturing of sedans, and assembly parts of the supporting heavy arm, lower arm, and connecting rod commissioned by China Motor to the Company, as well as technical advice related to factory operation. In addition, Hirata Industries Co., Ltd. provides guidance on the manufacturing technology related to the GS41 trailing arm commissioned by China Motor to the Company since January 2018.	None
	Japan's Takebe Iron Works	From September 28, 2022 to September 27, 2026	Takebe Iron Works provides technical assistance in the manufacturing technology of the shells, shell metal parts and related assembly parts of trucks and buses commissioned by Kuozui Motors, Ltd. to the Company.	None

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

I. Comparison and Analysis of Financial Position

Unit: NT\$ Thousand

Item \ Year	2025	2024	Difference	
			Amount	%
Current asset	2,140,325	2,461,852	(321,527)	(13)
Investments accounted for using the equity method	2,920,891	2,704,796	216,095	8
Property, plant and equipment	600,040	571,514	28,526	5
Other assets	45,083	40,877	4,206	10
Total assets	5,706,339	5,779,039	(72,700)	(1)
Current liabilities	378,557	531,708	(153,151)	(29)
Non-current liabilities	304,703	257,229	47,474	18
Total liabilities	683,260	788,937	(105,677)	(13)
Share capital	734,001	734,001	-	-
Capital surplus	1,251	1,251	-	-
Retained earnings	4,548,503	4,541,113	7,390	-
Other equity interest	(260,676)	(286,263)	25,587	9
Total equity of shareholders	5,023,079	4,990,102	32,977	1
Explanation of the reasons why the changes in assets, liabilities and shareholders' equity have exceeded 20% in the past two years:				
Current liabilities decreased mainly due to a reduction in income tax liabilities by NT\$120 million.				

II. Financial Performance Analysis

Unit: NT\$ Thousand

Item \ Year	2025	2024	Increase or decrease	
			Amount	%
Operating revenue, net	1,245,660	1,458,634	(212,974)	(15)
Operating costs	1,061,492	1,280,131	(218,639)	(17)
Gross profit from operations	184,168	178,503	5,665	3
Operating expenses	142,995	123,840	19,155	15
Net operating income (loss)	41,173	54,663	(13,490)	(25)
Non-operating income and expenses	271,451	331,132	(59,682)	(18)
Profit before tax	312,624	385,795	(73,171)	(19)
Income tax benefits (expenses)	(76,853)	(83,631)	(6,779)	(8)
Net profit for the year	235,771	302,164	(66,393)	(22)
Other comprehensive income	24,746	145,842	(121,096)	(83)
Total comprehensive income (loss) for the year	260,517	448,006	(187,489)	(42)
Analysis and explanation of the increase or decrease of over 20% in the past two years:				
1. The decrease in net operating income was mainly due to the implementation of the joint chassis development project, which led to an increase in operating (R&D) expenses.				
2. The profit before tax for the year decreased, mainly due to the increase in exchange losses from exchange rate fluctuations and the decrease in the recognition of investment income under the equity method.				
3. The decrease in other comprehensive income is mainly due to fluctuations in exchange rates that affect the share of other comprehensive income of joint ventures under the equity method and the exchange differences on the translation of financial statements of foreign operations.				

III. Cash Flow Analysis

(I) Changes in cash flow for the year

Unit: NT\$ Thousand

Beginning cash balance	Net cash flow from operating activities for the year	Net cash flow from investing and financing activities for the year	Cash surplus (shortfall)	Remedy for cash shortfall	
				Investment plan	Wealth management plan
1,790,232	(66,663)	(224,114)	1,499,455	-	-
1. Operating activities: Net cash inflow of NT\$89,070 thousand from operating revenue, with interest and income tax payments amounted to NT\$155,733 thousand.					
2. Investing and financing activities: Net cash outflow was due to the payment of cash dividends.					

(II) Liquidity analysis for the coming year

Unit: NT\$ Thousand

Beginning cash balance	Estimated net cash flow from operating activities for the year	Estimated net cash flow from investing and financing activities for the year	Estimated cash surplus (shortfall)	Remedy for cash shortfall	
				Investment plan	Wealth management plan
1,499,455	(68,373)	370,023	1,801,105	-	-
1. Analysis of cash flow changes in the coming year:					
(1) Operating activities: The expected net cash outflow is mainly due to the payment of the reinvested company's earnings distribution and the income tax of profit-seeking enterprises under the Controlled Foreign Corporation (CFC) system.					
(2) Investment and financing activities: The expected net cash inflow is mainly due to the acquisition of excess earnings distribution from the reinvested company in Mainland China.					
2. Remedy for cash shortfall and liquidity analysis: Not applicable.					

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

The significant capital expenditure in 2025 was NT\$95.58 million, and the expected benefits are as follows:

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

(VII) Reducing infocomm security risks: Strengthen system security and data protection, and continuously monitor and maintain information security.

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

Reinvested company	Investment amount	Main reasons for profit or loss	Other future investment plans or improvement plans
Fuzhou Fuxiang Automobile Industry Co., Ltd.	USD 2,835 thousand	Although revenue grew compared to the same period, the profit structure of product sales was unfavorable, coupled with an increase in various operating costs, resulting in a profit of RMB 8,038 thousand.	Promote new business and meet existing production capacity, and continuously promote the reduction activities of cost and controllable expense.
Guangzhou Enten Yulong Transmission System Co., Ltd.	USD 5,000 thousand	The competition in the mainland car market remains intense, sales volume has declined, but effective control of operating costs resulted in a profit of RMB 116,878 thousand.	Promoting new businesses and meeting existing capacities.
Xiangyang Enten Yulong Transmission System Co., Ltd.	USD 13,600 thousand	Affected by the competition in the market, the demand for orders was weak, and the profit of the Japanese car manufacturer was RMB 13,625 thousand.	Commit to improving production capacity and continuously promote activities to reduce controllable costs.
Xiamen Jinlong Kian Shen Vehicle Shell Co., Ltd.	USD 1,527 thousand	The profit structure from product sales was improved, resulting in a profit of RMB 5,262 thousand.	Continue to strengthen the order structure to improve the company's profitability.

VI. Risk Analysis

- (I) Impact of interest rate and exchange rate changes and inflation on the Company's profit and loss, and countermeasures in the most recent fiscal year and as of the annual report's publication date:
1. The Company manages and maintains sufficient cash and cash equivalents to support operations. Currently, the available cash position is considered adequate, and the impact of interest rate changes on profit and loss is limited. If the interest rate increases/decreases by one basis point within a possible range, the Company's profit or loss for 2025 will increase/decrease by NT\$91 thousand.
 2. The Company holds foreign currency assets, and its reinvested companies are located in Mainland China. The exchange rate risk is mainly affected by fluctuations in RMB exchange rate. When the New Taiwan Dollar appreciates/depreciates by 1% against the RMB, the Company's pre-tax profit or loss for 2025 will decrease/increase by NT\$1,019 thousand.
- (II) Policies on high-risk and highly leveraged investments, loans to others, endorsements/guarantees, and trading of derivatives in the past year and as of the date of publication of the annual report, the main reasons for profit or loss incurred and future countermeasures:
1. The Company has not been engaged in high-risk or highly leveraged investments.
 2. The Company has not extended loans to others, provided endorsements/guarantees or been engaged in derivative trading.
- (III) Future R&D plans and expected R&D expenses:
1. In addition to continuously participating in the development of new vehicles by various car manufacturers, in order to comply with the trend of energy conservation and carbon reduction, the Company actively collaborates with car manufacturers to develop electric bus shells. To improve product technology and respond to the future market demand for lightweight products, we plan to invest in the research and development of lightweight shells and rear body.
 2. The estimated R&D investment cost of the Company for 2026 is NT\$44.31 million.
- (IV) Impact of changes in important domestic and international policies and laws on the Company's finance and business in the past year and up to the date of publication of the annual report, and countermeasures: The Company has been paying close attention to the legal regulations and policies that affect its business and operations. Currently, major domestic and international policies and legal changes have no significant impact on the Company's finance and business.

- (V) During the most recent year and up to the annual report publication date, the impact of changes in technology (including information security risks) and industry changes on the Company's finance and business, and the response measures:
1. In 2025, there were no significant information and communication security incidents that impacted the Company's operations.
 2. For the specific information and communication security risk framework of the Company, please refer to Section 6 "Infocomm Security Management" in Section V. Operation Overview.
- (VI) Impact of changes in corporate image on corporate crisis management and response measures in the most recent year and as of the date of the annual report's printing: To enhance corporate governance, the Company itself has established independent directors and formed an Audit Committee, a Remuneration Committee, and a Sustainable Development Committee that holds regular meetings. Additionally, the Company itself complies with the requirements of competent authorities by promptly disclosing significant information and continues to focus on sustainable development and social responsibility issues to build a positive corporate image. To effectively manage communication with the media and avoid improper crisis handling that could affect the Company's image, the Company has implemented a spokesperson mechanism. Additionally, we have dedicated units to address valuable suggestions from stakeholders, ensuring the effective maintenance of the Company's reputation and image.
- (VII) Expected benefits, risks and countermeasures in relation to mergers and acquisitions in the past year and up to the date of the annual report printing: Not applicable.
- (VIII) Expected benefits, risks and countermeasures in relation to factory expansion in the past year and up to the printing date of the annual report: Not applicable.
- (IX) Risks faced due to the concentration of purchases or sales in the past year and up to the date of the annual report printing:
1. The Company is committed to diversifying procurement sources, with the majority of purchases from domestic suppliers. Due to the long-term cooperative relationship and signed supply agreements, the Company's raw material supply is normal and stable, without the risk of concentrated procurement.
 2. The Company uses its expertise and advantages in production and manufacturing to vigorously strive for various vehicle shell businesses for low-floor buses, electric buses, electric locomotives, medium-sized bus and shuttle buses, in order to expand new businesses and markets, and reduce the risk of excessive concentration of customers.

- (X) Impact, risk and countermeasures in relation to major transfer of shareholding by directors, independent directors, or shareholders with more than 10% shareholding in the past year and up to the annual report issuance date: Not applicable.
- (XI) Impact, risk and countermeasures in relation to the change of management right in the past year and up to the publication date of the annual report: Not applicable.
- (XII) Litigation and non-contentious cases in the past year and up to the date of publication of the annual report: None.
- (XIII) Other material risks in the past year and up to the date of the annual report printing and countermeasures: None.

VII. Other Important Matters:

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

1. Condensed balance sheet

(Unit: NT\$ Thousand)

Item		2021	2022	2023	2024	2025
Current asset		1,303,879	2,093,390	2,470,696	2,461,852	2,140,325
Investments accounted for using equity method		3,479,083	2,950,259	2,692,058	2,704,796	2,920,891
Property, plant and equipment		520,733	549,636	553,995	571,514	600,040
Other assets		20,189	16,088	35,037	40,877	45,083
Total assets		5,323,884	5,609,373	5,751,786	5,779,039	5,706,339
Current liabilities	Before distribution	486,118	669,940	575,914	531,708	378,557
	After distribution	640,258	824,080	818,134	759,248	378,557
Non-current liabilities		398,845	319,622	391,556	257,229	304,703
Total liabilities	Before distribution	884,963	989,562	967,470	788,937	683,260
	After distribution	1,039,103	1,143,702	1,209,690	1,016,477	683,260
Equity attributable to shareholders of the parent		4,438,921	4,619,811	4,784,316	4,990,102	5,023,079
Share capital		734,001	734,001	734,001	734,001	734,001
Capital surplus		1,251	1,251	1,251	1,251	1,251
Retained earnings	Before distribution	4,100,675	4,225,083	4,474,491	4,541,113	4,548,503
	After distribution	3,946,535	4,070,943	4,232,271	4,313,573	4,548,503
Other equity interest		(397,006)	(340,524)	(425,427)	(286,263)	(260,676)
Treasury stock		-	-	-	-	-
Non-controlling interest		-	-	-	-	-
Total equity	Before distribution	4,438,921	4,619,811	4,784,316	4,990,102	5,023,079
	After distribution	4,284,781	4,465,671	4,542,096	4,762,562	5,023,079

Note: The 2026 General shareholders' meeting is not yet held, and the earnings distribution scheme is not yet determined, so the amount after 2025 distribution is the same as the amount before distribution.

2. Condensed balance sheet

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

Item \ Year	Financial Information for the Past Five Years				
	2021	2022	2023	2024	2025
Revenue	1,275,608	1,500,265	1,598,496	1,458,634	1,245,660
Operating costs	1,171,714	1,352,764	1,417,745	1,280,131	1,061,492
Gross profit from operations	103,894	147,501	180,751	178,503	184,168
Operating expenses	89,384	102,750	115,358	123,840	142,995
Net operating income	14,510	44,751	65,393	54,663	41,173
Non-operating income and expenses	361,566	294,379	486,786	331,132	271,451
Profit before tax	376,076	339,130	552,179	385,795	312,624
Income tax expenses	69,309	9,312	148,356	83,631	76,853
Profit from continuing operations	306,767	269,818	403,823	302,164	235,771
Loss from discontinued business	-	-	-	-	-
Net profit (loss) for the period	306,767	269,818	403,823	302,164	235,771
Other comprehensive income (loss after tax)	(30,342)	65,212	(85,178)	145,842	24,746
Total comprehensive income	276,425	335,030	318,645	448,006	260,517
Profit attributable to owners of parent	306,767	269,818	403,823	302,164	235,771
Profit attributable to non-controlling interest	-	-	-	-	-
Comprehensive profit or loss attributable to owners of parent	276,425	335,030	318,645	448,006	260,517
Comprehensive profit or loss attributable to non-controlling interest	-	-	-	-	-
Earnings per share	4.18	3.68	5.50	4.12	3.21

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

1. Condensed balance sheet

(Unit: NT\$ Thousand)

Item		2021	2022	2023	2024	2025
Current asset		515,945	837,541	555,949	772,993	720,799
Investments accounted for using equity method		4,266,538	4,205,624	4,606,329	4,393,655	4,340,417
Property, plant and equipment		520,733	549,636	553,995	571,514	600,040
Other assets		20,189	16,088	35,037	40,877	45,083
Total assets		5,323,405	5,608,889	5,751,310	5,779,039	5,706,339
Current liabilities	Before distribution	485,639	669,456	575,438	531,708	378,557
	After distribution	639,779	823,596	817,658	759,248	378,557
Non-current liabilities		398,845	319,622	391,556	257,229	304,703
Total liabilities	Before distribution	884,484	989,078	966,994	788,937	683,260
	After distribution	1,038,624	1,143,218	1,209,214	1,016,477	683,260
Equity attributable to shareholders of the parent		-	-	-	-	-
Share capital		734,001	734,001	734,001	734,001	734,001
Capital surplus		1,251	1,251	1,251	1,251	1,251
Retained earnings	Before distribution	4,100,675	4,225,083	4,474,491	4,541,113	4,548,503
	After distribution	3,946,535	4,070,943	4,232,271	4,313,573	4,548,503
Other equity interest		(397,006)	(340,524)	(425,427)	(286,263)	(260,676)
Treasury stock		-	-	-	-	-
Non-controlling interest		-	-	-	-	-
Total equity	Before distribution	4,438,921	4,619,811	4,784,316	4,990,102	5,023,079
	After distribution	4,284,781	4,465,671	4,542,096	4,762,562	5,023,079

Note: The 2026 General shareholders' meeting is not yet held, and the earnings distribution scheme is not yet determined, so the amount after 2025 distribution is the same as the amount before distribution.

2. Condensed balance sheet

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

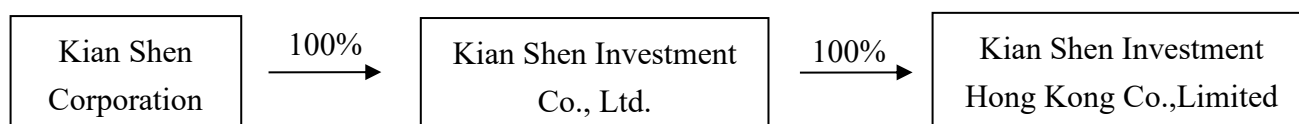
Item \ Year	Financial Information for the Past Five Years				
	2021	2022	2023	2024	2025
Revenue	1,275,608	1,500,265	1,598,496	1,458,634	1,245,660
Operating costs	1,171,714	1,352,764	1,417,745	1,280,131	1,061,492
Gross profit from operations	103,894	147,501	180,751	178,503	184,168
Operating expenses	89,094	102,453	115,152	123,484	134,149
Net operating income	14,800	45,048	65,599	55,019	50,019
Non-operating income and expenses	361,276	251,800	486,580	330,776	262,605
Profit before tax	376,076	296,848	552,179	385,795	312,624
Income tax expenses	69,309	27,030	148,356	83,631	76,853
Profit from continuing operations	306,767	269,818	403,823	302,164	235,771
Loss from discontinued business	-	-	-	-	-
Net profit (loss) for the period	306,767	269,818	403,823	302,164	235,771
Other comprehensive income (loss after tax)	(30,342)	65,212	(85,178)	145,842	24,746
Total comprehensive income	276,425	335,030	318,645	448,006	260,517
Profit attributable to owners of parent	306,767	269,818	403,823	302,164	235,771
Profit attributable to non-controlling interest	-	-	-	-	-
Comprehensive profit or loss attributable to owners of parent	276,425	335,030	318,645	448,006	260,517
Comprehensive profit or loss attributable to non-controlling interest	-	-	-	-	-
Earnings per share	4.18	3.68	5.50	4.12	3.21

Seven. Special Disclosures

I. Related Information of Affiliated Enterprises

(I) Consolidated Business Reports of Affiliated Enterprises

1. Organizational Chart of Affiliates



2. Information on affiliates

Unit: NT\$ Thousand unless otherwise specified

Company name	Date of establishment	Address	Paid-up capital	Key business or product items
Kian Shen Investment Co.,Ltd.	2002.03.13	Portcullis Chambers,4th Floor,Ellen Skelton Building,3076 Sir Francis Drake Highway,Road Town,Tortola, British Virgin Islands VG1110.	USD 10,296 thousand	Investment
Kian Shen Investment Hong Kong Co.Limited	2007.11.15	Unit 1, 20/F, Low Block, Grand Millennium Plaza,181 Queen's Road Central, Hong Kong	USD 25,907 thousand	Investment

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

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

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

5. Operation overview of each affiliate

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

December 31, 2025

Company name	Capital amount	Total assets	Total liabilities	Net worth	Revenue	Net operating income	Current income/loss (after tax)	Earnings per share (NTD)
Kian Shen Investment Co.,Ltd	USD 10,296 thousand	4,340,417	-	4,340,417	—	(213)	268,567	26.08
Kian Shen Investment Hong Kong Co.Limited	USD 25,907 thousand	4,340,151	-	4,340,151	—	(8,632)	268,776	10.37

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

(III) Affiliation report

1. Declaration on Consolidated Financial Statements of Affiliated Enterprises:

Declaration on Consolidated Financial Reports of Affiliated Enterprises:

The companies required to be included in the consolidated financial statements of affiliates in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises" for the year of 2025 (from January 1, 2025 to December 31, 2025) are the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in the International Financial Reporting Standard 10 "Consolidated Financial Statements", and relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of the parent and subsidiary companies. Hence, we do not prepare a separate set of consolidated financial statements of affiliated enterprises.

We hereby declare the above.

Company name: Kian Shen Corporation



Person in charge: Hsiung, Tung-Tai



March 9, 2026

2. Affiliation report for the past year:

Kian Shen Corporation
Declaration on Affiliation Report

The Company's Affiliation Report for the year of 2025 (from January 1, 2025 to December 31, 2025) was prepared in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises", and there is no significant discrepancy between the disclosed information and the relevant information disclosed in the notes to the financial report in the period above.

We hereby declare the above.

Company name: Kian Shen Corporation



Person in charge: Hsiung, Tung-Tai



March 9, 2026

3. CPA Review Report on the Affiliation Report

Independent Auditor's Review Opinion on the Affiliation Report

The Board of Directors and Shareholders Kian Shen Corporation:

Kian Shen Corporation has prepared its 2025 Affiliation Report in accordance with the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises (hereinafter referred to as "the Criteria"). The financial information disclosed in the report has been reviewed by the CPA certifying the financial statements for the same period, based on the information disclosed in the notes to the financial statements, and this review opinion is submitted pursuant to the Criteria.

In the opinion of the CPA, the information disclosed in the 2025 Affiliation Report of Kian Shen Corporation is not materially inconsistent with the related information disclosed in the notes to the financial statements for the same period, and no violations of the Criteria currently in effect have been identified.

Regards

Kian Shen Corporation

Ernst & Young Global Limited

Huang, Yu-Ting

CPA:

黃宇廷



Huang, Chien-Tse

黃建澤



March 9, 2026

4. Overview of the relationship between the subordinate company and the controlling company

Unit: Shares; %

Name of Controlling Company	Reason of Control	Details of Shareholding and Pledge of the Controlling Company			Personnel appointed by the controlling company as directors, supervisors, or managers	
		Number of shares held	Shareholding ratio	Number of pledged shares	Title	Name
China Motor Corporation	The President is dispatched by China Motor Corporation	32,201,367	43.87	-	Chairman Director, President	Hsiung, Tung-Tai Tseng, Chiung-Chih

5. Purchase and sales transactions

Unit: NT\$ Thousand; %

Unit: NT\$ Thousand, %

Business transactions with controlling company				Conditions of trading with controlled companies		General trading conditions		Reasons for discrepancy	Accounts/Notes receivable (payable) Accounts/Notes		Overdue accounts receivable			Remarks
Purchase (Sale)	Amount	Percentage of total sales (purchases)	Gross profit	Unit price (NT\$)	Credit period	Unit price (NT\$)	Credit period		Balance	Percentage accounted for of total accounts/notes receivable (payable)	Amount	Method of disposal	Amount of loss allowance	
Sales	525,195	42.16	44,488	-	45 days from the following month after delivery	-	30~95 days from the following month after delivery	-	84,331	33.90	-	-	-	

6. Details on property transactions: None.

7. Loaning of funds to others: None.

8. Asset leasing: None.

9. Endorsements and guarantees: None.

10. Information on derivative trade: None.

II. Information on Private Placement in the Most Recent Year of Up to the Date of Publication of the Annual Report:: None.

III. Additional Information Required to be Disclosed: None.

IV. Events Having Material Impact on Shareholders' Equity or Securities Price in the Most Recent Year of Up to the Date of Publication of the Annual Report: None.

Kian Shen Corporation



Chairman: Hsiung, Tung-Tai

A handwritten signature in black ink, consisting of stylized Chinese characters, likely reading 熊東台 (Xiong Dongtai).



Environmental Safety and Health Policies

Comply with environmental safety and health regulations and obligations
Continuously improve the management system to enhance performance
Implement environmental protection to reduce hazards and risks
Aware of own responsibilities and obligations
Zero tolerance for workplace bullying and violence
Create an equal, healthy and friendly work environment
Regularly review the effectiveness of the environmental safety system
Communicate to all personnel working for the organization

Environmental Safety Concept

Safety first, and prevention as the priority

Highest Goals of Environment, Safety and Health

Safety: zero disaster

Health: zero injury

Transportation: zero accident

Environment: zero pollution

Business Philosophy

Loyalty: being loyal to duty, honest and harmonious

Responsibility: customer first, quality first

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

Quality Policy

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

Quality first: Improve quality awareness and comply with work regulations

Customer satisfaction: Meet customer requirements and improve customer satisfaction