Stock Code：2204

# China Motor Corporation
# 2025 Annual Report

(Translation)

Printed on March 31, 2026

Notice to Readers

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

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

Spokesperson: Ching-Wu Chien
Title: Executive Vice President
Deputy spokesperson: Hui-Chun Lai
Title: Manager of the Corporate Planning Division
Telephone:(03)4783191
Email: 0800@china-motor.com

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

Headquarter: 11F., No. 2, Sec. 2, Dunhua S. Rd., Taipei City
Telephone:(02)23250000
Yang Mei Plant: No. 618, Xiucai Rd.,Xiucai Vil., Yangmei Dist., Taoyuan City
Telephone:(03)4783191
Hsin Chu Plant: No. 2, Guangfu Rd., Hsinchu Industrial Park, Hukou Township, Hsinchu County
Telephone:(03)5985841

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

China Motor Corporation
Address: 1F, No. 3, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City
Telephone:(02)25156421
Website: https://www.china-motor.com.tw

IV. The names of the certified public accountants who duly audited the annual financial report for 2025, and the name, address, telephone number and website of the accounting firm to which they belong.

Name of accounting firm: Deloitte & Touche Taiwan
Name of CPA: You-Cheng Hsin CPA, Chih-Ming Shao CPA
Address: 20F., No. 100, Songren Rd., Xinyi Dist., Taipei City
Telephone:(02)27259988
Website: https://www.deloitte.com.tw

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

VI. The Company’s Website: https://www.china-motor.com.tw

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# Report to Shareholders

Dear shareholders,

Looking back on fiscal year 2025, the global economy, geopolitical landscape remains volatile. Taiwan's auto market, amid weakening consumer momentum, saw total annual sales revised down to 414,000 units, a year-on-year decline of 9.6%. In the face of these headwinds, the Company demonstrated operational resilience through flexible product strategy and lean management. Full-year consolidated operating revenue NT$32.092 billion, operating income NT$1.137 billion, net profit after tax reached NT$3.188 billion, with earnings per share of NT$5.47.

**[Deepening Core Strengths: In-House R&D and Multi-Brand Strategy]**

Facing structural transformation in the industry, the Company firmly pivots on "in-house R&D" and "multi-brand deployment" to continuously enhance long-term competitiveness.

In the commercial vehicle segment, the Company launched the next-generation light commercial vehicle J SPACE met with significant market acclaim, driving a counter-trend sales growth of nearly 20% for our proprietary brand last year (2025). Building on this R&D momentum, we unveiled the 3.5-ton electric commercial vehicle, the ET35, in the third quarter of the same year. This launch not only showcases our core competencies in vehicle integration and systems development, evidenced by a localization rate exceeding 90%, but also marks our strategic deployment into diverse application scenarios. By integrating electrification with telematics technologies, we empower our clients to enhance operational efficiency and advance their low-carbon transition, thereby highlighting our successful transformation into a provider of green mobility solutions.

In the passenger vehicle segment, the Company continued to advance its strategy of " multi-brand product portfolio. Our long-standing partnership with Mitsubishi Motors has evolved from technology licensing to joint development. A prime example of this synergy is the new Mitsubishi XFORCE SUV launched last year (2025). Through our collaborative efforts, the XFORCE leads its class by being equipped with an advanced ADAS (Advanced Driver-Assistance Systems), significantly enhancing its product competitiveness. Concurrently, under the MG brand, the G50 PLUS has successfully captured new market segments through its differentiated product positioning, further bolstering our overall competitiveness in the passenger car market.

Looking ahead to 2026, our company will continue to optimize its product portfolio. We plan to steadily introduce new Mitsubishi models and increase the localization rate for the MG brand, thereby strengthening our overall operational momentum.

**[AI Empowerment: Driving a New Growth Curve]**

In response to the wave of the digital economy, the Company regards AI as the core engine driving future growth. A comprehensive intelligent upgrade spanning R&D through operations has been launched. Leveraging AI-powered Digital Twin technology, we are extending our proprietary expertise in vehicle integration and key systems into new ventures, such as automation equipment for the high-tech industry. This expansion into new application scenarios enables us to cultivate diverse growth drivers, thereby laying a solid foundation for long-term, stable profitability.

**[Sustainability at the Core: Commitment to Integrity and Social Inclusion]**

The Company continues to further strengthening its ESG practices. It has been selected among the top 5% in corporate governance evaluations for 12 consecutive years and was honored with 3rd place among large manufacturing enterprises at the CommonWealth Sustainability Citizen Awards. In terms of social engagement, the Company actively practices the philosophy of "co-prosperity with the land," transforming its core competencies into a force for protecting society through initiatives such as the "Happiness Guardian Program" and "China Motor Revival Program". In the area of talent development, we have been honored by the Taoyuan City Government with the 'Certification for Age-Friendly Employer' in recognition of our initiatives in job redesign, mentorship programs, and cross-generational learning. This achievement adds new momentum to our sustainable corporate operations.

Looking ahead, despite ongoing challenges of environment, the Company will continue to be anchored by our core of in-house R&D, comprehensively enhance competitiveness through AI transformation and intelligent upgrades, and further strengthen its multi-brand strategic positioning to navigate industry changes steadily.

Finally, we sincerely thank all shareholders for your long-standing support and encouragement. In the face of environmental changes and market competition, the Company will continuously refine its operational fundamentals, maintain operational flexibility, and return value to shareholders through sound and steady business results.

Chairperson

嚴陳莉蓮

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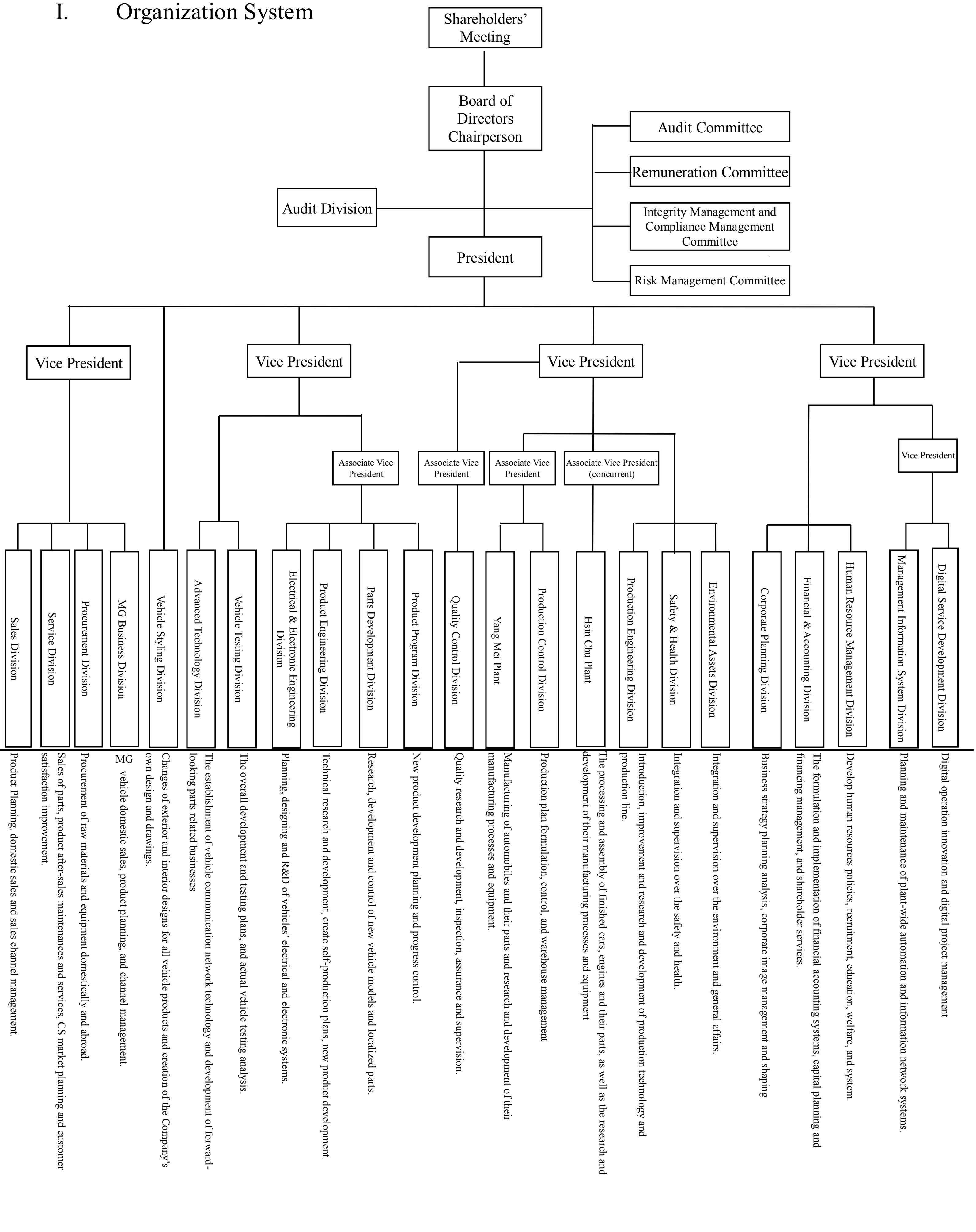
# I. Organization System



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

(I) Director Information

| Title | Nationality or place of registration | Name | Gender Age | Elected date | Term of contract | The commencement date of the first term | Shareholding when elected | | Current shareholding | | Spouse and children of minor age's current shareholding | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Number of shares | % | Number of shares | % | Number of shares | % |
| Chairperson | R.O.C. | Yulon Motor Co., Ltd. Representative Li-Lien Chen Yen | Female Aged 60~65 | 2025.05.29 | 3 years | 1994.07.01 | 44,592,177<br>*2,216,162 | 8.05<br>0.40 | 44,592,177<br>*2,216,162 | 8.05<br>0.40 | - | - |
| Director | Japan | Mitsubishi Motors Corporation Representative Yamazaki Yoshinori | Male Aged 55~60 | 2025.05.29 | 3 years | 2016.07.01 | 77,507,309 | 14.00 | 77,507,309 | 14.00 | - | - |
| Director | R.O.C. | Tai Yuen Textile Co., Ltd. Representative Hsin-I Lin | Male Aged 75~80 | 2025.05.29 | 3 years | 1984.07.20 | 139,435,815 | 25.19 | 139,435,815 | 25.19 | - | - |

*It indicates personal shareholding.

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

| Title | Nationality or place of registration | Name | Gender Age | Elected date | Term of contract | The commencement date of the first term | Shareholding when elected | | Current shareholding | | Spouse and children of minor age's current shareholding | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Number of shares | % | Number of shares | % | Number of shares | % |
| Director | R.O.C. | Le Wen Investment Co., Ltd. Representative Kuo-Hsing Hsu | Male Aged 65~70 | 2025.05.29 | 3 years | 2024.08.01 | 2,215,760 | 0.40 | 2,215,760 | 0.40 | - | - |
| Director | R.O.C. | Tai Yuen Textile Co., Ltd. Representative Hsin-Cheng Tseng | Male Aged 60~65 | 2025.05.29 | 3 years | 2018.11.20 | 139,435,815 | 25.19 | 139,435,815 | 25.19 | - | - |
| Director | R.O.C. | Yulon Motor Co., Ltd. Representative Tai-Ming Chen | Male Aged 55~60 | 2025.05.29 | 3 years | 2008.07.21 | 44,592,177 | 8.05 | 44,592,177 | 8.05 | - | - |

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| Shareholding in other's name | | Principal work experience and academic qualifications | Position(s) held concurrently in the company and / or in any other company | Other Managerial Roles, Directors, or Supervisors who are spouses, or relatives within the second degree of kinship. | | | Remark |
|---|---|---|---|---|---|---|---|
| Number of shares | % | | | Title | Name | Relationship | |
| - | - | Department of Mechanical Engineering, National Taiwan University of Science and Technology<br>Vice President, Yulon Motor Co., Ltd.<br>Vice President, Yulon Management Co., Ltd. | President and Director, Yulon Motor Co., Ltd.<br>Director, Yulon Nissan Motor Co., Ltd.<br>Vice Chairperson, Taiwan Acceptance Corporation<br>Chairperson, Luxgen Motor Co., Ltd.<br>Director, Foxtron Vehicle Technologies Co., Ltd.<br>Director, Yulon Management Co., Ltd.<br>Vice Chairman, Yulon Construction Co., Ltd.<br>Chairman, Yulon (China) Automobile Investment Company | - | - | - | - |
| - | - | MBA, National Chengchi University<br>Department of Nuclear Engineering and Science, National Tsing Hua University<br>Vice President, China-Motor Corporation<br>Assistant Vice President, China-Motor Corporation<br>General Manager, Service Division, China-Motor Corporation | Chairperson, Fortune Motors Co., Ltd.<br>Director, Shung Ye Motor Enterprise<br>Vice Chairman, Tokio Marine & Nichido Fire Insurance (Taiwan) Co., Ltd.<br><br>For other details, please refer to the "Summary of affiliated companies" | - | - | - | - |
| - | - | LLM, Boston University<br>Bachelor, Department of Law, National Taiwan University | Supervisor Tai Yuen Textile Co., Ltd. | - | - | - | - |

| Title | Nationality or place of registration | Name | Gender Age | Elected date | Term of contract | The commencement date of the first term | Shareholding when elected | | Current shareholding | | Spouse and children of minor age's current shareholding | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Number of shares | % | Number of shares | % | Number of shares | % |
| Independent Director | R.O.C. | Xiu-Lian Lin | Female Aged 50~55 | 2025.05.29 | 3 years | 2025.05.29 | - | - | - | - | - | - |
| Independent Director | R.O.C. | Wei-Ching Lue | Female Aged 65~70 | 2025.05.29 | 3 years | 2019.06.26 | - | - | - | - | - | - |
| Independent Director | R.O.C. | Qing-Ping Shao | Male Aged 50~55 | 2025.05.29 | 3 years | 2025.05.29 | - | - | - | - | - | - |

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| Shareholding in other's name | | Principal work experience and academic qualifications | Position(s) held concurrently in the company and / or in any other company | Other Managerial Roles, Directors, or Supervisors who are spouses, or relatives within the second degree of kinship. | | | Remark |
|---|---|---|---|---|---|---|---|
| Number of shares | % | | | Title | Name | Relationship | |
| - | - | MBA, Drexel University, Pennsylvania, USA<br>Bachelor of Accounting, National Taiwan University<br>Certified Public Accountant, R.O.C.<br>Passed U.S. CPA Examination<br>Director, Pinyou CPA Firm<br>Director, Pinyou Real Estate Appraisal Firm<br>Director, Chengxin Land Administration Agent Office<br>Chairperson, Renjian Management Consulting Co., Ltd.<br>Independent Director, AAEON TECHNOLOGY INC.<br>Independent Director, 1 Production Film Co.<br>Independent Director, uPI Semiconductor Corp. | Independent Director, Member of Remuneration Committee, and Member of Risk Management Committee, China Motor Corporation<br>Independent Director and Member of Remuneration Committee,1 Production Film Co.<br>Independent Director and Member of Remuneration Committee, uPI Semiconductor Corp.<br>Independent Director, Member of Remuneration Committee, and Member of Risk Management Committee, AAEON TECHNOLOGY INC. | - | - | - | - |
| - | - | Master, Graduate School, Department of Land Economics, National Chengchi University<br>Deputy Major, New Taipei City Government<br>Commissioner, Department of Finance, New Taipei City Government<br>Deputy Director-General, National Treasury Administration, Ministry of Finance<br>Counselor, Ministry of Finance | Independent Director, Member of Remuneration Committee, and Member of Risk Management Committee, China Motor Corporation | - | - | - | - |
| - | - | Doctor of Juridical Science (J.S.D.), University of California, Berkeley, USA<br>Master of Laws (LL.M.), University of California, Berkeley, USA<br>Master of Laws (Civil and Commercial Law), National Taiwan University<br>Bachelor of Laws (Legal Studies), National Taiwan University<br>Director, Taiwan Stock Exchange Corporation<br>President, Taiwan Corporate Integrity Management Association<br>Director of Internal Audit Office, National Taiwan University<br>Distinguished Professor, College of Law, National Taiwan University | Independent Director, Member of Remuneration Committee, and Member of Risk Management Committee, China Motor Corporation | - | - | - | - |

Table 1: Major Shareholders of the Institutional Shareholders

March 31, 2026

| Name of the institutional shareholder | Major Shareholders of the institutional shareholder |
|---|---|
| 1. Tai Yuen Textile Co., Ltd. | 1. Xian Wei Investment Co., Ltd. (22.15%)<br>2. Yen Tjing Ling Industrial Development Foundation (14.24%)<br>3. British Virgin Islands Hoffman Brother Investment Company (9.8%)<br>4. British Virgin Islands Evans Corporation (9.71%)<br>5. Caymans Islands West Bridge Investment Company (9.13%)<br>6. Li Yuan Investment Corporation (7.17%)<br>7. Yong shun Investment Corporation (6.82%)<br>8. Diamond Hosiery & Thread Co., Ltd. (5.89%)<br>9. Li Peng Investment Co., Ltd. (5.61%)<br>10. Yuan Wei Investment Co., Ltd. (3.10%) |
| 2. Yulon Motor Co., Ltd. | 1. Tai Yuen Textile Co., Ltd. (17.43%)<br>2. China Motors Corporation (16.02%)<br>3. Li-Lien Chen Yen (3.19%)<br>4. Taipei Branch of UBS holding Pei-Yu, Yan's Trust Property Account (3.17%)<br>5. Taipei Branch of UBS holding Xiang-Nan, Yan's Trust Property Account (3.17%)<br>6. Fan-Terh Investment Co., Ltd. (2.10%)<br>7. Yen Tjing Ling Industrial Development Foundation (1.03%)<br>8. Weitai Investment Co., Ltd. (0.92%)<br>9. Weiwen Investment Co., Ltd. (0.87%)<br>10. Diamond Hosiery and Thread Co., Ltd. (0.73%) |
| 3. Mitsubishi Motors Corporation | 1. Nissan Motor Co., Ltd. (26.67%)<br>2. Mitsubishi Corporation (22.23%)<br>3. The Master Trust Bank of Japan, Ltd. (Trust Account) (6.83%)<br>4. STATE STREET BANK AND TRUST COMPANY 505001 (3.23%)<br>5. BROWN BROTHERS HARRIMAN (LUXEMBOURG) SCA CUSTODIAN FOR ARCUS FUND SICAV – ARCUS JAPAN FUND (2.08%)<br>6. Mitsubishi Heavy Industries, Ltd. (1.60%)<br>7. MUFG Bank, Ltd. (1.10%)<br>8. Custody Bank of Japan, Ltd. (Trust Account) (0.91%)<br>9.MAN INTERNATIONAL ICVC – MAN GLG JAPAN COREALPHA FUND (0.89%)<br>10. Custody Bank of Japan, Ltd. (Trust Account 4) (0.88%) |
| 4. Le Wen Investment Co., Ltd. | 1. Wei Tai Investment Co., Ltd. (40.32%)<br>2. Wavin Investment Co., Ltd. (30.63%)<br>3. Fan-Terh Investment Co., Ltd. (18.92%)<br>4. Li-Lien Chen Yen (3.39%)<br>5. Daughter of Li-Lien Chen Yen (3.37%)<br>6. Son of Li-Lien Chen Yen (3.37%) |

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

March 31, 2026

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

| Name of the Corporation | Major Shareholders of the Corporation |
|---|---|
| 11. China Motors Corporation | 1. Tai Yuen Textile Co., Ltd. (25.19%)<br>2. Mitsubishi Motors Corporation (14.00%)<br>3. Yulon Motor Co., Ltd. (8.05%)<br>4. Diamond Hosiery & Thread Co., Ltd. (6.76%)<br>5. Nan Shan Life Insurance Co., Ltd. (1.30%)<br>6. Mercuries Life Insurance Co., Ltd. (1.14%)<br>7. Chen Jin-Feng (1.06%)<br>8. Fan-Terh Investment Co., Ltd. (0.90%)<br>9. E.SUN Commercial Bank (0.86%)<br>10. Yung Han Investment Co., Ltd. (0.72%) |
| 12. Taipei Branch of UBS holding Pei-Yu, Yan's Trust Property Account | None. |
| 13. Taipei Branch of UBS holding Xiang-Nan, Yan's Trust Property Account | None. |
| 14. Fan-Terh Investment Co., Ltd. | 1. Wei Tai Investment Co., Ltd. (33.36%)<br>2. Wavin Investment Co., Ltd. (33.34%)<br>3. Le Wen Investment Co., Ltd. (33.30%) |
| 15. Wei Tai Investment Co., Ltd. | 1.Li-Lien Chen Yen (33.32%)<br>2. Daughter of Li-Lien Chen Yen (33.29%)<br>3. Son of Li-Lien Chen Yen (33.29%)<br>4. Fan-Terh Investment Co., Ltd. (0.04%)<br>5. Wavin Investment Co., Ltd. (0.02%)<br>6. Le Wen Investment Co., Ltd. (0.02%)<br>7. Jing Yu Investment Co., Ltd. (0.02%) |
| 16. Wavin Investment Co., Ltd. | 1.Li-Lien Chen Yen (28.84%)<br>2. Daughter of Li-Lien Chen Yen (28.73%)<br>3. Son of Li-Lien Chen Yen (28.73%)<br>4. Le Wen Investment Co., Ltd. (11.39%)<br>5. Jing Yu Investment Co., Ltd. (2.11%)<br>6. Fan-Terh Investment Co., Ltd. (0.10%)<br>7. Wei Tai Investment Co., Ltd. (0.10%) |
| 17. Nissan Motor Co., Ltd. | 1. NATIXIS SA AS TRUSTEE FOR FIDUCIE NEWTON 701910 (18.66%)<br>2. Renault S.A. (17.05%)<br>3. The Master Trust Bank of Japan (Shintaku-guchi) (7.06%)<br>4. BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC) (1.86%)<br>5. MAN INTERNATIONAL ICVC - MAN GLG JAPAN COREALPHA FUND (1.69%)<br>6. Custody Bank of Japan (Shintaku-guchi) (1.67%)<br>7. THE BANK OF NEW YORK, TREATY JASDEC ACCOUNT (1.42%)<br>8. STATE STREET BANK AND TRUST COMPANY 505001 (1.40%)<br>9. BROWN BROTHERS HARRIMAN (LUXEMBOURG) SCA CUSTODIAN FOR ARCUS FUND SICAV - ARCUS JAPAN FUND (1.08%)<br>10. CGML PB CLIENT ACCOUNT/COLLATERAL (1.07%) |

| Name of the Corporation | Major Shareholders of the Corporation |
|---|---|
| 18. Mitsubishi Corporation | 1. The Master Trust Bank of Japan, Ltd. (Trust Account) (15.85%)<br>2. STATE STREET BANK AND TRUST COMPANY 505104 (10.32%)<br>3. Custody Bank of Japan, Ltd. (Trust Account) (5.04%)<br>4. Meiji Yasuda Life Insurance Company (3.47%)<br>5. Master Trust Bank of Japan, Ltd. (Retirement Benefit Trust Account – Voting Rights Delegation Type) (2.55%)<br>6. STATE STREET BANK WEST CLIENT - TREATY 505234 (1.86%)<br>7. STATE STREET BANK AND TRUST COMPANY 505001 (1.33%)<br>8. JP MORGAN CHASE BANK 385781 (1.28%)<br>9. Master Trust Bank of Japan, Ltd. (Retirement Benefit Trust Account – Nippon Yusen Kabushiki Kaisha Account) (1.18%)<br>10. JPMorgan Securities Japan Co., Ltd. (1.16%) |
| 19. The Master Trust Bank of Japan, Ltd. (Trust Account) | 1. Mitsubishi UFJ Trust and Banking Corporation (46.50%)<br>2. Nippon Life Insurance Company (33.50%)<br>3. Meiji Yasuda Life Insurance Company (10.00%)<br>4. The Norinchukin Trust & Banking Co., Ltd. (10.00%) |
| 20. STATE STREET BANK AND TRUST COMPANY 505001 | The information is not available due to the limitations of local practices. |
| 21. BROWN BROTHERS HARRIMAN (LUXEMBOURG) SCA CUSTODIAN FOR ARCUS FUND SICAV – ARCUS JAPAN FUND | The information is not available due to the limitations of local practices. |
| 22. Mitsubishi Heavy Industries, Ltd. | 1. The Master Trust Bank of Japan, Ltd. (Trust Account) (15.90%)<br>2. Custody Bank of Japan, Ltd. (Trust Account) (4.90%)<br>3. THE BANK OF NEW YORK MELLON AS DEPOSITARY BANK FOR DEPOSITARY RECEIPT HOLDERS (3.80%)<br>4. STATE STREET BANK AND TRUST COMPANY 505001 (3.10%)<br>5. Meiji Yasuda Life Insurance Company (1.70%)<br>6. THE BANK OF NEW YORK MELLON AS DEPOSITARY BANK FOR DR HOLDERS (1.60%)<br>7. GOVERNMENT OF NORWAY (1.50%)<br>8.JP MORGAN CHASE BANK 385781 (1.30%)<br>9. Nomura Trust and Banking Co., Ltd. (Retirement Benefit Trust – MUFG Bank Account) (1.10%)<br>10. BNYM AS AGT/CLTS 10 PERCENT (1.00%) |
| 23. Mitsubishi UFJ Trust and Banking Corporation | Mitsubishi UFJ Financial Group, Inc. (100%) |
| 24. Custody Bank of Japan, Ltd. (Trust Account) | 1. Sumitomo Mitsui Trust Group, Inc. (33.30%)<br>2.Mizuho Financial Group, Inc (27.00%)<br>3.Resona Bank, Limited(16.70%)<br>4.Dai-ichi Life Insurance Company, Limited(8.00%)<br>5.Asahi Mutual Life Insurance Company (5.00%)<br>6.Meiji Yasuda Life Insurance Company (4.50%)<br>7. Japan Post Life Insurance Co.,Ltd. (3.50%)<br>8. Fukoku Mutual Life Insurance Company (2.00%) |
| 25. MAN INTERNATIONAL ICVC-MAN GLG JAPAN COREALPHA FUND | The information is not available due to the limitations of local practices. |
| 26. Custody Bank of Japan, Ltd. (Trust Account 4) | The information is not available due to the limitations of local practices. |

(II) Directors’ Professional Expertise and Independence Status

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

March 31, 2026

| Condition / Director’s Name | Director’s diversity: Gender | Director’s diversity: Nationality | Director’s diversity: Age | Director’s diversity: Professional qualification and experience | Independence | Number of other public offering companies, which the Director concurrently serving as independent Director within |
|---|---|---|---|---|---|---|
| Li-Lien Chen Yen | Female | R.O.C. | Aged 60~65 | Professional qualification: Operations management<br>Experience: Please refer to pages 8-13 for directors' information | 1. None of the directors (independent directors included) has the circumstances set forth in Article 26-3 of the Securities and Exchange Act and Article 30 of the Company Act.<br>2. Every year, the Company obtains the statement from the independent directors, to ensure the independent directors to keep meeting the required qualifications set forth in the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” and the requirements in Article 14-2 of the Securities and Exchange Act. | -<br>- |
| Yamazaki Yoshinori | Male | Japan | Aged 55~60 | Professional qualification: International Business Management<br>Experience: Please refer to pages 8-13 for directors' information | | - |
| Hsin-I Lin | Male | R.O.C. | Aged 75~80 | Professional qualification: Operations management<br>Experience: Please refer to pages 8-13 for directors' information | | 1 |
| Kuo-Hsing Hsu | Male | R.O.C. | Aged 65~70 | Professional qualification: Operations management<br>Experience: Please refer to pages 8-13 for directors' information | | - |
| Hsin-Cheng Tseng | Male | R.O.C. | Aged 60~65 | Professional qualification: Operations management<br>Experience: Please refer to pages 8-13 for directors' information | | - |
| Tai-Ming Chen | Male | R.O.C. | Aged 55~60 | Professional qualification: Laws<br>Experience: Please refer to pages 8-13 for directors' information | | 1 |
| Independent Director Xiu-Lian Lin | Female | R.O.C. | Aged 50~55 | Professional Qualification: Accounting<br>Experience: Please refer to pages 8-13 for directors' information | | 3 |
| Independent Director Wei-Ching Lue | Female | R.O.C. | Aged 65~70 | Professional qualification: Finance and commerce<br>Experience: Please refer to pages 8-13 for directors' information | | - |
| Independent Director Qing-Ping Shao | Male | R.O.C. | Aged 50~55 | Professional qualification: Laws<br>Experience: Please refer to pages 8-13 for directors' information | | - |

2. Diversity and independence of the Board of Directors:

(1) Diversity of the Board of Directors:

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

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

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

① Independence: The composition of the Directors and the Independent Directors in the Board of the Directors should remain balanced to ensure that the Board of Directors possesses high independence. Hence, the Board of Directors of the Company should include at least three Independent Directors.

② Gender: The Company is committed to maintaining a working environment free of gender discrimination. Based on the same considerations, the Company's Board of Directors includes at least one female Director.

③ Nationality: For the Company's diversified business portfolio, having one (including more than one) board member with a different nationality supports understanding the knowledge and insights of business operations in other countries. Hence, the Company's Board of Directors includes at least one foreign Director.

④Skills and Experience: Given that directors with financial, academic, and managerial backgrounds can provide the Company with professional management advice, the Board of Directors shall include at least one director or independent director with a relevant professional background (such as accounting).

C. Measures to Enhance Gender Diversity on the Board:

The 22nd Board of Directors completed its re-election on May 29, 2025. Following the re-election, female directors hold 3 seats, reaching the one-third threshold.

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

directors is described as the table above.

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

| Title | Nationality | Name | Gender | Elected date | Current shareholding | | Spouse and children of minor age's current shareholding | | Shareholding in other's name | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Number of shares | % | Number of shares | % | Number of shares | % |
| President | R.O.C. | Hsin-Cheng Tseng (Note 1) | Male | 2025.04.01 | - | - | - | - | - | - |
| Vice President | R.O.C. | Hung-Ching Yang | Male | 2022.01.01 | - | - | - | - | - | - |
| Vice President | R.O.C. | Ching-Wu Chien | Male | 2021.09.01 | - | - | - | - | - | - |

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

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| Principal work experience and academic qualifications | Position(s) held concurrently in the Company and / or in any other company | Managers who are spouses or relatives within the second degree of kinship | | | Remark |
|---|---|---|---|---|---|
| | | Title | Name | Relationship | |
| MBA, National Chengchi University<br>Department of Nuclear Engineering and Science, National Tsing Hua University<br>Vice President, China-Motor Corporation<br>Assistant Vice President, China-Motor Corporation<br>General Manager, Service Division, China-Motor Corporation | Chairperson, Fortune Motors Co., Ltd.<br>Director, Shung Ye Motor Enterprise<br>Vice Chairman, Tokio Marine & Nichido Fire Insurance (Taiwan) Co., Ltd.<br><br>For other details, please refer to the "Summary of affiliated companies" | - | - | - | - |
| Executives Program of Graduate School of Business Administration, National Chengchi University<br>Department of Mechanical Engineering, National Sun Yat-Sen University<br>Vice President, China-Motor Corporation<br>General Manager, Development Division, China-Motor Corporation<br>Project General Manager, Electrical Engineering and Electronics Division, China-Motor Corporation | Chairperson, COC Tooling & Stamping Co., Ltd.<br>Chairperson, Uni-Calsonic Corporation<br>Chairperson, China Engine Corporation<br>Director, Shye Shyang Mechanical Industrial Co., Ltd.<br>Vice Chairperson, Fujian Huaqing Engine Industry Co., Ltd.<br><br>For other details, please refer to the "Summary of affiliated companies" | - | - | - | - |
| Executives Program of Graduate School of Business Administration, National Chengchi University<br>Department of Mechanical Engineering, National Taiwan University<br>Vice President, China-Motor Corporation<br>General Manager, Sales Division, China-Motor Corporation<br>General Manager, Marketing Division, China-Motor Corporation | Director, Fortune Motors Co., Ltd.<br>Director, Fujian Benz Automotive Co., Ltd.<br>Director, Mercedes-Benz Light Automotive Hongkong Limited<br>Supervisor, Shung Ye Motor Co., Ltd.<br><br>For other details, please refer to the "Summary of affiliated companies" | - | - | - | - |

| Title | Nationality | Name | Gender | Elected date | Current shareholding | | Spouse and children of minor age's current shareholding | | Shareholding in other's name | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Number of shares | % | Number of shares | % | Number of shares | % |
| Vice President | R.O.C. | Tung-Tai Hsiung | Male | 2024.01.01 | - | - | - | - | - | - |
| Vice President | R.O.C. | Ching-Yun Liao | Male | 2026.01.01 | 29 | - | - | - | - | - |
| Assistant Vice President | R.O.C. | Ching-Chi Chen | Male | 2023.01.01 | 68 | - | - | - | - | - |
| Assistant Vice President | R.O.C. | Rui-Nan Li | Male | 2024.03.18 | - | - | - | - | - | - |

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<table>
<tr><th rowspan="2">Principal work experience and academic qualifications</th><th rowspan="2">Position(s) held concurrently in the Company and / or in any other company</th><th colspan="3">Managers who are spouses or relatives within the second degree of kinship</th><th rowspan="2">Remark</th></tr>
<tr><th>Title</th><th>Name</th><th>Relationship</th></tr>
<tr><td>EMBA Institute, National Central University<br>Graduate School, Department of Mechanical Engineering, National Cheng Kung University<br>Department of Mechanical Engineering, National Cheng Kung University<br>Assistant Vice President, China-Motor Corporation<br>General Manager, Production Technology Division, China-Motor Corporation<br>Project General Manager, Production Technology Division, China-Motor Corporation</td><td>Chairperson, Kian Shen Corporation<br>Chairperson, ROC-Spicer Ltd.<br><br>For other details, please refer to the “Summary of affiliated companies”</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Executives Program of Graduate School of Business Administration, National Chengchi University<br>Graduate School, Department of Mechanical Engineering, National Cheng Kung University<br>Department of Mechanical Engineering, National Cheng Kung University<br>Assistant Vice President, China-Motor Corporation<br>General Manager, Product Project Division, China-Motor Corporation<br>Project General Manager, Product Engineering Department, China-Motor Corporation</td><td>Director, Fortune Motors Co., Ltd.<br>Director, Lukemold Technologies Co., Ltd.<br>Director, Shung Ye Motor Enterprise<br><br>For other details, please refer to the “Summary of affiliated companies”</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>EMBA Institute, National Central University<br>General Manager, Director of Yanmei Plant, China-Motor Corporation<br>General Manager, Production Management Division, China-Motor Corporation</td><td>Director, ROC-Spicer Ltd.<br>Director, Uni Auto Parts Manufacture Co., Ltd.<br>Director, Uni-Calsonic Corp.<br>Director, Kain Shen Corporation</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Department of Information Management, Chung Yuan Christian University<br>Vice President, MiTAC Information Technology Co., Ltd.<br>Chief Executive Vice President, Flysheet System Technology Co., Ltd.</td><td>None.</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
</table>

| Title | Nationality | Name | Gender | Elected date | Current shareholding | | Spouse and children of minor age’s current shareholding | | Shareholding in other’s name | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Number of shares | % | Number of shares | % | Number of shares | % |
| Assistant Vice President | R.O.C. | Kun-Yi Liu | Male | 2024.08.01 | - | - | - | - | - | - |
| Assistant Vice President | R.O.C. | Yue-Feng Wu | Male | 2026.01.01 | - | - | - | - | - | - |
| Accounting and Finance Supervisor | R.O.C. | Chun-Ching Liao | Female | 2020.01.01 | - | - | - | - | - | - |
| Corporate governance officer | R.O.C. | Hui-Chun Lai | Female | 2025.03.12 | - | - | 30 | - | - | - |

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| Principal work experience and academic qualifications | Position(s) held concurrently in the Company and / or in any other company | Managers who are spouses or relatives within the second degree of kinship | | | Remark |
|---|---|---|---|---|---|
| | | Title | Name | Relationship | |
| Institute of Mechanical Engineering, National Cheng Kung University<br>Project Assistant Vice President, Headquarters (concurrent Quality Control Division), China Motor Corporation<br>Director, Product Project Division, China-Motor Corporation<br>Director, Product Engineering Division, China-Motor Corporation | Director, ROC-Spicer Ltd.<br>Director, Taiway Industry Co., Ltd.<br>Director, Fujian Spicer Drivetrain System Co., Ltd.<br>Director, Shenyang Spicer Driveshaft Co., Ltd.<br>Director, Tai-ya Investment (HK) Co., Ltd.<br>Director, Fujian Huaqing Engine Industry Ltd. | - | - | - | - |
| Department of Mechanical Engineering, National Pingtung Institute of Technology<br>Manager, Quality Management Department Manager, China Motor Corporation<br>Director, Service Department Manager, China Motor Corporation | Director, Kain Shen Corporation<br>Director, Yueki Industrial Co., Ltd. | - | - | - | - |
| Department of Accounting, Tamkang University<br>Project Manager, Finance & Accounting Division, China-Motor Corporation | Supervisor, Fortune Motors Co., Ltd.<br>Supervisor, Fu Lun Motors Co., Ltd.<br>Supervisor, China Engine Corporation<br>Supervisor, Aprec (Cayman) Industrial Co., Ltd.<br><br>For other details, please refer to the "Summary of affiliated companies" | - | - | - | - |
| Graduate School of Business Administration, National Chengchi University<br>Director, Corporate Planning Division, China Motor Corporation<br>Manager, Wah Lee Industrial Corp. | None. | - | - | - | - |

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

1. Remuneration Paid to Directors and Independent Directors

Unit: NTD$ Thousand

| Title | Name | Director's Remuneration | | | | | | | | Total Remuneration (A+B+C+D) Over Net Profit After Tax in Percentage % | | | | Part-time employees received related remuneration | | | | | | | | Total Remuneration (A+B+C+D+E+F+G) Over Net Profit After Tax in Percentage % | | | | Received remuneration from other non-subsidiary invested businesses or the Parent Company |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Wages (A) | | Pensions (B) | | Remuneration (C) | | Business execution expenses (D) | | | | | | Salaries, bonuses and allowances (E) (Note 3) | | Pensions (F) | | Employee Remuneration (G) | | | | | | | | |
| | | From the Company | From All Consolidated Entities | From the Company | From All Consolidated Entities | From the Company | From All Consolidated Entities | From the Company | From All Consolidated Entities | From the Company | From All Consolidated Entities | From the Company (%) | From All Consolidated Entities (%) | From the Company | From All Consolidated Entities | From the Company | From All Consolidated Entities | From the Company | | From All Consolidated Entities | | From the Company | From All Consolidated Entities | From the Company (%) | From All Consolidated Entities (%) | |
| | | | | | | | | | | | | | | | | | | Cash Value | Stock Value | Cash Value | Stock Value | | | | | |
| Corporate Director | Yulon Motor Co., Ltd. | - | - | - | - | 8,047 | 8,247 | - | - | 8,047 | 8,247 | 0.270 | 0.276 | - | - | - | - | - | - | - | - | 8,047 | 8,247 | 0.270 | 0.276 | None. |
| Corporate Director | Tai-Yuen Textile Co., Ltd. | - | - | - | - | 3,219 | 3,299 | - | - | 3,219 | 3,299 | 0.108 | 0.111 | - | - | - | - | - | - | - | - | 3,219 | 3,299 | 0.108 | 0.111 | None. |
| Corporate Director | Mitsubishi Motors | - | - | - | - | 1,610 | 1,610 | - | - | 1,610 | 1,610 | 0.054 | 0.054 | - | - | - | - | - | - | - | - | 1,610 | 1,610 | 0.054 | 0.054 | 1,545 |
| Corporate Director | Le Wen Investment Co., Ltd. | - | - | - | - | 1,610 | 1,610 | - | - | 1,610 | 1,610 | 0.054 | 0.054 | - | - | - | - | - | - | - | - | 1,610 | 1,610 | 0.054 | 0.054 | None. |
| Chairperson | Li-Lien Chen Yen | 14,906 | 14,906 | - | - | - | - | 1,557 | 1,557 | 16,463 | 16,463 | 0.551 | 0.551 | - | - | - | - | - | - | - | - | 16,463 | 16,463 | 0.551 | 0.551 | 13,960 |
| Director | Hsin-I Lin | - | - | - | - | - | - | 120 | 120 | 120 | 120 | 0.004 | 0.004 | 2,407 | 2,407 | - | - | - | - | - | - | 2,527 | 2,527 | 0.085 | 0.085 | 120 |
| Director | Yamazaki Yoshinori | - | - | - | - | - | - | 120 | 120 | 120 | 120 | 0.004 | 0.004 | - | - | - | - | - | - | - | - | 120 | 120 | 0.004 | 0.004 | None. |
| Director | Kuo-Hsing Hsu | - | - | - | - | - | - | 120 | 120 | 120 | 120 | 0.004 | 0.004 | - | - | - | - | - | - | - | - | 120 | 120 | 0.004 | 0.004 | 9,809 |
| Director | Chao-Wen Chen (Note 1) | - | 150 | - | - | - | - | 30 | 56 | 30 | 206 | 0.001 | 0.007 | 1,516 | 1,516 | 17 | 17 | 21 | - | 21 | - | 1,584 | 1,760 | 0.053 | 0.059 | 3,367 |
| Director | Hsin-Cheng Tseng (Note 1) | - | - | - | - | - | - | 90 | 90 | 90 | 90 | 0.003 | 0.003 | 18,043 | 18,043 | 130 | 130 | 81 | - | 81 | - | 18,344 | 18,344 | 0.614 | 0.614 | 1,450 |
| Director | Tai-Ming Chen | - | - | - | - | - | - | 120 | 120 | 120 | 120 | 0.004 | 0.004 | - | - | - | - | - | - | - | - | 120 | 120 | 0.004 | 0.004 | None. |
| Independent Director | Chi-Ching Chen (Note 2) | - | - | - | - | - | - | 720 | 720 | 720 | 720 | 0.024 | 0.024 | - | - | - | - | - | - | - | - | 720 | 720 | 0.024 | 0.024 | None. |
| Independent Director | Yi-Hung Hsieh (Note 2) | - | - | - | - | - | - | 720 | 720 | 720 | 720 | 0.024 | 0.024 | - | - | - | - | - | - | - | - | 720 | 720 | 0.024 | 0.024 | None. |
| Independent Director | Wei-Ching Lue | - | - | - | - | - | - | 1,440 | 1,440 | 1,440 | 1,440 | 0.048 | 0.048 | - | - | - | - | - | - | - | - | 1,440 | 1,440 | 0.048 | 0.048 | None. |
| Independent Director | Xiu-Lian Lin (Note 2) | - | - | - | - | - | - | 720 | 720 | 720 | 720 | 0.024 | 0.024 | - | - | - | - | - | - | - | - | 720 | 720 | 0.024 | 0.024 | None. |
| Independent Director | Qing-Ping Shao (Note 2) | - | - | - | - | - | - | 570 | 570 | 570 | 570 | 0.019 | 0.019 | - | - | - | - | - | - | - | - | 570 | 570 | 0.019 | 0.019 | None. |

1. Please specify the payment policy, system, standards, and structure of the remuneration of independent Directors, as well as the relevance between the factors, such as their responsibilities, risks, input time, and the amount of paid remuneration: For the remuneration paid to the independent Directors, a comprehensive consideration is taken, including their responsibilities, risks, and input time as a Director and a member in any functional committee, while referring to the independent Directors' remuneration in other enterprises with governmental stakes and other listed companies within the Group and then the remunerations decided pursuant to the regulations related to the Company Act, with approval from the Board of Directors.
2. In addition to the aforementioned disclosures, any remuneration received in the most recent year by the Directors of the Company for rendering services (such as serving as a non-employed consultant) to any company listed in the Financial Report: None.

Note: 1. Tai Yuen Textile Co., Ltd. reassigned Hsin-Cheng Tseng as Director effective April 1, 2025.

2. At the shareholders' meeting on May 29, 2025, a board re-election was conducted. Independent Director Chi-Ching Chen and Independent Director Yi-Hung Hsieh stepped down on June 30, 2025. Independent Director Xiu-Lian Lin and Independent Director Qing-Ping Shao assumed office on July 1, 2025.

3. This fee includes the Company's vehicle distribution fee and fuel subsidy, but does not include the relevant remuneration to the driver, which is NT$624 thousand.

* The remuneration disclosed in this table differs from the income concept under the Income Tax Act; therefore, this table is intended for information disclosure purposes only and is not for taxation purposes.

2. Remuneration Paid to the President and Vice President

Unit: NTD$ Thousand

<table>
<tr><th rowspan="3">Title</th><th rowspan="3">Name</th><th colspan="2">Wages</th><th colspan="2">Retirement and Severance Benefits (B)</th><th colspan="2">Bonuses and allowances (C)</th><th colspan="4">Employee Remuneration</th><th colspan="4">Total Remuneration (A+B+C+D) Over Net Profit After Tax in Percentage %</th><th rowspan="3">Received remuneration from other non-subsidiary invested businesses or the Parent Company</th></tr>
<tr><th rowspan="2">From the Company</th><th rowspan="2">From All Consolidated Entities</th><th rowspan="2">From the Company</th><th rowspan="2">From All Consolidated Entities</th><th rowspan="2">From the Company (Note 2)</th><th rowspan="2">From All Consolidated Entities</th><th colspan="2">From the Company</th><th colspan="2">From All Consolidated Entities</th><th rowspan="2">From the Company</th><th rowspan="2">From All Consolidated Entities</th><th rowspan="2">The Company (%)</th><th rowspan="2">All Companies in the Financial Report (%)</th></tr>
<tr><th>Cash Value</th><th>Stock Value</th><th>Cash Value</th><th>Stock Value</th></tr>
<tr><td>President</td><td>Chao-Wen Chen (Note 1)</td><td>857</td><td>857</td><td>17</td><td>17</td><td>659</td><td>659</td><td>21</td><td>-</td><td>21</td><td>-</td><td>1,554</td><td>1,554</td><td>0.052</td><td>0.052</td><td>1,638</td></tr>
<tr><td>President</td><td>Hsin-Cheng Tseng (Note 1)</td><td>3,232</td><td>3,232</td><td>170</td><td>170</td><td>15,632</td><td>15,632</td><td>81</td><td>-</td><td>81</td><td>-</td><td>19,115</td><td>19,115</td><td>0.640</td><td>0.640</td><td>19,223</td></tr>
<tr><td>Vice President</td><td>Hung-Ching Yang</td><td>2,392</td><td>2,510</td><td>46</td><td>46</td><td>7,150</td><td>7,230</td><td>57</td><td>-</td><td>57</td><td>-</td><td>9,645</td><td>9,843</td><td>0.323</td><td>0.330</td><td>10,435</td></tr>
<tr><td>Vice President</td><td>Ching-Wu Chien</td><td>2,420</td><td>2,420</td><td>46</td><td>46</td><td>5,753</td><td>5,753</td><td>58</td><td>-</td><td>58</td><td>-</td><td>8,277</td><td>8,277</td><td>0.277</td><td>0.277</td><td>8,662</td></tr>
<tr><td>Vice President</td><td>Tung-Tai Hsiung</td><td>2,272</td><td>2,272</td><td>151</td><td>151</td><td>5,143</td><td>5,143</td><td>53</td><td>-</td><td>53</td><td>-</td><td>7,619</td><td>7,619</td><td>0.255</td><td>0.255</td><td>8,210</td></tr>
<tr><td>Vice President</td><td>Ching-Yun Liao (Note 2)</td><td colspan="15">Note 2</td></tr>
</table>

Note: 1. President Zhao-Wen Chen retired effective April 1, 2025. Vice President Hsin-Cheng Tseng succeeded him as President of China Motor Corporation.

2. Assistant Vice President Ching-Yun Liao was promoted to Vice President effective January 1, 2026; therefore, no remuneration was received at the Vice President level during FY2025.

3. This fee includes the Company's vehicle distribution fee and fuel subsidy, but does not include the relevant remuneration to the driver, which is NT$2,578 thousand.

* The remuneration disclosed in this table differs from the income concept under the Income Tax Act; therefore, this table is intended for information disclosure purposes only and is not for taxation purposes.

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

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

Unit: NTD$ Thousand

| Payee | 2025 | | 2024 | |
|---|---|---|---|---|
| | Total amount of Remuneration | The ratio of remuneration to the individual net profit (%) | Total amount of Remuneration | The ratio of remuneration to the individual net profit (%) |
| Director | 35,719 | 1.196 | 42,986 | 1.073 |
| President and Vice President | 46,210 | 1.547 | 46,860 | 1.170 |

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

Unit: NTD$ Thousand

| Payee | 2025 | | 2024 | |
|---|---|---|---|---|
| | Total amount of Remuneration | The ratio of remuneration to the individual net profit (%) | Total amount of Remuneration | The ratio of remuneration to the individual net profit (%) (Note) |
| Director | 36,175 | 1.211 | 44,370 | 1.107 |
| President and Vice President | 46,408 | 1.554 | 46,860 | 1.170 |

(3) Description

A. 1. The ratio of director remuneration to the Company's individual total net profit increased compared to FY2024, primarily due to a decrease in after-tax net profit. The fixed portion of director remuneration is paid in accordance with industry norms based on each director's level of involvement and contribution to the Company's operations, and is not specifically linked to the Company's after-tax profit or loss.

2. The ratio of President and Vice President remuneration to the Company's individual total net profit increased compared to FY2024, primarily due to a decrease in after-tax net profit. The remuneration of the President and Vice President is determined by reference to industry benchmarks and performance evaluation criteria, with reasonable compensation granted after comprehensive consideration.

B. The correlation among the remuneration payment policy, standards and structure, remuneration establishing procedures, and management efficacy and risks in the future:

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

1. Policy to distribute remunerations to directors (independent directors included)
   Pursuant to Article 28 of the Articles of Incorporation, the Directors of the Company may receive compensations, for which the Board of Directors are authorized to decide based on the peers' standards. The remuneration of directors are considered comprehensively with their participation in the Company's operation and performance evaluation. The aspects taken into accounts including: the degree of participation in the company's operations (40%), the election of the directors and their continuing professional education (20%), internal control (20%) and grasp of the company's goals and mission and recognition of director's duties (20%); these are considered for performance appraisal and remuneration payment. The remuneration of directors and managerial officers are reviewed based on the actual operating conditions and related laws and regulations from time to time.
2. Policy to distribute remunerations to managerial officers
   Article 27 of the Articles of Incorporation also specifies that in case that there is profit in a fiscal year, the remunerations to employees and Directors shall be provided; provided the remunerations to employees shall not be less than 0.1%, while remunerations to Directors shall not be more than 0.5%. Independent Directors are not entitled to such distribution. The remunerations to managerial officers include salaries and bonuses. For salaries, the peers' standard, title, level, education and career background, expertise and functions are referred to. For bonus, the "Guidelines of Issuing Annual Incentive Bonus and Employee Bonus " ,and the managerial officers performance evaluation items, including financial indicators (profitability, operating effects, and achievement rate of objectives) and non-financial indicators (e.g. contributions), are taken into accounts comprehensively, to calculate the remuneration percentage and reasonable remuneration is given. The remuneration system to Directors and managerial officers may be reviewed from time to time based on the actual operation and related laws and regulations.

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

March 31, 2026
Unit: NTD$ Thousand

| Title | | Name | Amount of Stock | Amount of Cash | Total | The ratio of total amount to the net profit after tax (%) |
|---|---|---|---|---|---|---|
| Managers | President | Hsin-Cheng Tseng | - | 530 | 530 | 0.018 |
| | Vice President | Hung-Ching Yang | | | | |
| | Vice President | Ching-Wu Chien | | | | |
| | Vice President | Tung-Tai Hsiung | | | | |
| | Vice President | Ching-Yun Liao | | | | |
| | Assistant Vice President | Ching-Chi Chen | | | | |
| | Assistant Vice President | Rui-Nan Li | | | | |
| | Assistant Vice President | Kun-Yi Liu | | | | |
| | Assistant Vice President | Yue-Feng Wu | | | | |
| | Accounting and Finance Supervisor | Chun-Ching Liao | | | | |
| | Corporate governance officer | Hui-Chun Lai | | | | |

## III. The state of the Company's implementation of corporate governance

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

(1) The Board of Directors held 8 meetings during FY2025 and through the end of March 2026. Director attendance is as follows:

| Title | Name of the institutional shareholder | Name of the Representative | Number of Actual Attendance | Number of Proxy Attendance | Ratio of Actual Attendance | Remark |
|---|---|---|---|---|---|---|
| Chairperson | Yulon Motor Co., Ltd. | Li-Lien Chen Yen | 8 | 0 | 100 | - |
| Director | Mitsubishi Motors Corporation | Yamazaki Yoshinori | 8 | 0 | 100 | - |
| Director | Tai Yuen Textile Co., Ltd. | Hsin-I Lin | 8 | 0 | 100 | - |
| Director | Le Wen Investment Co., Ltd. | Kuo-Hsing Hsu | 8 | 0 | 100 | - |
| Director | Tai Yuen Textile Co., Ltd. | Chao-Wen Chen | 2 | 0 | 100 | Tai Yuen Textile Co., Ltd. reassigned Hsin-Cheng Tseng as Director effective April 1, 2025. |
| | | Hsin-Cheng Tseng | 6 | 0 | 100 | |
| Director | Yulon Motor Co., Ltd. | Tai-Ming Chen | 8 | 0 | 100 | - |
| Independent Director | - | Chi-Ching Chen | 3 | 0 | 100 | Term ended June 30, 2025. |
| Independent Director | - | Wei-Ching Lue | 8 | 0 | 100 | - |
| Independent Director | - | Yi-Hung Hsieh | 3 | 0 | 100 | Term ended June 30, 2025. |
| Independent Director | - | Xiu-Lian Lin | 5 | 0 | 100 | Term commenced July 1, 2025. |
| Independent Director | - | Qing-Ping Shao | 5 | 0 | 100 | Term commenced July 1, 2025. |

Other information to be documented:

I. The operation of the board of Directors' meeting shall state the date and period of the board meeting, the content of the motion, the opinions of all independent Directors and the Company's handling of the opinions of the independent Directors if any of the following circumstances apply:

(I) Matters listed in Article 14-3 of the Securities and Exchange Act: Since the Company established the Audit Committee, Article 14-5 of the Securities and Exchange Act is applicable and Article 14-3 of the Securities and Exchange Act is not applicable. Please refer to the description of "Operation of the Audit Committee" for relevant resolutions.

(II) Other than the foregoing, other resolutions of the Board of Directors that were opposed or qualified by the independent Directors and for which records or written statements are available: None.

II. The recusal of a Director from an interest motion should include the name of the Director, the content of the motion, the reason for the recusal, and the circumstances of the vote: The Directors of the Company uphold the principle of high self-discipline and do not vote on the motions listed in the board of Directors' meeting if they have an interest that may be detrimental to the Company's interests; with respect to the recusal of an independent Director's remuneration, the Company has established internal procedures for the recusal of interest in 2017 and follows them accordingly.

III. Assessment of the current and most recent year's goals for enhancing the functions of the Board of Directors (e.g., establishing an audit committee, enhancing information transparency, etc.) and their implementation: The Company established an audit committee in 2016.

(2) The Board of Directors held 8 meetings during FY2025 and through the end of March 2026. Independent Director attendance is as follows:

◎Actual Attendance; ●Proxy Attendance, *Absence

| Attendance of Independent Directors at each Board of Directors' Meeting | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Annual | 2025 | | | | | | | 2026 |
| Meeting Date | 03.11 | 03.25 | 05.06 | 05.29 | 08.05 | 11.11 | 12.23 | 03.10 |
| Chi-Ching Chen | ◎ | ◎ | ◎ | | | | | |
| Wei-Ching Lue | ◎ | ◎ | ◎ | ◎ | ◎ | ◎ | ◎ | ◎ |
| Yi-Hung Hsieh | ◎ | ◎ | ◎ | | | | | |
| Xiu-Lian Lin | | | | ◎ | ◎ | ◎ | ◎ | ◎ |
| Qing-Ping Shao | | | | ◎ | ◎ | ◎ | ◎ | ◎ |

(3) The state of implementing Board of Directors evaluations

| Evaluation Cycle | Evaluation Period | Scope of Evaluation | Evaluation Method | Content of Evaluation |
|---|---|---|---|---|
| To be executed once every year | 2025.01.01~ 2025.12.31 | Evaluation of Board of Directors' Performance | Internal self-assessment by the Board of Directors | 1. Level of participation in the operation of the Company<br>2. Improvement on the decision making quality of the Board<br>3. Composition and structure |

| Evaluation Cycle | Evaluation Period | Scope of Evaluation | Evaluation Method | Content of Evaluation |
|---|---|---|---|---|
| | | | | of the Board<br>4. Election of Directors and Continuing Education<br>5. Internal Control |
| To be executed once every year | 2025.01.01~ 2025.12.31 | Evaluation of Individual Director's Performance | Self-assessment by the Board member | 1. Understanding in the Company and duties<br>2. Level of Participation in Company Operations<br>3. Directors' Expertise and Continuing Education<br>4. Internal Controls |

(II) Operation of the Audit Committee

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

| Title | Name | Professional qualification and experience |
|---|---|---|
| Convener | Xiu-Lian Lin | Independent Director Xiu-Lian Lin holds an MBA from Drexel University, Pennsylvania, USA, and a Bachelor's degree in Accounting from National Taiwan University. She has passed both the R.O.C. CPA examination and the U.S. CPA examination, and currently serves as Director of Director, Pinyou CPA Firm, Director of Pinyou Real Estate Appraisal Firm, and Director of Chengxin Land Administration Agent Office. She also concurrently serves as Independent Director of , AAEON TECHNOLOGY INC., Independent Director of Film 1 Production Film Co., and Independent Director of uPI Semiconductor Corp. |
| Committee Member | Wei-Ching Lue | Wei-Ching Lue, the independent director, holds the degree of Master, Graduate School, Department of Land Economics, National Chengchi University, and had served as Commissioner, Department of Finance, New Taipei City Government |
| Committee Member | Qing-Ping Shao | Independent Director Qing-Ping Shao holds an LL.M. and J.S.D. from the University of California, Berkeley, as well as a Bachelor of Laws and Master of Laws from National Taiwan University. He currently serves as Distinguished Professor at the College of Law, National Taiwan University, Director of the Internal Audit Office at National Taiwan University, and Director of Taiwan Stock Exchange Corporation, among other positions. |

(2) Committee Term: The Audit Committee was established in 2016. The third-term committee runs from July 1, 2025 to June 30, 2028. The committee held 5 meetings during FY2025 and through the end of March 2026. Member attendance is as follows:

| Title | Name | Number of Actual Attendance | Number of Proxy Attendance | Ratio of Actual Attendance | Remark |
|---|---|---|---|---|---|
| The 3rd term Convener | Chi-Ching Chen | 2 | 0 | 100 | Term ended June 30, 2025 |
| The 4th term Convener | Xiu-Lian Lin | 3 | 0 | 100 | Term commenced July 1, 2025 |
| Committee Member | Yi-Hung Hsieh | 2 | 0 | 100 | Term ended June 30, 2025 |
| Committee Member | Wei-Ching Lue | 5 | 0 | 100 | - |
| Committee Member | Qing-Ping Shao | 3 | 0 | 100 | Term commenced July 1, 2025 |

Other information to be documented:

I. If any of the following circumstances applies, the operation of the audit committee shall state the date and period of the board meeting, session, contents of proposal, contents of dissent, qualified opinions or key recommendation of independent directors, the opinions of the audit committee and the Company's handling of the opinions of the audit committee.
   (I) Matters listed in Article 14-5 of the Securities and Exchange Act: Please refer to point (5).
   (II) In addition to the foregoing, other resolutions not approved by the Audit Committee and approved by two-thirds of all Directors: None.

II. The circumstances under which an independent Director disqualifies himself/herself from the implementation of an interest motion shall state the name of the independent Director, the content of the motion, the reasons for the disqualification and the circumstances under which he/she participated in the vote: None.

III. Communication between independent Directors and internal auditors and accountants (e.g., significant matters, methods and results of communication regarding the Company's financial and business conditions): Please refer to (6) "Description of communication between the Company's Independent Directors and internal auditors and accountants" for details.

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

| | |
|---|---|
| 1. Financial statement audit and accounting policy and procedures | 9. Grievance report |
| 2. Internal control system and related policy and procedures | 10. Fraud prevention plan and investigation report |
| 3. Material asset or derivative transactions | 11. Information security |
| 4. Major loans, endorsements or guarantees | 12. Corporate risk management |
| 5. Offering or issuance of securities | 13. Background, independence and performance of attesting accountants |
| 6. Derivatives and cash investments | 14. Appointment, dismissal or remuneration of |

| | |
|---|---|
| | attesting accountants |
| 7. Compliance | 15. Appointment and dismissal of finance, accounting or internal audit managers |
| 8. Whether managers and Directors are involved in related party transactions and prone to conflict of interest | 16. Fulfillment of Audit Committee duties |

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

(5) The Audit Committee held 5 meetings during FY2025 and through the end of March 2026. A description of the Audit Committee's operations is as follows:

| Audit Committee | Board of Directors | Proposal description | Matters listed in Article 14-5 of the Securities and Exchange Act | Resolutions not approved by the Audit Committee but approved by more than 2/3 of all Directors |
|---|---|---|---|---|
| The 3rd term 14th meeting 2025.03.11 | The 21st term 17th Meeting 2025.03.11 | 1. The Company's financial report for 2024. | V | |
| | | 2. The Company's profit distribution for 2024. | V | |
| | | 3. Proposal of cash dividend distribution. | V | |
| | | 4. The Company's FY2024 "Internal Control System Statement". | V | |
| | | 5. The evaluation of the independence and suitability of the CPAs for 2025. | V | |
| | | 6. Amendment of certain articles of the Company's Articles of Incorporation. | V | |
| | | 7. Amendment of part of the articles of the "Internal Control System" and "Enforcement Rules of Internal Audit". | V | |
| | | Resolution of the Audit Committee (March 11, 2025): Passed by all members of the Audit Committee. | | |
| | | The Company's handling of the Audit Committee's opinion: Passed unanimously by all present Directors. | | |
| The 3rd term 15th meeting 2025.05.06 | The 21st term 19th | The Company's Q1 2025 Consolidated Financial Report. | V | |
| | | Resolution of the Audit Committee (May 6, 2025): Passed by all members of the Audit Committee. | | |

| Audit Committee | Board of Directors | Proposal description | Matters listed in Article 14-5 of the Securities and Exchange Act | Resolutions not approved by the Audit Committee but approved by more than 2/3 of all Directors |
|---|---|---|---|---|
| | Meeting 2025.05.06 | The Company's handling of the Audit Committee's opinion: Passed unanimously by all present Directors. | | |
| The 4th term 1st Meeting 2025.08.05 | The 22nd term 2nd Meeting 2025.08.05 | 1. The Company's Q2 2025 Consolidated Financial Report. | V | |
| | | 2. Amendment of certain articles of the Company's "Corporate Governance Best Practice Principles" and addition of a "Plan to Enhance Corporate Value". | V | |
| | | 3. Amendments to some provisions of the "Personal Data Protection Regulations" of the Company. | V | |
| | | Resolution of the Audit Committee (August 5, 2025): Passed by all members of the Audit Committee. | | |
| | | The Company's handling of the Audit Committee's opinion: Passed unanimously by all present Directors. | | |
| The 4th term 2nd Meeting 2025.11.11 | The 22nd term 3rd Meeting 2025.11.11 | 1. The Company's Q3 2025 Consolidated Financial Report. | V | |
| | | 2. Formulation of the Company's 2026 Internal Audit Work Plan. | V | |
| | | 3. Amendments to part of the articles of the “Internal Control System for Stock Affairs Unit”. | V | |
| | | Resolution of the Audit Committee (November 11, 2025): Passed by all members of the Audit Committee. | | |
| | | The Company's handling of the Audit Committee's opinion: Passed unanimously by all present Directors. | | |
| The 4th term 3rd Meeting 2026.03.10 | The 22nd term 5th meeting 2026.03.10 | 1. The Company's FY2025 Business Report and Financial Report. | V | |
| | | 2. The Company’s profit distribution for 2025. | V | |
| | | 3. Proposal of cash dividend distribution. | V | |
| | | 4. Issuance of the Company's FY2025 "Internal Control System Statement". | V | |
| | | 5. Amendments to part of the articles of the “Internal Control System for Stock Affairs Unit”. | V | |
| | | 6. Amendment of certain articles of the Company's "Articles of Incorporation". | V | |
| | | 7. Partial amendments to the Company’s “Code of Corporate Governance Practice”. | V | |
| | | 8. Equity divestment plan for the Company's sub-subsidiary, Greentrans Co., Ltd. | V | |

| Audit Committee | Board of Directors | Proposal description | Matters listed in Article 14-5 of the Securities and Exchange Act | Resolutions not approved by the Audit Committee but approved by more than 2/3 of all Directors |
|---|---|---|---|---|
| | | 9. Proposal to reduce the Company's shareholding in sub-subsidiary Greentrans Co. to below 10%. | V | |
| | | 10. The evaluation of the independence and suitability of the CPAs for 2026. | V | |
| | | 11. Proposed amendment to the definition of entry-level employees and certain articles of the internal control system for the payroll cycle. | V | |
| | | Resolution of the Audit Committee (March 10, 2026): Passed by all members of the Audit Committee. | | |
| | | The Company's handling of the Audit Committee's opinion: Passed unanimously by all present Directors. | | |

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

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

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

b. The head of internal audit meets regularly with the independent Directors to explain the status of the Company's internal audit execution and internal control operations.

B. Summary of Communications during FY2025 and through March 31, 2026

| Date | Key points of communication between Independent Directors and accountants | Key points of communication between Independent Directors and Head of internal audit |
|---|---|---|
| 2025.03.10 | ✓ Description of the scope and methods of the Group's 2024 audit.<br>✓ Description of significant accounting policies, significant accounting estimates, and significant events or | ✓ Key internal audit activities report from October 2024 to February 2025.<br>✓ The audit supervisor communicated with the meeting participants on the issues raised. |

| Date | Key points of communication between Independent Directors and accountants | Key points of communication between Independent Directors and Head of internal audit |
|---|---|---|
| | transactions in 2024.<br>✓ Description of the key audit matters for the year 2024.<br>✓ Description of the compilation of the 2024 audited consolidated financial statements.<br>✓ Summary of 2024 audit conclusions.<br>✓ Law and Regulation Update. | |
| 2025.05.05 | ✓ Description of the scope and methodology of the Group's review in Q1 2025.<br>✓ Description of certain non-material subsidiaries and equity method investments not subject to Q1 2025 review.<br>✓ Summary of individual financial statement information following the Q1 2025 review.<br>✓ Description of significant events or transactions in Q1 2025.<br>✓ Summary of Q1 2025 review conclusions. | ✓ Key internal audit activities report for March 2025.<br>✓ The audit supervisor communicated with the meeting participants on the issues raised. |
| 2025.08.04 | ✓ Description of the scope and methodology of the Group's review in Q2 2025.<br>✓ Description of certain non-material subsidiaries and equity method investments not subject to Q2 2025 review.<br>✓ Summary of individual financial statement information following the Q2 2025 review.<br>✓ Description of significant events or transactions in Q2 2025.<br>✓ Summary of Q2 2025 review conclusions. | ✓ Key internal audit activities report from April to June 2025.<br>✓ The audit supervisor communicated with the meeting participants on the issues raised. |
| 2025.11.10 | ✓ Description of the scope and methodology of the Group's review in Q3 2025 | ✓ Key internal audit activities report from July to September 2025.<br>✓ The audit supervisor communicated |

| Date | Key points of communication between Independent Directors and accountants | Key points of communication between Independent Directors and Head of internal audit |
|---|---|---|
| | ✓ Description of unaudited portions of non-significant subsidiaries and equity method investments Q3 2025.<br>✓ Summary of individual financial statement information following the Q3 2025 review.<br>✓ Summary of Q3 2025 review conclusions.<br>✓ Description of the key audit matters for the year 2025.<br>✓ Overview of the FY2025 group audit plan, scope, and timeline.<br>✓ Overview of IFRS 18 applicability requirements. | with the meeting participants on the issues raised. |
| 2026.03.09 | ✓ Description of the FY2025 group audit scope and methodology.<br>✓ Description of FY2025 key audit matters.<br>✓ Summary of individual financial statement information following the FY2025 audit.<br>✓ Summary of FY2025 audit conclusions.<br>✓ Sharing of updates on new regulations. | ✓ Key internal audit activities report from October 2025 to February 2026.<br>✓ The audit supervisor communicated with the meeting participants on the issues raised. |

(7) The state of implementing Board of Director evaluation

| Evaluation Cycle | Evaluation Period | Scope of Evaluation | Evaluation Method | Content of Evaluation |
|---|---|---|---|---|
| To be executed once every year | January 1, 2025 – December 31, 2025 | Evaluation of Audit Committee's performance | Audit Committee Internal Self-Assessment | 1. Level of participation in the operation of the Company<br>2. Understanding of the Audit Committee's duties<br>3. Improvement on the decision making quality of the Audit Committee<br>4. Composition and election of Audit Committee members<br>5. Internal Control |

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

| Items of Evaluation | The state of implementation | | | Any variance from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance |
|---|---|---|---|---|
| | Yes | No | Description Summary | |
| I. Has the Company formulated and disclosed Corporate Governance Best Practice Principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies"? | V | | The Company has established a Code of Corporate Governance Practices, which is disclosed on the Market Observation Post System and the Company's website. | The Company has established and disclosed the Company's Code of Corporate Governance Practices in accordance with the "Code of Corporate Governance Practices for Listed Companies" and has also established a comprehensive internal control system, therefore, the Company has operated and enforced the relevant regulations in accordance with the spirit of the "Code of Corporate Governance Practices for Listed Companies." |
| II. Shareholding Structure and Shareholders' Rights | | | | |
| (I) Has the Company established internal operating procedures for handling shareholder suggestions, inquiries, disputes, and litigation, and implemented them accordingly? | V | | (I) Regarding shareholder suggestions, inquiries, disputes, and litigation, in addition to having a spokesperson address shareholder questions, shareholders may submit feedback through the Company's website (https://www.china-motor.com.tw), where the responsible unit will provide an appropriate response. The Company also has a dedicated shareholder services unit available to handle matters at any time. | (I) Complies with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies. |
| (II) Does the Company maintain a list of major shareholders who actually control the Company and the ultimate controllers of those major shareholders? | V | | (II) The Company continuously monitors the list of major shareholders who actually control the Company and the ultimate controllers of those major shareholders, and reports shareholding and share pledge/release information in accordance with the regulations governing information disclosure by listed companies. | (II) Complies with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies. |

| Items of Evaluation | The state of implementation | | | Any variance from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance |
|---|---|---|---|---|
| | Yes | No | Description Summary | |
| (III) Has the Company established and implemented risk control and firewall mechanisms between the Company and its affiliated enterprises? | V | | (III) The Company implements risk control and firewall mechanisms between the Company and its affiliated enterprises in accordance with its established "Related Party Transaction Management Procedures." | (III) Complies with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies. |
| (IV) Has the Company established internal regulations prohibiting insiders from trading securities using material non-public information? | V | | (IV) The Company has established "Procedures for the Prevention of Insider Trading" to prohibit insiders from trading securities using material non-public information. | (IV) Complies with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies. |
| III. Composition and Responsibilities of the Board of Directors<br>(I) Has the Board of Directors formulated a diversity policy, specific management objectives, and implemented them accordingly? | V | | (I) In accordance with the Company's Corporate Governance Best Practice Principles, a "Board Member Diversity Policy" was formulated in December 2016 and published on the Company's website, with ongoing implementation. For the relevant metrics and implementation details to ensure that Board members meet diversity requirements, please refer to the section on the "Board Member Diversity Policy." | (I) Complies with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies. |
| (II) In addition to the legally required Remuneration Committee and Audit Committee, has the Company voluntarily established other functional committees? | V | | (II) The Company has established a Remuneration Committee and an Audit Committee as required by law. In August 2023, the Risk Management Committee was upgraded to a functional committee under the Board of Directors, with independent directors serving as committee members. | (II) Complies with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies. |
| (III) Has the Company established a board performance evaluation method and approach, conducted performance evaluations on a regular annual basis, reported the results to the Board of Directors, and used them as reference for | V | | (III) The Company's Board of Directors approved the "Board Performance Evaluation Procedures" in December 2015, and internal board performance evaluations are conducted at least once per year. The evaluation is conducted through questionnaire, including “Operation of the Board of Directors” and “Participation of Directors,” in the way that Directors evaluate operations of the Board of Directors and themselves for the participation. The | (III) Complies with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies. |

<table>
<tr><th rowspan="2">Items of Evaluation</th><th colspan="3">The state of implementation</th><th rowspan="2">Any variance from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance</th></tr>
<tr><th>Yes</th><th>No</th><th>Description Summary</th></tr>
<tr><td>individual director remuneration and nomination for re-election?</td><td></td><td></td><td>outcomes of the aforementioned questionnaire will be the reference for selecting or nominating Directors. Every year once all the questionnaires are recovered, the Company analyzes the questionnaires as mentioned previously, and presents the outcomes and the improvement suggestions to the Board of Directors.<br>The evaluations items for the performance of the Board of Directors including: the participations to the Company's operation; enhancement of the quality of the Board of Directors' decision-making; composition and structure of the Board of Directors; selection and continuing educations of Directors; and internal controls. Items that are covered in the measurements of the evaluations against the performance of the Directors shall at least include the followings: understanding of the Company and awareness to the functions of Directors; participations to the Company's operation; expertise and continuing educations of Directors; and internal controls. The Company completed the board and director performance evaluations in January 2026. The FY2025 evaluation results indicate that the Board of Directors is operating well overall.</td><td></td></tr>
<tr><td>(IV) Does the Company regularly assess the independence and competence of its auditing CPAs?</td><td>V</td><td></td><td>(IV) The assessment of the auditing CPAs' independence and competence is described as follows:<br>1. In accordance with the Company's Corporate Governance Best Practice Principles, the Company conducts a regular annual assessment of the auditing CPAs' independence and competence, and reports the assessment results to the Board of Directors.<br>2. With reference to Statement No. 10 of the Code of Professional Ethics for Certified Public Accountants of the Republic of China, "Integrity, Objectivity, and Independence," an evaluation form has been developed, and the CPA firm's independence statement and Audit Quality Indicators (AQI) report are obtained for the assessment.</td><td>(IV) Complies with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.</td></tr>
</table>

| Items of Evaluation | The state of implementation | | | Any variance from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance |
|---|---|---|---|---|
| | Yes | No | Description Summary | |
| | | | 3. Evaluation criteria include: the CPA's financial interests in relation to the Company, whether a dual role exists, whether the CPA acts as an advocate for the Company's position, the degree of familiarity with Company personnel, whether the CPA has been subject to coercion by the Company, the length of engagement, and AQI indicators such as audit experience.<br>4. Following the assessment by the Audit Committee and the Board of Directors in March 2026, the Company's appointed auditing CPAs were found to be in compliance with the requirements of independence and competence. | |

5. Results of the CPA Independence and Competence Assessment

| Items of Evaluation | Yes/No |
|---|---|
| I. Independence | |
| 1. Members of the audit engagement team and their family members have no material direct or indirect financial interests in the Company. | Yes |
| 2. Neither the Company nor its directors have entered into mutual financing or guarantee arrangements with members of the audit engagement team or their family members (normal commercial lending transactions with financial institutions are excluded). | Yes |
| 3. The CPA firm and members of the audit engagement team do not have close business relationships with the Company or its affiliated enterprises. | Yes |
| 4. There are currently no potential employment relationships between members of the audit engagement team and the Company. | Yes |
| 5. No member of the audit engagement team has served as a director of the Company or held a position with significant influence over the audit engagement within the past two years. | Yes |
| 6. Audit fees paid by the Company to the CPAs are fixed amounts, not contingent fees, and there are no overdue fees that could compromise audit independence. | Yes |
| 7. Non-audit services provided by the CPA firm and its affiliates to the Company, including out-of-pocket expenses and travel costs, have not directly affected material accounts in the audit engagement, have not involved the Company's management functions, have not involved making decisions on the Company's behalf, and have not impaired independence. | Yes |
| 8. No member of the audit engagement team has been engaged as an advocate for the Company's position or opinions, or as an intermediary in disputes between the Company and third parties. | Yes |
| 9. Since the commencement of the current engagement, the CPA's years of service have not exceeded seven years. | Yes |
| 10. No member of the audit engagement team has a familial relationship with the Company's directors, managers, or personnel with significant influence over the audit engagement. | Yes |
| 11. The Company's directors and managers have not given gifts of significant value to members of the audit engagement team. | Yes |
| 12. None of the Company's directors, managers, or personnel with significant influence over the audit engagement are former employees of the CPA firm who left within the | Yes |

| Items of Evaluation | The state of implementation | | | Any variance from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance |
|---|---|---|---|---|
| | Yes | No | Description Summary | |
| past year. | | | | |
| 13. The Company's independent directors were not employed by the CPA firm during the two years prior to taking office or during their term of service. The Company's Remuneration Committee members are not professionals providing commercial, legal, financial, accounting services or consultations during the two years prior to and during the term of office. | | | | Yes |
| 14. The Company has not subjected members of the audit engagement team to actual or perceived intimidation that would prevent them from maintaining objectivity or addressing professional doubts. For example, the choice of accounting policy or the disclosure of the financial statements has improper requirements to reduce the audit work that should be performed under the pretext of reducing fees. | | | | Yes |
| 15. No member of the audit engagement team has violated the Certified Public Accountant Act. | | | | Yes |
| II. Adaptability | | | | |
| 1. The CPAs have not been subject to disciplinary action by the competent authority or the CPA association, nor to any disposition under Article 37, Paragraph 3 of the Securities and Exchange Act. | | | | Yes |
| 2. Whether the CPAs proactively and regularly update the Company on tax regulations, securities regulations, and newly revised IFRS accounting standards. | | | | Yes |
| 3. Whether the CPAs maintain good communication with Company management (including internal auditors) and directors. | | | | Yes |
| 4. Whether the CPAs periodically provide the Company with financial and tax advisory services and assist in communication and coordination with the competent authorities. | | | | Yes |
| 5. Whether the CPAs complete the Company's financial statement sign-offs on schedule — with official quarterly financial reports for the first three quarters completed within 45 days of the end of each quarter, and the annual financial report completed within 3 months of the end of the fiscal year. | | | | Yes |
| 6. Whether the CPAs complete reviews or audits of the financial statements of investee companies on schedule. | | | | Yes |
| 7. Whether the CPAs carry out financial statement audit work in accordance with auditing standards and the rules governing CPAs engaged in auditing and certifying financial statements. | | | | Yes |
| 8. Whether the quality and timeliness of audit and tax services provided by the CPAs meet the Company's requirements. | | | | Yes |
| 9. Whether the CPA firm has sufficient scale and resources for handling the Company's audit services, and whether the audit engagement team has stable staffing. | | | | Yes |
| 10. Whether the CPAs carry out interim and annual audit procedures in accordance with the engagement letter, without any improper conduct. | | | | Yes |
| 11. Whether the CPA firm appropriately notifies Company management and the Board of Directors of any significant issues and developments relating to risk management, corporate governance, financial accounting, and related risk controls. | | | | Yes |
| 12. Whether the CPAs provide recommendations regarding the Company's internal control audit. | | | | Yes |
| IV. Has the listed company appointed a sufficient number of qualified corporate governance personnel and designated a Corporate Governance Officer responsible for | V | | Regarding corporate governance, the Company has established the position of "Corporate Governance Officer," approved by resolution of the Board of Directors. The role is held by a Department Manager (with managerial status and at least three years of experience in legal, financial, or meeting administration management at a publicly | Comply with the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies". |

| Items of Evaluation | The state of implementation | | | Any variance from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance |
|---|---|---|---|---|
| | Yes | No | Description Summary | |
| corporate governance matters (including but not limited to providing directors and supervisors with information necessary for performing their duties, assisting directors and supervisors in complying with applicable laws and regulations, handling matters related to board and shareholders' meeting procedures in accordance with the law, preparing minutes of board and shareholders' meetings, etc.)? | | | listed company). The dedicated units responsible for this role are the President's Office and the Finance Department, which respectively oversee the following corporate governance-related matters:<br>1. Company registration and change registrations, including changes to directors, business scope, etc.<br>2. Shareholders' meeting matters, including preparation of meeting agenda items, meeting notices, convening of meetings, preparation and uploading of meeting minutes.<br>3. Board of Directors matters, including internal approval of board agenda items, board meeting notices, convening of meetings, preparation of meeting minutes, and necessary public announcements and submission of written minutes to the competent authority.<br>4. Regularly providing directors with information necessary for performing their duties, including quarterly financial reports, company operating summaries, Audit Committee resolution materials, Remuneration Committee resolution materials, etc.<br>5. Implementing corporate governance, including regularly organizing corporate governance continuing education courses for directors and relevant company officers, establishing corporate governance promotion objectives, and conducting periodic progress tracking.<br>6. Actively pursuing high rankings in corporate governance evaluations (restructured as ESG evaluations starting in 2026), with an annual target of achieving the top 5% among listed companies.<br><br>FY2025 Activities:<br>1. Planned and arranged continuing education courses for directors for FY2025.<br>2. Handled directors' liability insurance for FY2025.<br>3. To implement corporate governance, conducted an internal performance evaluation of the Board of Directors and | |

| Items of Evaluation | The state of implementation | | | Any variance from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance |
|---|---|---|---|---|
| | Yes | No | Description Summary | |
| | | | individual directors in January 2025, and submitted the results to the March 2025 board meeting.<br>4. To implement corporate governance, conducted an external performance evaluation of the Board of Directors in November 2024, and submitted the results to the March 2025 board meeting.<br>5. Regularly held investor conference calls in 2025 to report on business performance.<br>6. Convened the Annual General Meeting in May 2025, and handled meeting date registration, preparation of meeting notices, meeting handbook, and minutes within the legally required timeframes.<br>7. Notified directors 7 days prior to board meetings, convened meetings and provided meeting materials, and completed distribution of board meeting minutes to all directors within 20 days after each meeting, with minutes filed as important company records.<br>8. Periodically reviewed corporate governance promotion objectives and their implementation status through the ESG Committee, with reports submitted to the Board of Directors every six months.<br>9. Achieved the top 5% corporate governance ranking among listed companies for eleven consecutive years.<br>10. The Corporate Governance Officer's continuing education hours for FY2025 met the requirements stipulated by law. | |
| V. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), set up a dedicated stakeholder section on the Company's website, and appropriately responded to significant corporate social responsibility issues raised by | V | | The Company has set up a stakeholder section on the Company's website, and the website has detailed contact information of stakeholders as a communication channel for stakeholders ( shareholders, employees , customers, the general public, and suppliers) to provide feedback, and to respond appropriately . | Comply with the “Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies”. |

| Items of Evaluation | The state of implementation | | | Any variance from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance |
|---|---|---|---|---|
| | Yes | No | Description Summary | |
| stakeholders? | | | | |
| VI. Has the Company engaged a professional shareholder services agency to handle shareholders' meeting matters? | | V | The Company handles the shareholders' affairs internally. | To grasp the lists of major shareholders controlling the Company de facto and the ultimate controllers of these shareholders timely, the Company handles the shareholders affairs internally. |
| VII. Information Disclosure<br>(I) Has the Company established a website disclosing financial, operational, and corporate governance information? | V | | (I) The Company's website discloses financial, operational, and corporate governance information. | (I) Complies with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies. |
| (II) Has the Company adopted other means of information disclosure (such as establishing an English-language website, designating a responsible person for collecting and disclosing company information, implementing a spokesperson system, posting investor conference materials on the Company's website, etc.)? | V | | (II) The Company has established an English-language website, designated a responsible person for collecting and disclosing company information, implemented a spokesperson system, and posted investor conference materials on the Company's website. | (II) Complies with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies. |
| (III) Has the Company publicly announced and filed its annual financial report within two months after the end of the accounting year, and announced and filed the Q1, Q2, and Q3 financial reports and monthly operating results ahead of the required deadlines? | | V | (III) The Company currently files financial reports and monthly operating results in accordance with the dates stipulated in the "Required Business Matters for Issuers of TWSE-Listed Securities." | (III) The Company handles matters in accordance with the "Required Business Matters for Issuers of TWSE-Listed Securities." |

| Items of Evaluation | The state of implementation | | | Any variance from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance |
|---|---|---|---|---|
| | Yes | No | Description Summary | |
| VIII. Does the Company have other material information useful for understanding the state of its corporate governance operations (including but not limited to employee rights and interests, employee care, investor relations, supplier relations, stakeholder rights, continuing education of directors and supervisors, implementation of risk management policies and risk measurement standards, implementation of customer policies, directors' and supervisors' liability insurance purchased by the Company, etc.)? | V | | Please refer to the note. | Comply with the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies". |

IX. Explanation of improvements made based on the most recent corporate governance evaluation results published by the Corporate Governance Center of Taiwan Stock Exchange Corporation, and priority items and measures for areas not yet improved:

The results of the 11th Corporate Governance Evaluation (FY2024), published in April 2025, confirmed that the Company has achieved the top 5% ranking for eleven consecutive years. With respect to indicators not scored in the 11th evaluation and newly added indicators for the 12th evaluation, the Company has pursued scoring in the 12th Corporate Governance Evaluation (FY2025) on the following items:

(1) Indicator 1.5 — Formulation of a plan to enhance corporate value, approved by the Board of Directors and disclosed on the Market Observation Post System;

(2) Indicator 4.20 — Investment of NT$3 million in resources to support domestic cultural development;

(3) Indicator 4.27 — Disclosure of Scope 3 greenhouse gas emission categories and annual emissions for the past year;

(4) Indicator 4.28 — Formulation of an energy management plan and obtaining ISO 50001 Energy Management System certification;

(5) Indicator 4.29 — Introduction of internal carbon pricing to estimate the financial and operational impact of climate change on the Company;

(6) Indicator 4.30 — Formulation of an employee training and development plan;

(7) Indicator 4.31 — Conducting regular employee satisfaction surveys;

(8) Indicator 4.32 — Formulation of a personal data protection policy;

(9) Indicator 4.33 — Formulation of policies and complaint procedures to protect consumer and customer rights regarding product and service health and safety, marketing, and labeling issues.

<table>
<tr><th rowspan="2">Items of Evaluation</th><th colspan="3">The state of implementation</th><th rowspan="2">Any variance from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance</th></tr>
<tr><th>Yes</th><th>No</th><th>Description Summary</th></tr>
<tr><td colspan="5">Note: Key information helpful to understand the operation of corporate governance<br>(I) Employee Rights: The Company implements various employee rights protections in accordance with the Labor Standards Act, and has established an Employee Handbook that sets out the rights to which employees are entitled. Employee rights matters are also communicated periodically through the Company's internal website and bulletin boards.<br>(II) Employee Care: The Company's employee care measures include the provision of an employee cafeteria, employee dormitories, a multi-purpose sports center, an employee library, and an employee clinic. The Company also periodically organizes company family days, subsidizes employee travel, and regularly conducts employee health check-ups.<br>(III) Investor Relations: The Company regularly publishes information on its website regarding future development, financial condition, and other matters of interest to investors, and holds at least two investor conferences per year to brief investors on current operations and future outlook. Dedicated personnel are set to reply the questions from investors and explain the Company’s future development.<br>(IV) Supplier Relations: The Company has a Procurement Department that serves as the central liaison and coordination point for dealings with suppliers. An annual supplier conference is also held each year to communicate the Company's annual plans and future development to suppliers.<br>(V) Stakeholder Rights: The Company manages the rights and obligations of stakeholders primarily through compliance with applicable laws and regulations, and assigns the relevant units responsible for stakeholder matters to respond accordingly.<br>(VI) Continuing Education of Directors (including Independent Directors): The Company regularly provides information on continuing education opportunities for directors (including independent directors) and encourages their participation. In addition, external professional instructors are arranged to conduct sessions for directors (including independent directors) on the implementation of new laws and regulations or new accounting standards. Related continuing education details are disclosed on the Market Observation Post System.<br>(VII) Implementation of Risk Management Policies and Risk Measurement Standards: The Company has established a Risk Management Committee composed of independent directors, which assists the Board of Directors in planning and overseeing the Company's risk management matters and regularly reports risk management implementation status to the Board of Directors.<br>(VIII) Implementation of Customer Policies (Respect for Consumer Needs): The Company has set up a toll-free 0800 hotline and a company website to handle consumer inquiries and feedback, and requires dealers to respond to customer needs in a timely manner.<br>(IX) Directors' (including Independent Directors') Liability Insurance: To strengthen corporate governance, the Company purchases liability insurance for its directors (including independent directors) on an annual basis. Related details are disclosed on the Market Observation Post System.</td></tr>
</table>

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

1. Remuneration Committee Member Information

March 31, 2026

| Identity | Name | Professional qualification and experience (Condition) | Independence | The number of companies' Remuneration Committee membership(s) that is (are) concurrently held |
|---|---|---|---|---|
| Independent Director (Convener) | Xiu-Lian Lin | 1. At least 5 years of work experience in accounting.<br>2. For experience details, please refer to the Director Information (Independent Directors) on pages 12–13. | Consistent to the independence requirement | 3 |
| Independent Director | Wei-Ching Lue | 1. Five or more years experience in finance and commerce.<br>2. For experience details, please refer to the Director Information (Independent Directors) on pages 12–13. | Consistent to the independence requirement | 0 |
| Independent Director | Qing-Ping Shao | 1. More than 5 years of working experience in law.<br>2. For experience details, please refer to the Director Information (Independent Directors) on pages 12–13. | Consistent to the independence requirement | 0 |

2. The information of operation of the Remuneration Committee.

(1) 3 Remuneration Committee Members are appointed

(2) Committee Term: July 1, 2025 to June 30, 2028.

The Remuneration Committee held 3 meetings (A) in the most recent year. Member attendance is as follows:

<table>
<tr><th>Title</th><th>Name</th><th>Attendance (B)</th><th>Number of Proxy Attendance</th><th>Ratio of Actual Attendance (B/A)</th><th colspan="2">Remark</th></tr>
<tr><td>5th Term Convener</td><td>Chi-Ching Chen</td><td>1</td><td>0</td><td>100%</td><td>Term ended June 30, 2025</td><td rowspan="3">The duties of the Remuneration Committee are stated in description (3)</td></tr>
<tr><td>6th Term Convener</td><td>Xiu-Lian Lin</td><td>2</td><td>0</td><td>100%</td><td>Term commenced July 1, 2025</td></tr>
<tr><td>Committee Member</td><td>Yi-Hung Hsieh</td><td>1</td><td>0</td><td>100%</td><td>Term ended June 30, 2025</td></tr>
</table>

| Title | Name | Attendance (B) | Number of Proxy Attendance | Ratio of Actual Attendance (B/A) | Remark |
|---|---|---|---|---|---|
| Committee Member | Wei-Ching Lue | 3 | 0 | 100% | - |
| Committee Member | Qing-Ping Shao | 2 | 0 | 100% | Term commenced July 1, 2025 |

Other information to be documented:

I. If the Board of Directors declines to adopt or modify the recommendation of the Remuneration Committee, it should specify the date of the meeting, session, content of the motion, resolution of the Board of Directors, and the Company's response to the Remuneration Committee's opinion (if the Remuneration passed by the Board of Directors exceeds the recommendation of the Remuneration Committee, the differences and the causes for such differences shall be specified): None.

II. If any member objected or expressed reservations to the resolutions of the Remuneration Committee and such opinions are recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the responses to members' opinions should be specified: None.

(3) Powers and Duties of the Remuneration Committee

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

A. Prescribe and periodically review the performance assessment and remuneration policy, system, standards, and structure of the Directors and the managers.

B. Periodically evaluate and prescribe the remuneration of the Directors and the managers.

(4) Meeting sessions, resolution matters, and the Company's handling of Remuneration Committee opinions in the most recent year:
opinions are as follows:

| Compensation Committee | Proposal description | Outcome of resolution | Company's response to Compensation Committee's opinions |
|---|---|---|---|
| 5th Term 7th meeting 2025.03.11 | The Company's 114 remuneration to the Directors and the employees. | Passed unanimously by committee members. | Proposed by the board of directors and passed unanimously by all attending members. |
| 6th Term First meeting 2025.08.11 | None. (This session was primarily for the election of the Convener.) | - | - |

| Compensation Committee | Proposal description | Outcome of resolution | Company's response to Compensation Committee's opinions |
|---|---|---|---|
| 6th Term Second Meeting 2025.12.23 | 1. Proposed salary adjustments for the Company's managers for FY2025.<br>2. Annual meeting calendar planning for the 2026 Remuneration Committee. | Passed unanimously by committee members. | Proposed by the board of directors and passed unanimously by all attending members. |

(5) Others: none.

3. Implementation of Remuneration Committee Performance Evaluation

| Evaluation Cycle | Evaluation Period | Scope of Evaluation | Evaluation Method | Content of Evaluation |
|---|---|---|---|---|
| To be executed once every year | 2025.01.01~ 2025.12.31 | Performance assessment of the Remuneration Committee. | Self-assessment of the Remuneration Committee. | 1. Level of participation in the operation of the Company<br>2. Cognition of the duties of the Remuneration Committee.<br>3. Improve the decision quality of the Remuneration Committee.<br>4. The composition and election of the Remuneration Committee.<br>5. Internal Control. |

(V) Composition and Operations of the Risk Management Committee:

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

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

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

March 31, 2026

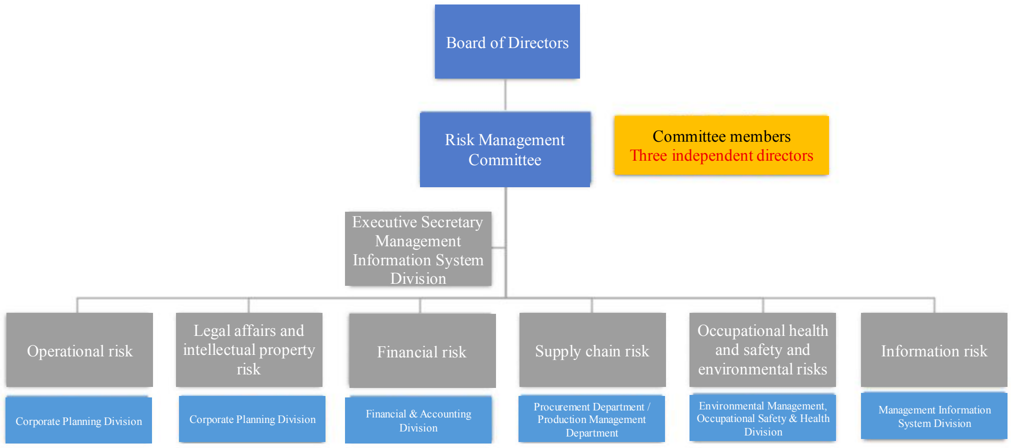
| Identity / Condition / Name | | Professional qualification and experience | Independence |
|---|---|---|---|
| Independent Director (Convener) | Xiu-Lian Lin | 1. At least 5 years of work experience in accounting.<br>2. For experience details, please refer to the Director Information (Independent Directors) on pages 12–13. | Consistent to the independence requirement |
| Independent Director | Wei-Ching Lue | 1. Five or more years experience in finance and commerce<br>2. For experience details, please refer to the Director Information (Independent Directors) on pages 12–13. | Consistent to the independence requirement |
| Independent Director | Qing-Ping Shao | 1. More than 5 years of working experience in law<br>2. For experience details, please refer to the Director Information (Independent Directors) on pages 12–13. | Consistent to the independence requirement |

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

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

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

2. Organization Structure:




3. Operational status:

Committee Term: July 1, 2025 to June 30, 2028. The Risk Management Committee held 2 meetings (A) in the most recent year. Member attendance is as follows:

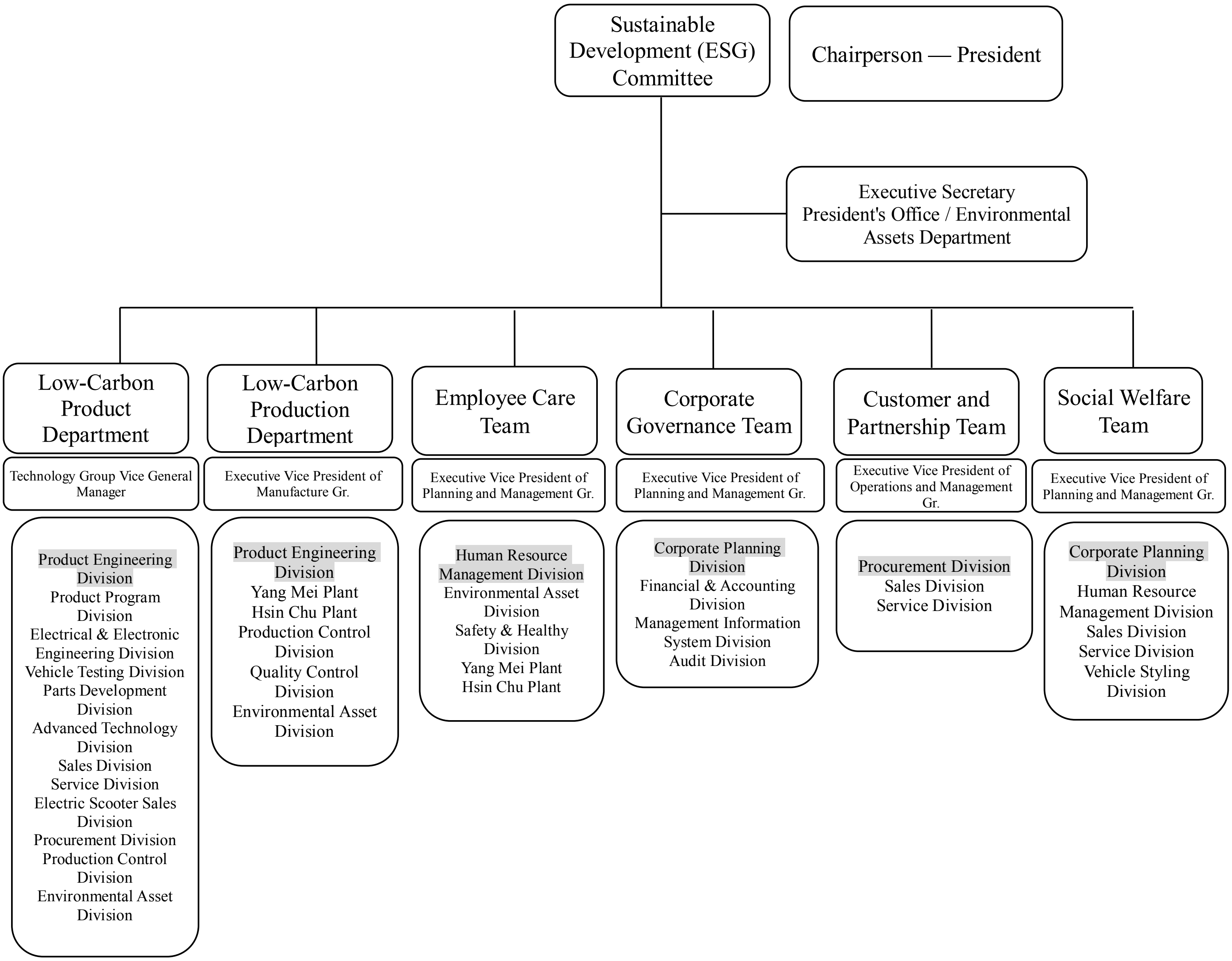
| Title | Name | Professional qualification and experience | Attendance (B) | Number of Proxy Attendance | Actual Attendance Rate (%) (B/A) | Remark |
|---|---|---|---|---|---|---|
| 1st Term Convener | Chi-Ching Chen | Professional qualifications and experience (description 1). | 1 | 0 | 100% | Term ended June 30, 2025 |
| 2nd Term Convener | Xiu-Lian Lin | | 1 | 0 | 100% | Term commenced July 1, 2025 |
| Committee Member | Yi-Hung Hsieh | | 1 | 0 | 100% | Term ended June 30, 2025 |
| Committee Member | Wei-Ching Lue | | 2 | 0 | 100% | - |
| Committee Member | Qing-Ping Shao | | 1 | 0 | 100% | Term commenced July 1, 2025 |

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

| Risk Management Committee | Proposal description | Outcome of resolution | Company's response to Risk Management Committee's opinions |
|---|---|---|---|
| 1st Term 4th meeting 2025.05.06 | All items in this meeting were for reporting purposes. (Mid-year FY2025 Risk Management Implementation Report) | All reporting matters were acknowledged. | All reporting matters were acknowledged. |
| 2nd Term First meeting 2025.12.23 | FY2025 Risk Management Committee Work Plan. | Passed unanimously by committee members. | Proposed by the board of directors and passed unanimously by all attending members. |

(VI) Implementation of Sustainable Development Initiatives and Discrepancies from the Corporate Sustainability Development Best Practice Principles for TWSE/TPEx Listed Companies, and the Reasons Therefor:

China Motor Corporation has long been actively promoting corporate governance, sustainable environmental development, and social welfare. To enhance the efficiency of its corporate social responsibility initiatives, the Company established the "Corporate Social Responsibility Management Committee (CSR Management Committee)" in 2014, which was renamed the "Sustainable Development Committee (ESG Committee)" in 2022. The Committee is chaired by the President, with the General Manager's Office and the Environmental Assets Department serving as the executive secretariat. Sub-groups have been established under the Committee covering "Low-Carbon Products," "Low-Carbon Production," "Employee Care," "Corporate Governance," "Customer and Partner Relations," and "Social Welfare," each led by a Vice General Manager-level executive. The respective sub-group secretariats and related departments are responsible for driving sustainable development initiatives and compiling the Company's ESG Report, with implementation results reported to the Board of Directors on a regular basis.




Note: Departmental Secretary Group.

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

| Promotion Item | Implementation Status | | | Any variance from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance |
|---|---|---|---|---|
| | Yes | No | Description Summary | |
| I. Has the Company established the governance framework to promote sustainable development, appointed the dedicated (concurrent) sustainable development unit, and the board of directors authorizes the senior management to handle the affairs, with the supervision of the board of directors? | V | | 1. Include the sustainability into the operating philosophy, and develop the sustainability strategy blueprint<br>CMC tightly linked with the "up-and downstream vendors," "customers," "employees," and "society," and shape the solid brand image together. In the course of operation, CMC deeply realizes that other than the corporate governance and operational performance in the course of business operation, it is also necessary to cherish the resources provided by the environment and society, and stay committed to the stakeholders. Harmony, innovation, topness, and sustainability are interlinked philosophy. Continuous innovation in harmony, pursuit of topness and sustainable operation are the upmost philosophy of a company's existence. In 2019, led by Chairperson Li-Lien Chen Yen, CMC embraced the new landscape, by upgrading its business philosophy from "HIT" to "HITS" (Harmony, Innovation, Top, and Sustainability), and gradually implemented the Company's sustainability strategy, while innovating in manufacturing, corporate governance, and social welfare.<br>In order to demonstrate its determination to promote sustainable goals, CMC once again inventoried the industrial trends, climate change risks and opportunities, and as the echo to the 17 United Nations Sustainable Development Goals (SDGs), CMC established the "sustainable development strategy," and formulated a "stable governance," "top innovation," "harmony and co-prosperity," "environmental sustainability" and "social care" as the five major pillars for implementation and management. The Company has gradually implemented the Company's sustainable strategy, innovating in the regards of corporate governance, manufacturing, social welfare, while actively responding to the needs of stakeholders, seeking to drive the development of the automotive industry chain and enhancement of the Company's sustainable value through the connection of the ecosystem, and become a the most reliable diversified mobile partner.<br>2. Sustainable Development (ESG) Committee<br>The Company recognizes that without effective management mechanisms, sustainability goals cannot be translated into concrete action. To | Complied with the requirements of "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies". |

| | | | | |
|---|---|---|---|---|
| | | | integrate ESG principles into business operations and corporate culture, the Company established the "Corporate Social Responsibility Management Committee (CSR Management Committee; renamed ESG Committee in 2022)" in 2014, with sub-groups covering "Low-Carbon Products," "Low-Carbon Production," "Employee Care," "Corporate Governance," "Customer and Partner Relations," and "Social Welfare," responsible for promoting the Company's sustainability policies. The organizational structure operates as follows:<br>(1) Two meetings are held annually, with each task force explaining the implementation of the promotion, and establishes the three-year promotion goals in the rolling manner.<br>(2) Reports to the board of directors every year (semi-annually), explaining the annual ESG implementation outcomes and key tasks for the future promotion.<br>(3) Complete the preparation and upload of the previous year's ESG Report (to the Company's official website and the Market Observation Post System) before the statutory deadline each year.<br>(4) The implementation of sustainable development is disclosed in the annual report every year.<br>3. The board of directors' supervision to the sustainable development<br>The ESG Committee reports the annual implementation results to the Board of Directors semi-annually. The discussion topics include ESG award-winning performance, outcomes of key task implementation, review and improvement, and follow-up promotion directions. Based on such, the future sustainable development strategy will be formed, and sustainable development tasks will be promoted to various units at different levels; the accountability of each level operates as follows:<br>(1) Board of Directors oversight<br>In order to improve the internalization and communication of sustainable development, the proposal and implementation of ESG policies, systems or related management guidelines, and specific promotion plans must be regularly reported to the board of directors.<br>(2) Management level<br>Report the key annual ESG results and activities to the operation meeting to share with the managerial attendees in the meeting as a top-down promotion, and the managers are requested to have their subordinators to engage in actively.<br>(3) Regular meetings convened by the ESG Committee<br>The ESG Committee holds meeting every six months, and the secretaries of each task force will prepare and report the implementation results of the period, while communicating important matters, and review the three-year | |

| | | | | |
|---|---|---|---|---|
| | | | goals in the rolling manner.<br>(4) Departmental ESG annual policies<br>The annual guidelines of each department will undertake the ESG task promotion goals, and review the implementation of each department on a quarterly basis, including reviewing the stage implementation results and the estimate the achievement rate, and report such to the president and senior management, to actively promote and achieve annual goals.<br>(5) Building a sustainable corporate culture<br>① Promote volunteer reward program, and provide all employees with three-days volunteer leave annually, car for volunteer activities, so that employees can work on the charity events with peace of mind.<br>② Caring events for the aboriginal people are held regularly every year, and all employees of the plants are called on to join as volunteers. The large-scale recruitment activities are held in public occasions such as employee canteens and family days.<br>③ Promote annual ESG key achievements and share volunteer activity information on the Company's official website, encouraging managers and employees to participate enthusiastically together.<br>④ Hold ESG sustainability literacy courses and awareness activities to strengthen and help employees develop ESG concepts, embedding sustainable thinking in every employee's mind. | |
| II. Does the Company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies? | V | | 1. This disclosure covers the Company's sustainable development performance at its major locations from January 2025 to December 2025. The risk assessment boundary is mainly based on the Company's production bases in Taiwan, including the Yangmei Plant and Hsinchu Plant.<br>2. Risk Management Policies for Each Sustainability Dimension<br>The Company is mainly engaged in the manufacturing and sale of finished vehicles and parts, and does not engage in high-leverage, high-risk investments.<br>In order to strengthen the Company's governance and sound risk management, in addition to establishing functional committees (Audit Committee and Remuneration Committee) , we have also voluntarily established functional committees (Risk Management Committee) to related risks and update response strategies from time to time. Furthermore, each functional unit of the Company identifies detailed risks based on respective expertise and establishes related management policies to effectively reduce the Company's operation risks which includes:<br>(1) Operation risk management | Complied with the requirements of "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies." |

| | | | | |
|---|---|---|---|---|
| | | | ① Monitor changes in industry policies and regulatory trends. ② Promote corporate strategic planning. ③ Implement rigorous deliberation of major decisions and board governance systems. ④ Implement operational management systems. ⑤ Maintain corporate image and promote integrity and information transparency.<br>(2) Legal affairs and intellectual property risk management<br>①Employ professional legal personnel to review various contracts and provide internal legal advice, to handle legal disputes and litigation, and to assist in handling patents, trademarks and IP rights and other related affairs,② timely monitor and manage changes in laws and regulations through the system to strengthen legal compliance.<br>(3) Financial risk management<br>① Integrate the financial control mechanism and tax planning, ② regularly hedge the foreign exchange rate risks, ③ prudently assess the market capital situation and bank interest rates, and ④strategically evaluate the benefits of the reinvestment companies and manage important assets.<br>(4) Supply chain risk<br>① Promote the business inspection plan of suppliers; ② Actively monitor the fluctuation of raw materials to ensure that suppliers can sustainably stabilize supplies and prepare materials. ③ Based on the natural disaster (typhoon) forecast of the Central Meteorological Administration and conduct post-disaster real-time supply surveys. ④ Promote the selection and evaluation of top-performing companies and encourage them to establish management systems for occupational safety and environmental sustainability. ⑤ In accordance with Company policy, promote energy conservation and carbon reduction among suppliers, with a target of net-zero carbon emissions by 2050.<br>(5) Occupational health and safety and environmental risks management<br>① Implement ISO management systems (45001 / 14001 / 50001 / 46001 / 14064). ② Track, assess, and respond to extreme climate issues. ③ Monitor ESG trends and carbon taxes/fees.<br>(6) Information risk management<br>① Introduce the ISO 27001 information security management system and obtain certification (valid from September 11, 2025 to September 10, 2028). ② Conduct annual social engineering drills and provide information security education and training for all personnel. ③ Execute comprehensive information security health checks, including privilege inventory, | |

| | | | | |
|---|---|---|---|---|
| | | | vulnerability scanning, and system penetration testing.<br>Based on GRI Standards principles, international sustainability standards and norms, the United Nations Sustainable Development Goals (SDGs), Responsible Investment principles, industry trends, and stakeholder engagement, the Company has identified material sustainability topics and themes, and has formulated sustainability strategies and related risk management policies. Detailed disclosures are provided in the Company's Sustainability Report.<br>(https://www.china-motor.com.tw/layout2.php?name=CSR%20Report) | |
| III. Environmental Issues<br>(I) Has the Company established a proper environmental management system according to its industrial characteristics? | V | | (I) The Company has established environmental management systems compliant with environmental laws, regulations, and other requirements, focusing on effective resource utilization, pollution prevention, and continuous improvement, and suitable for the Company's production and operational activities. These include the Environmental Management System (ISO 14001), Energy Management System (ISO 50001), and Water Resource Efficiency Management System (ISO 46001), all of which have received certification and are disclosed on the Company's official website and Sustainability Report.<br>(https://www.china-motor.com.tw/layout2.php?name=CSR%20Report) | (I) Complied with the requirements of “Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies.” |
| (II) Is the Company committed to improving the energy utilization efficiency and using recycled materials with low impact on the environment? | V | | (II) The Company promotes energy management and long-term energy conservation and carbon reduction through two main pillars: "continuously advancing energy-saving initiatives and incorporating non-production energy consumption" and "establishing checks on environmental management systems and accessing energy-saving subsidies." The Company actively implements various energy reduction measures, selects high energy efficiency equipment, continuously optimizes production operating conditions, and introduces low energy consumption products in order to reduce energy consumption during the production process and in product use. The Company also expands the use of renewable energy and continuously improves energy performance.<br>1. Energy Management: Year-on-year management is conducted through the ISO 50001 system (valid from December 9, 2025 to December 8, 2028), with third-party | (II) Complied with the requirements of “Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies.” |

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| | | | verification commissioned accordingly. Through the established Energy Management System (EMS), energy usage data is monitored in real time, and periodic review meetings are held to effectively control energy use efficiency.<br>2. Through the ESG Committee, the progress of relevant energy-saving initiatives is regularly reviewed and efforts continue toward low-carbon component design, in order to reduce the environmental impact of resource consumption. | |
| (III) Does the Company assess the potential risks and opportunities of climate change to the Company now and in the future, and take measures to respond to climate-related issues? | V | | (III) A detailed explanation of the Company's climate change risk and opportunity analysis is disclosed in the Company's Sustainability Report. (https://www.china-motor.com.tw/layout2.php?name=CSR%20Report) | (III) Complied with the requirements of "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies." |
| (IV) Has the Company compiled statistics on greenhouse gas emissions, water consumption and total weight of waste for the past two years, and formulated policies for energy conservation and carbon reduction, greenhouse gas reduction, water use reduction or other waste management? | V | | (IV) To ensure that all environmental issues are managed systematically, the Company has adopted and obtained certification for ISO 14001 Environmental Management System, ISO 50001 Energy Management System, ISO 46001 Water Resource Efficiency Management System, and ISO 14064 Greenhouse Gas Inventory Standard. Environmental management program performance and greenhouse gas emissions are reviewed on a regular basis. Annual internal audits and management reviews are conducted, and BSI/AFNOR is commissioned to carry out external audits, with environmental performance reports and reviews prepared accordingly.<br>[Greenhouse Gas Emissions]<br>Greenhouse gas emissions: Greenhouse gas inventory results, assurance status, and reduction policies are listed in this Annual Report under the Climate-Related Information for Listed Companies section.<br>[Water Resource Management]<br>The Company's water resources in 2025 (FY2025) were verified by the ISO 46001 Water Resource Efficiency Management System certification body, and certification was obtained (valid from October 3, 2025 to October 2, 2028).<br>1. Reduction Target: Annual water savings of ≥1%.<br>Promotion Measures:<br>(1) Water use controls and efficiency improvements for production processes and water-consuming equipment.<br>(2) Abnormal water consumption alerts via the | (IV) Complied with the requirements of "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies." |

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| | | | EMS energy management system for timely detection and handling of leaks.<br>(3) Recycling of discharged water for toilet flushing.<br>(4) Reuse of domestic wastewater after treatment using ecological engineering methods.<br>(5) Collection of rainwater for use in production processes after water treatment.<br>Achievement (Water consumption for the most recent 2 years):<br>Total water withdrawal in FY2025 was 159,991 tonnes, compared to 175,585 tonnes in FY2024, representing a water saving of 8.88%.<br>[Waste Management]<br>The Company's waste management in FY2025 was verified by the ISO 14001 Environmental Management System certification body, and certification was obtained (valid from December 14, 2023 to December 13, 2026).<br>1. Reduction Target: Using 2017 as the baseline year, achieve a 50% reduction by 2030.<br>Promotion Measures:<br>(1) The Company is committed to environmental protection and has established a dedicated management unit to effectively track waste sources, generation, and management measures, set waste reduction targets, and conduct annual performance reviews through the ESG Committee.<br>(2) To achieve sustainable resource reuse, the Company's waste handling policy prioritizes in-plant reuse to reduce raw material consumption, followed by recycling and recovery, with legally compliant incineration commissioned only as a last resort.<br>(3) All types of wastes are reported online and entrusted to legal vendors in accordance with the regulations, and the rate of proper disposal is 100%.<br>3. Achievement:<br>(1) A waste solvent recovery system has been installed at the paint shop. Waste solvent removal volumes in FY2025 and FY2024 were 60.33 tonnes and 53.85 tonnes respectively, representing reductions of 41.96% and 48.20% compared to 103.95 tonnes in 2020.<br>(2) The Company is working to achieve the goal of circular economy by introducing recyclable plastic materials into the entire car lineup and increasing the recycling rate of product parts.<br>(3) Non-recyclable waste has been reduced, and the recyclable waste recovery rate has increased from 78.29% in the baseline year | |

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<td>2017 to 89.56%.<br>(4) Through implementation of waste sorting and waste reduction programs, total waste has been reduced by 45.79% compared to the baseline year 2017.<br>(5) Waste output for the most recent 2 years:<br>
<table>
<tr><th>Annual</th><th>Hazardous industrial waste (tons)</th><th>Non-hazardous industrial waste (tons)</th><th>Total weight (metric tonnes)</th><th>Waste intensity (metric tonnes / NT$1 million in revenue) (Note 2)</th></tr>
<tr><td>2024</td><td>54.9722</td><td>461.8200</td><td>516.7922</td><td>0.01317</td></tr>
<tr><td>2025</td><td>88.6617</td><td>490.8860</td><td>579.5477</td><td>0.01806</td></tr>
</table>
Note 1: FY2025 figures are the Company's self-calculated data; please refer to the Company's Sustainability Report for information after third-party verification.<br>Note 2: Consolidated revenues for FY2024 and FY2025 were NT$39,243 million and NT$32,092 million respectively.</td>
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<td>IV. Social Issues<br>(I) Does the Company formulate management policies and procedures according to applicable laws and regulations and the International Bill of Human Rights?</td>
<td>V</td>
<td></td>
<td>(I) The Company firmly believes that corporate sustainable development is founded upon respect for and protection of human rights. We solemnly commit to supporting and adhering to internationally recognized human rights norms and principles. With reference to the core spirit of the United Nations Universal Declaration of Human Rights, the UN Global Compact, and the core conventions of the International Labour Organization, the Company has formulated its Human Rights Policy to eliminate any acts that infringe upon or violate human rights. To implement human rights protections, we disclose and enforce the following policy guidelines:<br>1. Human Rights Policy and Concrete Actions<br>(1) Provide a safe and healthy working environment<br>(2) Eliminate unlawful discrimination to ensure equal employment opportunities<br>(3) Prohibit child labor<br>(4) Prohibit forced labor<br>(5) Support employees in maintaining physical and mental health and work-life balance<br>2. Scope of Application and Responsible Unit<br>The Company's Human Rights Policy applies to all employees of China Motor Corporation. The Human Resources Department is the primary responsible unit, tasked with implementing the policy, regularly reviewing consistency between current labor regulations and internal rules, and revising relevant procedures as appropriate to ensure effective policy implementation and continuous improvement.</td>
<td>(I) Complied with the requirements of “Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies.”</td>
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| (II) Has the Company established and implemented reasonable employee welfare programs (including remuneration, vacation and other benefits, etc.) and appropriately reflected operational performance or results in employee compensation? | V | | (II) The Company strives to create a happy workplace with a friendly environment and industry-leading strategies, hoping to not only retain talents with happiness, but also to take care of employees' family lives through innovative practices.<br>1. Quality Work Environment<br>(1) An employee cafeteria and café are provided to support employees' dietary health. A comprehensive sports and recreation center (indoor basketball/badminton courts, gym, aerobics studio, etc.) is also available for free use by employees and their family members.<br>(2) A general library with approximately 20,000 books, magazines, DVDs, and more is available for free borrowing by employees.<br>2. Happy and Diversified Vacation<br>In addition to the leave provided under the Labor Standards Act, the Company provides special leave, company travel leave, a nine-day summer vacation and winter vacation (to coincide with the Spring Festival), a new student leave for those whose children are attending elementary school, and volunteer leave.<br>3. Thoughtful and Comprehensive Maternity Care Measures<br>(1) An affiliated kindergarten and after-school care center are available to address childcare needs for employees' children, allowing employees to work without worry. (2) Since 2008, childcare subsidies have been provided for employees' children under 3 years of age who do not yet meet the enrollment criteria for nursery classes and are placed at a contracted childcare institution (adjusted to NT$24,000 per year from 2023 onwards). (3) Dependents (spouses and children) are covered by group insurance hospitalization daily allowance benefits. (4) Free newborn insurance services are provided along with well-equipped lactation rooms. (5) Scholarships for employees' children, children's summer camps, and periodic parent-child seminars are offered.<br>4. Convenient and Preferential Living Assistance<br>(1) Annual family days and hiking activities are organized, with employees' family members invited to participate. (2) Employee dormitories are provided with free internet access, parcel receipt services, and more. (3) Diverse transportation services include company shuttle buses, business vehicles for official travel, discounted car rentals for evenings and holidays, as well as low-interest car purchase loans for employees. (4) Legal consultation, psychological counseling, mail services, banking services, and health center outpatient services are also available. | (II) Complied with the requirements of "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies." |

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| | | | 5. Decent Payroll System<br>(1) If the Company records a profit in the current year, no less than 0.1% of the profit shall be allocated as employee compensation, of which no less than 0.05% shall be distributed to entry-level employees.<br>However, if the Company still has accumulated losses, the amount needed to cover such losses shall be reserved before any allocation is made.<br>The "current year profit" referred to above means the pre-tax profit for the year before the allocation of employee compensation and director compensation. Employee compensation may also be distributed to employees of subsidiaries meeting certain criteria.<br>(2) The Company provides market-competitive remuneration, including base salary and holiday bonuses of at least 2 months (for Lunar New Year, Mid-Autumn Festival, and Dragon Boat Festival), with additional year-end special bonuses based on company performance and individual performance appraisals.<br>In addition, the employs enjoy birthday gift coupons, senior staff recognition and awards, and employee travel grants.<br>6. Retirement System<br>To protect employees' livelihood after retirement, the Company strictly complies with the Labor Standards Act (old pension system) and the Labor Pension Act (new pension system), and has established a comprehensive employee retirement system.<br>(1) The retirement of employees shall be conducted in accordance with the following stipulations:<br>A. The Company has formulated retirement regulations for formally employed staff. Retirement reserves are contributed at 2% of each employee's total monthly salary, managed by the Company's Labor Pension Reserve Supervisory Committee, and deposited in a dedicated account at Bank of Taiwan in the name of that committee. The old-system retirement benefit expense recognized by the Company in FY2025 was NT$6,949,586.<br>B. Those who choose to adopt the Labor Standards Act for retirement will be eligible for retirement benefits only when they meet the Labor Standards Act requirements for retirement and apply for retirement.<br>C. For employees who opt for the Labor Pension Act, the Company contributes 6% of the employee's monthly salary to the employee's individual account from the | |

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| | | | date of application. Years of service accumulated prior to opting into the Labor Pension Act are retained, and the employee may claim retirement benefits for those years only upon meeting the retirement conditions under the Labor Standards Act and completing the retirement process.<br>The new-system retirement benefit contribution expense for FY2025 was NT$93,177,243.<br>D. The Labor Pension Act is applicable to all employees who joined the Company after 1 July 2005 (including those who left and were re-employed).<br>(2) The retirement requirements of employees shall be conducted in accordance with the following stipulations:<br>A. An employee who has one of the following conditions may apply for retirement:<br>a. Have been employed by the Company for at least 15 years and have reached the age of 55.<br>b. Have been employed by the Company for at least 25 years.<br>c. Have been employed by the Company for at least 10 years and have reached the age of 65.<br>B. The Company shall not compel an employee to retire unless the employee falls under one of the following circumstances:<br>a. Reaches the age of 65<br>b. Is mentally or physically incapacitated for work.<br>(3) The pension benefits for employees calculated in accordance with the Labor Standards Act are as follows:<br>A. Two base units shall be granted for each year of service; however, one base unit shall be granted for each year of service in excess of 15 years, up to a maximum of a total of 45 base units.<br>Those who have worked for less than half year shall be counted as half year, and those who have worked over half year shall be counted as one year.<br>B. For employees who retire due to mental or physical disability resulting from the performance of their duties, 20% or five base units shall be added in accordance with the provisions of the aforementioned clauses.<br>C. The standard of base unit of pension refers to the average monthly salary at the time of retirement approved.<br>7. Workplace diversity and equality<br>The Company provides equal employment | |

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| | | | opportunities and a fair working environment. Over the past three years, female employees have accounted for approximately 13% of the total workforce, with male employees comprising 87%. Currently, there are 36 senior managers, of whom approximately 11.1% are female. In addition, employees aged 51 and above account for 31% of the workforce, reflecting the Company's commitment to supporting employees of all age groups in addition to providing a gender-equal working environment. | |
| (III) Does the Company provide a safe and healthy working environment for employees and implement regular safety and health education for employees? | V | | (III) The Company has always regarded employee wellbeing and safety as the foundation of its operations. To this end, in addition to complying with all national regulations, the Company has adopted international standards (ISO/CNS 45001 certification, currently valid from December 14, 2023 to December 13, 2026), established a dedicated "Safety and Health Department" to oversee company-wide safety and health management and environmental audits, regularly conducts education and training, and ensures senior management involvement to embed a safety culture throughout the organization.<br>1. Health Management and Promotion<br>In accordance with the "Employee Health Management Regulations," the Company is committed to creating a supportive work environment. In FY2025, the Company continued to promote a range of health protection measures: (1) Health check-ups exceeding regulatory requirements: Annual health check-ups are arranged for employees, with items and frequency exceeding statutory standards. (2) Comprehensive health activities: Active participation in the Ministry of Labor's National Workplace Health Week, including blood donation drives, physical fitness assessments, weight and body fat reduction programs, and preventive healthcare activities. (3) Four prevention programs: Effective implementation of programs for "Prevention of Diseases Triggered by Abnormal Workload," "Prevention of Unlawful Workplace Infringement," "Prevention of Ergonomic Hazards," and "Maternal Health Protection" to guard against potential risks. (4) Mental and physical stress relief services: Professional visually impaired massage therapists are on-site to provide employees with convenient massage services to effectively alleviate work-related stress.<br>2. Operational Safety Performance and Improvement<br>The Company rigorously monitors and continuously improves the safety of its working environment. (1) Occupational accidents: A | (III) Complied with the requirements of “Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies.” |

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| | | | total of 13 occupational accidents occurred in FY2025 (excluding traffic accidents), accounting for 0.63% of the total headcount at year-end. For each incident, root cause analysis has been completed, and improvements have been made to relevant machinery and equipment and standard operating procedures (SOPs), with re-education and job observation implemented for personnel to prevent recurrence. (2) Fire prevention: Zero fire incidents occurred in FY2025. Preventive reviews are nonetheless conducted across the dimensions of "people, machinery, materials, methods, and environment," with internal audits carried out to ensure all improvement measures are effectively implemented.<br>3. Emergency Response and Disaster Management<br>To address unforeseen disasters, the Company has formulated the "Yangmei Plant Emergency Response Operating Standards," clearly defining reporting, handling, and recovery procedures for major incidents such as fires and earthquakes. Emergency response drills are conducted at least once per year, with procedures continuously refined based on drill outcomes. More detailed disclosures are provided in the Company's Sustainability Report.<br>(https://www.china-motor.com.tw/layout2.php?name=CSR%20Report) | |
| (IV) Does the Company develop effective career development programs for employees? | V | | (IV) The Company regularly organizes education and training programs, including pre-employment training and on-the-job training, and assigns appropriate employees to courses covering the knowledge and skills required for their roles.<br>The Company has always been deeply committed to talent development, dedicating significant resources to creating a continuous and diverse learning environment. Through five major training systems—including new employee training, competency training, management training, professional training, and project-based training—we have mapped out comprehensive learning pathways for our employees.<br>In FY2025, a total of 7,175 in-house training sessions were held, with 56,184 participant attendances and a total of 76,816 training hours. | (IV) Complied with the requirements of "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies." |
| (V) Does the Company comply with relevant laws and regulations and international standards regarding customer health and safety, customer privacy, marketing | V | | (V) In its product advertising, the Company upholds the principles of truthfulness and integrity, ensuring all content accurately reflects actual vehicles. All messaging and approaches comply with regulations stipulated by government authorities. Subject to regulatory compliance, relevant vehicle product data is marked at appropriate positions on the product to clearly | (V) Complied with the requirements of "Sustainable Development Best Practice Principles for TWSE/GTSM |

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<tr><td>and labeling of its products and services, and has established relevant policies and complaint procedures to protect consumer or customer rights?</td><td></td><td></td><td>inform consumers, and is also explained in detail in the owner's manual, ensuring that consumers can fully and conveniently understand product specifications, performance, operating methods, and precautions. In order to provide better service to every CMC car owner, CMC has developed a comprehensive customer service management mechanism, and regularly conducts service improvement, information update and staff training for the customer services hotline, and also connects with the 0800 free service hotline of dealerships across the country to provide consumers with more diversified and comprehensive services and channels for consultation on their rights.</td><td>Listed Companies.”</td></tr>
<tr><td>(VI) Does the Company formulate a supplier management policy requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health or labor rights, and their implementation status?</td><td>V</td><td></td><td>(VI)The Company aims to encourage businesses throughout the automotive supply chain to prioritize and practice social responsibility, and to advance together toward sustainable development. Basic agreements have been signed with all suppliers, and supplier ESG assessments and audits are implemented to ensure compliance with the Company's environmental, occupational safety and health policies, and regulatory requirements. In addition, the Company will include the "Integrity and Compliance Pledge" in the " Fundamental Contracts" signed with suppliers and has the right to terminate and cancel the contract in case of dishonest behavior of the suppliers.
<table>
<tr><td>Supplier Onboarding</td><td>Suppliers are required to obtain automotive industry quality management system certification (IATF 16949 or ISO 9000).</td></tr>
<tr><td>Supplier Audits</td><td>Regular key audits are conducted on suppliers covering operational risk and ESG sustainability management.</td></tr>
<tr><td>Supplier Education and Training</td><td>Annual courses and seminars are held to strengthen suppliers' operational foundations and enhance their competitiveness.</td></tr>
</table></td><td>(VI) Complied with the requirements of “Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies.”</td></tr>
<tr><td>V. Does the Company refer to international reporting rules or guidelines to compile reports that disclose non-financial information of the Company, such as sustainability report? Has the CSR report obtained a certificating third-party’s verification of statement of assurance?</td><td>V</td><td></td><td>The sustainability report of the Company for the previous year is prepared in accordance with the General Standard, Sector Standard, and Material Topics Standard issued by the Global Reporting Initiative (GRI). It discloses the identified significant economic, environmental, and social (including human rights) themes and impacts of the company, as well as disclosure items and their reporting requirements. The report references industry-specific indicator information from the Sustainability Accounting Standards Board (SASB) standards and provides an index of SASB indicators corresponding to the content of the report. Additionally, it is compiled in accordance with the AccountAbility 1000 (AA1000) Principles of Accountability (2018). The content of the sustainability report covers various aspects including corporate social responsibility management policies, significant themes and key issues, project performance, and more. In addition, the Sustainability Report is reviewed by the</td><td>Complied with the requirements of “Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies.”</td></tr>
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| | | | heads of relevant company departments and the Chairperson of the ESG Committee based on their professional knowledge and management experience. Ernst & Young is commissioned to perform assurance procedures on six selected indicators from the 2025 Sustainability Report in accordance with Assurance Standard 3000, and the independent assurance statement is attached as an appendix to the Sustainability Report. To strengthen the credibility of disclosed content and to reinforce the responsibility of listed companies and their boards of directors in overseeing the preparation of sustainability reports, the assured Sustainability Report must be approved by a resolution of the Board of Directors. | |
| VI. If the Company has formulated its own Sustainable Development Best Practice Principles based on the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies," please describe any discrepancies between its operations and the principles established:The Company has formulated its own Sustainable | | | | |
| VII. Other important information for understanding the Company’s implementation of sustainable development promotion: The Company’s sustainability report has been disclosed on its official website and the Market Observation | | | | |

(VII) Climate-Related Information for Listed Companies

(1) Implementation of climate-related information:

| Item | Implementation Status |
|---|---|
| 1. Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and the management. | CMC has long been concerned about the extreme climate and the operational crisis that may be caused by global warming. Since 2014, BES has established the "Sustainable Development (ESG) Committee" with President as the Chairman. It is the highest internal sustainable development and decision-making center in the Company. Each working group under the Committee is headed by an executive at the vice president level or above. They lead the senior executives of each department to review the Company's climate-related risks and opportunities management guidelines, coordinate and allocate short-term tasks, and formulate mid-term and long-term policies. Sustainable development plans and goals, and the Audit Division to perform sustainable business supervision and audit matters.<br><br>In terms of monitoring climate-related risks and opportunities, the Board of Directors is the highest governance body of climate change and sustainability issues and is responsible for supervision and decision-making, while the "Sustainable Development (ESG) Committee" is the body responsible for climate issues. In 2023, the Company upgraded the "Risk Management Committee" to a functional committee at the Board level. For climate-related risks, the "Risk Management Committee" regularly evaluates the Company's various risk operations every year, and focuses on the operational risks, supply chain risks, occupational health and safety, and environmental risks derived from climate changes for impact assessment and management. Work with the "Sustainable Development (ESG) Committee" to assist CMC in proposing responses and solutions to climate issues, with the goal of building corporate resilience under the threat of climate risks.<br><br>China Motor Corporation (CMC) signed and joined the Science Based Targets initiative (SBTi) in February 2023, and obtained verification in October 2025, becoming the first automotive company in Taiwan to pass SBTi verification. In accordance with the methodology prescribed by SBTi, CMC commits to using the year with externally verified data as the base year to set its carbon reduction pathway, and has formulated a near-term carbon reduction plan. Through systematic data analysis, specific carbon reduction targets and pathways have been established for Scope 1, Scope 2, and Scope 3 greenhouse gas inventories, with the goal of establishing targets and obtaining SBTi verification within two years. In addition, CMC has successively published its "TCFD Climate-Related Financial Disclosure Report" and "TNFD Climate and Nature-Related Financial Disclosure Report," both of which are submitted to the Board of Directors annually together with the Sustainability Report to ensure that the Board has a thorough understanding of the Company's internal climate-related risks and opportunities. This enables the Board to review the progress of the Company's climate issue management strategy through regular reporting and to promptly urge the management team to make adjustments as needed. |
| 2. Describe how the identified climate risks and opportunities affect the business, strategy and finance of the Company (short-, medium-, and long-term). | China Motor Corporation is actively formulating solutions, with the "Sustainability Committee" as the highest responsible unit for climate change and management issues. The committee annually reviews the company's climate change strategy and goals, manages climate change risk and opportunity actions, and examines implementation status while discussing future plans. The company aims to reduce operational and financial impacts brought by climate change and enhance organizational climate resilience.<br><br>In 2025, the Company completed its most recent climate risk and opportunity assessment. Using a two-dimensional matrix analyzing "frequency of occurrence (short, medium, and long term)" and "degree of impact," the following 6 major risks were identified from among 15 climate risk items: **vehicle product efficiency regulations and standards; carbon fees/energy taxes; changes in consumer behavior and market preferences; demand for low-carbon products and services; frequent power shortages caused by extreme temperatures; and greenhouse gas cap-and-trade and emissions trading schemes**.In regards to climate opportunity issues, using the same dual-dimension matrix analysis method, two major opportunities have been identified from among eight climate change opportunity items: sustainable digital transformation and service experience, and low-carbon product development and innovative services. The Company integrates major items from both climate risk and opportunity assessment results to jointly analyze potential financial and operational impacts. |

Reporting Scope: The Company (Yangmei Plant and Hsinchu Plant)

| | Risk Category and Opportunity | Short-term (1–3 years) | Medium-term (3-5 years) | Long-term (5+ years) |
|---|---|---|---|---|
| **Risks** | **Transition risks** Risks in transitioning to a low-carbon economy encompass policy regulations, carbon fees/energy taxes, emissions trading, market changes, and reputational risks, affecting product standards, consumer demands, and corporate sustainability compliance. | • Vehicle product efficiency regulations and standards<br>• Changes in consumer behavior and market preferences<br>• Demand for low-carbon products and services | • Greenhouse gas cap-and-trade systems and emissions trading<br>• Carbon fees, energy tax collection | • Reputational damage from negative environmental events<br>• Sustainability-related regulations and 2050 net-zero carbon emissions |
| | **Physical Risks** Assessment of operational and supply chain risks brought by climate change, covering equipment damage, operational disruption, supply chain instability, resource shortages, and ecological environmental changes, affecting business stability and sustainable development | • Frequent power outages due to extreme temperatures | • Material shortages due to climate change<br>• Personnel injuries from extreme storms/heavy rainfall<br>• Supply chain instability from frequent natural disasters<br>• Operational disruptions from frequent natural disasters | • Water shortages/fires due to drought and high temperatures<br>• Operational equipment damage from flooding<br>• Personnel health impairment from high temperatures |
| **Opportunities** | **Opportunities** Climate change mitigation and adaptation actions can bring climate-related opportunities for businesses, including improved resource efficiency, development of new energy vehicles, strengthened corporate resilience, and creating market competitive advantages through renewable energy and green manufacturing processes | • Sustainable digital transformation and service experience<br>• Renewable energy installation and green electricity purchase | • Enhancing green corporate reputation and building corporate resilience<br>• Low-carbon product development and innovative services<br>• New energy vehicle regulatory subsidies | • Vehicle production considering green manufacturing processes and environmental protection<br>• Accommodating consumer preferences in actively pursuing product carbon neutrality<br>• Energy-saving equipment planning for production processes |

Mitigating and adapting to the impact of climate risks, and grasping the potential business opportunities hidden in climate opportunities. The Company referred to the above-mentioned risk and opportunity factors to review the affected business scope and financial impact, inventory self-owned resources and development opportunities, and assess whether to invest in damage prevention and development opportunities. The Yangmei Plant and Hsinchu Plant have assessed the above risks and identified climate-related risks and opportunities that may have material financial impacts, along with corresponding response strategies as follows:

| Transition risks/climate opportunities | | |
|---|---|---|
| **Risks/Opportunities** | **Financial impact - (negative) / + (positive)** | **Countermeasures** |
| Risks:<br>• Carbon fees/ energy tax collection<br>• Greenhouse gas cap-and-trade systems and emissions trading | **-Increased costs:** Payment of carbon fees/energy taxes leading to higher operational costs<br>**-Increased costs:** Installation of renewable energy or purchase of green electricity resulting in higher operational costs<br>**-Increased costs:** Additional carbon reduction equipment and increased operating costs | • Strengthen energy management in plant areas, implement greenhouse gas reduction actions, and promote electricity transformation according to the 2050 net-zero carbon emission schedule<br>• Improve energy efficiency and invest in green energy, construct green factories to obtain green building certification<br>• Encourage suppliers to conduct greenhouse gas inventories and carbon reduction actions |
| **Risks:**<br>• Demand for low-carbon products and services<br>• Changes in consumer behavior and market preferences | **-Increased costs:** Continued development of low-carbon products resulting in increased R&D expenses<br>**-Increased costs:** Guidance and assistance to suppliers for developing low-carbon products, causing additional costs and increased procurement amounts<br>**-Decreased revenue:** Failure to meet consumer and market preferences, or failure to offer suitable low-carbon products and services, leading to revenue decline<br>**-Decreased revenue:** Brand reputation damage due to insufficient climate change actions, affecting consumer trust and subsequently leading to revenue decline | • The company will continue to invest in low-carbon product research and development by increasing R&D personnel and establishing project teams to accelerate technology development and implementation, enhancing market competitiveness while meeting regulatory requirements<br>• Adopt circular economy or low-carbon footprint raw materials, and reconfigure product components<br>• Use a top-down approach to lead/guide suppliers in carbon reduction efforts, creating a low-carbon ecosystem<br>• Actively incorporating international initiative indicators such as SBTi, CDP, ICP, and TNFD biodiversity to enhance sustainability performance ratings, thereby strengthening the company's ESG image<br>• Reinforcing corporate governance, establishing a corporate culture that prioritizes climate change issues, and committing to carbon reduction efforts |
| **Risks:**<br>• Vehicle product efficiency regulations and standards | **-Increased costs:** To meet stricter energy efficiency standards, additional R&D resources must be invested, raising development costs for hybrid or electric vehicle technologies<br>**-Increased costs:** Regulatory requirements leading to higher vehicle testing, certification, and compliance expenses<br>**-Decreased revenue:** Failure to meet standards in a timely manner could result in certain models being ineligible for sale or subject to penalties, affecting revenue | • Continuing investment in research, development, and launch of electric two-wheelers, four-wheelers, and PHEVs, introducing products and services that meet market demands<br>• The Company will improve the energy efficiency of vehicles to provide consumers with environmentally friendly low-carbon vehicle products<br>• Reducing energy consumption throughout vehicle life cycles, developing low-carbon products and services |

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| **Risks:**<br>• Frequent power outages due to extreme temperatures | **-Increased costs:** Manufacturing facilities affected by power outages or restrictions impact production capacity, leading to production delays and additional operating costs (such as investments in backup power equipment and energy storage systems)<br>**-Decreased revenue:** Supply chain disruptions causing component delivery delays, hindering new vehicle production and affecting sales and delivery schedules<br>**-Decreased revenue:** Consumer concerns about electric vehicle range and charging infrastructure affecting electric vehicle sales growth | • Develop renewable energy plans ahead of regulatory deadlines to promote energy diversification, reduce Scope 2 carbon emissions, and mitigate electricity shortage risks<br>• Continuously track, manage, and require suppliers to enhance their ability to prevent fire/flood incidents and power outages, enabling immediate response and handling when emergencies occur<br>• Invest in parts manufacturers, integrate the supply chain, and redesign supply risk strategies<br>• Product diversification strategy, introducing a wide range of vehicle products (including high-efficiency fuel vehicles, PHEVs, EVs, etc.) to meet consumers' diverse needs, while fulfilling the green energy requirements of businesses and vehicle owners, and continuing to actively introduce pure electric vehicle models |
| **Opportunities:**<br>• Low-carbon product development and innovative services<br>• Sustainable digital transformation and service experience | **+Decreased costs:** As low-carbon technologies mature, manufacturing efficiency and energy usage efficiency improve, reducing long-term operational costs<br>**+Decreased costs:** Applying data analytics and intelligent AI manufacturing to improve energy and resource utilization efficiency, reducing production and operational costs<br>**+Decreased costs:** Through vehicle data analysis, enhancing preventive maintenance capabilities to reduce warranty and repair costs<br>**+Increased revenue:** Developing new energy vehicles (PHEVs, EVs) and energy-saving technologies to meet market demand and increase market competitiveness<br>**+Increased revenue:** Implementing Internet of Vehicles (IoV) and digital after-sales services (such as remote maintenance, OTA updates) to improve user experience and increase subscription service revenue | • In response to global market trends and consumer demand for low-carbon transportation, we are actively developing new energy vehicles, diverse powertrain technologies, and related supporting measures to enhance market competitiveness.<br>• We continue to research and develop innovative products to strengthen our core competitiveness, produce high-quality products with professional technology, develop diverse service channels, and continuously improve customer service to increase customer satisfaction<br>• China Motor Corporation is transforming its traditional auto manufacturing mindset when providing products and services to customers, focusing on two major strategies centered on "human mobility" and "goods mobility." We are advancing toward a mobility service strategy, committed to three core pillars: "enhancing customer and employee experience," "strengthening data-driven operational capabilities," and "establishing a new service ecosystem." |

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| 3. Describe the financial impact of extreme climate events and transformation actions. | Based on the discussions and focus of the aforementioned committee meetings, the potential financial and operational impacts of extreme weather events and transition actions on climate change risks were identified through meetings with external consultant experts and department heads of CMC. The potential impacts are as follows:<br><br>Risk item (I): Flooding risk analysis for business locations<br>The two main production bases, Yangmei Factory and Hsinchu Factory, were assessed by external |

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| | consultants to face a certain degree of risk of flooding. With the frequent occurrences of extreme weather in the future, the risk will be even more serious. In order to avoid the possible flooding of the factory area in the future, resulting in the interruption of operations and production, thereby reducing revenue and increasing the cost of recovery, the Company will formulate response policies based on the results of these analyses, carefully assess potential risks, and formulate corresponding management and response measures.<br><br>Risk item (II): Power shortage risk analysis<br>According to the simulation results of power shortage risk scenario analysis by external consultants, the amount of revenue loss due to power shortage is not significant, and it will not have significant financial impact on CMC. However, the Company still face this risk with caution, since electricity is one of the necessary energy consumptions for production. In order to avoid the potential impact of this risk on our operations, the Company actively establishes damage prevention measures and introduces emergency power generation equipment and renewable energy power generation, we hope to achieve the purpose of prevention before the event through the establishment of crisis awareness in advance.<br><br>Risk Item (III): Carbon pricing risk analysis<br>Based on the carbon pricing risk simulation conducted by the external consultant, CMC is not currently a major carbon emission player. Although significant carbon costs are incurred under various simulation scenarios, these costs do not have a significant impact on the Company's overall revenue. However, the Company is still highly concerned about carbon-related issues. As an automobile manufacturer and distributor, the Company is aware that if we do not propose a transformation plan and improve the energy efficiency of our products, we may not be able to meet the expectations of the market and consumers, and ultimately lead to a decline in the market position. Therefore, in addition to actively adopting renewable energy facilities, we also optimize the automobile manufacturing process, hoping to reduce the carbon emission of each product's life cycle through technology upgrades, in order to provide customers with environmentally friendly and low-carbon products.<br><br>In the face of transition risk, the shift to a low-carbon economy may encounter changes such as product efficiency regulations and standards, carbon fees/energy taxes, shifts in consumer behavior preferences, demand for low-carbon products and services, electricity shortage crises, and greenhouse gas emissions cap-and-trade systems. These factors could potentially increase operating costs or decrease sales volume. Given that CMC has been progressively launching low-carbon products, continuing to develop new products, and actively expanding into the new energy vehicle market, no material impact on market sales is anticipated under any scenario. Accordingly, the Company has focused on operating cost analysis and, in response to low-carbon transition risks, has taken the lead in formulating an "Internal Carbon Pricing" mechanism at NT$1,039/tonne $CO_2$ to introduce a carbon emissions management mechanism. Through active management, the Company ensures the sustainability of its own operations and avoids increases in supply chain costs. For the relevant analysis and financial impact, please refer to the Company's Sustainability Report.<br>(https://www.china-motor.com.tw/layout2.php?name=CSR%20Report) |
| 4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system. | The Board of Directors is the highest decision-making body for risk management at China Motor Corporation, directly overseeing the company's risk management framework. To strengthen risk management assessment and enhance management functions, in addition to the "Risk Management Committee," CMC also identifies climate change risks and opportunities through the "Sustainable Development (ESG) Committee." The sub-groups under the ESG Committee identify the Company's climate change risks and opportunities through the following steps:<br><br>1. Collecting climate change information/2. Interviewing the responsible department/3. Distributing questionnaires on TCFD risks and opportunities/4. Conducting matrix analysis on major climate risks and opportunities/5. Setting annual climate and environmental indicators.<br><br>Through the above procedures, we compile major climate risk and opportunity issues and corresponding risk management measures, engage external consultants to conduct regular education and training on climate and sustainability issues, and conduct reviews and follow-up with responsible departments. In addition, we review the changes in risks and opportunities in |

<table>
<tr><td></td><td>policies, regulations, technology, market, and business reputation and transformation on a yearly basis. We also work with our "Risk Management Committee" to regularly assess the operation of various risks, and jointly work with all units on the establishment of annual climate and environmental indicators to measure the progress and effectiveness of the Company.</td></tr>
<tr><td>5. If a scenario planning is used to evaluate the resilience in the face of climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts used shall be explained.</td><td>China Motor Corporation uses scenario analysis to evaluate the resilience to climate change risks. For detailed financial impact results of these analyses, please refer to the Company's annual Sustainability Report. The reference data used is summarized in the table below:
<table>
<tr><td>Risk items</td><td>Scenario-based use</td><td>Factors for analysis</td></tr>
<tr><td>Risk of flooding at business locations</td><td rowspan="2">The Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report uses Representative Concentration Pathways (RCPs), with the difference in radiative forcing between the year 2100 and 1750 as an indicator. The report adopts the RCP 8.5 scenario.</td><td>1. Factory location<br>2. Flood risk potential diagram</td></tr>
<tr><td>Risk of power shortage</td><td>1. Electricity shortage rate<br>2. Days of interruption in operation</td></tr>
<tr><td>Carbon pricing risk</td><td>The International Energy Agency's Stated Policies Scenario (SPS), Announced Pledges Scenario (APS), and Net Zero Emissions by 2050 Scenario (NZE).</td><td>1. Carbon emission scenario evolution<br>2. Carbon fee scenario evolution</td></tr>
</table></td></tr>
<tr><td>6. If there is a transformation plan in response to the management of climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transformation risks.</td><td>Based on the discussions and focus of the aforementioned committee meetings, the development opportunities and future goals of climate transition actions and development objectives were identified through meetings with external consultant experts and department heads of Chinese Automobile. The development opportunities and future goals of climate change opportunity events are as follows:<br><br>Opportunity item (I): Energy efficiency improvement of products<br>Actively aligning with global market trends and consumer preferences, the Company is committed to developing electric two-wheeled and four-wheeled vehicles as well as PHEVs/EVs. At the same time, the Company will improve the energy efficiency of vehicles to provide consumers with environmentally friendly low-carbon vehicle products. In addition, the Company is also committed to reducing the energy consumed by the vehicle life cycle and developing low-carbon products and services to respond to the needs of consumers in Taiwan for sustainable development.<br><br>Opportunity (II): Renewable energy deployment<br>In order to meet the regulatory deadline, the Company has developed renewable energy plans ahead of schedule to promote energy diversification, reduce Scope 2 carbon emissions and mitigate the risk of power shortage. At the same time, the Company strengthens energy management and introduces new energy-saving equipment systems to improve energy efficiency and thereby reduce overall operating costs. In the face of global warming and renewable energy issues, the Company actively promotes energy-saving plans to adapt to changes and promote sustainable development.<br><br>Opportunity (III): Improvement of loss prevention<br>For supply chain management, the Company invests in parts factories to integrate the supply chain and re-plan supply risk strategies. Suppliers are required to continuously improve their fire and flood prevention capabilities to ensure the most timely response and handling in case of emergencies. For the production sites, the Company reviews soil and water conservation and drainage capacity to avoid flooding, and improves the damage prevention measures in advance.<br><br>To achieve carbon neutrality, China Motor Corporation has formulated a low-carbon transformation plan that will target direct emissions from operational activities (Scope 1), indirect emissions from energy use (Scope 2), and indirect emissions generated from the value chain (Scope 3). Implementation contents include:</td></tr>
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| | **1. Establishing internal carbon pricing**<br>China Motor Corporation, taking the lead in the automotive industry, has established "internal carbon pricing" at NT$1,039 per ton of $CO_2$ to introduce a carbon emission management mechanism. Through systematic management, this encourages each department to enhance carbon reduction benefits and promote more precise carbon emission control.<br>**2. Leading by example, guiding suppliers to actively reduce carbon emissions**<br>To move toward "2050 Net Zero Transition," China Motor Corporation is actively collaborating with its supply chain to reduce carbon emissions. The company has partnered with 11 suppliers including Chiang Shen, Ho Sheng, and Chun Yuan Steel to jointly receive subsidies from the Industrial Development Bureau of the Ministry of Economic Affairs under the "Leading by Example" project. Within two years (2023-2025), they will implement 41 energy-saving equipment carbon reduction transformation projects with a total investment of NT$110 million, demonstrating their determination to promote an ESG ecosystem.<br>**3. Deploying renewable energy**<br>CMC's environmental sustainability policy actively promotes energy conservation and carbon reduction, and the use of renewable energy. Solar photovoltaic installations are being developed at the Company's plants, with plans to complete installations of 13,972 kW at the Yangmei Plant and 1,949 kW at the Hsinchu Plant (including buyback) before 2035, for a combined total of 15,921 kW at a total investment of NT$955 million.<br>Renewable Energy Development:<br>Phase 1: 536 kW and 1,343 kW were installed at the two plants in 2023 and 2024 respectively.<br>Phase 2: In 2025, the Hsinchu Plant bought back 999 kW. The cumulative installed/bought-back capacity across both phases and both plants has reached 2,878 kW.<br>Phase 3: Planned for phased implementation, with an anticipated installed capacity of up to 14,081 kW.<br>Phase 4: Planned to achieve the target of 15,921 kW by 2035, at which point renewable energy will account for approximately 25% of electricity consumption.<br>**4. Signing and joining the Science Based Targets Initiative (SBTi)**<br>CMC signed and joined the Science Based Targets initiative (SBTi) in December 2023, passed the commitment review in January 2024, and obtained target verification in October 2025, becoming the first automotive company in Taiwan to pass SBTi verification. In accordance with the methodology prescribed by SBTi, the Company commits to using the year with externally verified data as the base year to set its carbon reduction pathway, and has formulated a near-term carbon reduction plan. Through systematic data analysis, specific carbon reduction targets and pathways have been established for Scope 1, Scope 2, and Scope 3 greenhouse gas inventories, with the goal of establishing targets and obtaining SBTi verification within two years. Through our commitment to international initiative organizations, we demonstrate our company's determination to reduce energy consumption and carbon emissions, specifically responding to the goal of limiting global warming to within 1.5°C.<br>Please refer to the Company's sustainability report for detailed analysis of development opportunities, costs invested and future goals and results mentioned above. (https://www.china-motor.com.tw/layout2.php?name=CSR%20Report) |
| 7. If the internal carbon pricing is used as a planning tool, the basis for setting the price shall be stated. | **1. Background for Establishing Internal Carbon Pricing**<br>To achieve CMC's carbon reduction pathway and targets, promote low-carbon investment, and establish an internal low-carbon evaluation mechanism that encourages employees and departments to reduce carbon emissions and find more environmentally friendly solutions, CMC has launched its "Internal Carbon Pricing (ICP)" mechanism. This allows the Company to proactively respond to the carbon fees imposed under the Climate Change Response Act, carbon emission-related regulatory mechanisms in various countries worldwide, and the requirements under the Renewable Energy Development Act for enterprises to increase their use of green electricity, as well as other internal and external carbon reduction pressures and opportunities.<br>**2. Pricing Basis**<br>The internal carbon price is based on the effectiveness of past carbon reduction projects, incorporating 25 external risk factors to determine a reasonable price. Taking into account internal carbon pricing levels globally, in Asia, and in the automotive industry, CMC's internal carbon price has been set at NT$1,039/tonne $CO^2$, which is assessed to fall within a reasonable global range. |

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| | **3. Results**<br>To ensure that internal carbon pricing has a substantive impact, departments with carbon reduction projects must incorporate internal carbon pricing as a carbon emission consideration factor in their decision-making, and list projects under the ISO 50001 Energy Management System for project benefit management and tracking. In terms of outcomes, in 2025 (FY2025), the project payback period was shortened by up to 6.5 years and potential external carbon costs were reduced by NT$800,000, reflecting the prioritization of low-carbon projects.<br>**4. Implementation Management**<br>Implementation effectiveness is managed through the ESG Management Committee, with ongoing assessment of the reasonableness of carbon price settings, the applicability of internal carbon pricing, the accuracy of carbon reduction targets, and the effectiveness of carbon reduction solutions. The current internal carbon pricing mechanism strengthens senior management's carbon reduction decision-making, and further reinforces the link between remuneration and sustainability performance. Senior management's (President and managers at all levels) annual target achievement rates are directly linked to their performance appraisal results, and the Company grants remuneration based on senior management performance appraisal results and overall profitability, thereby implementing an ESG-linked remuneration system. This approach embeds the environmental sustainability belief in carbon reduction into every employee's daily operations, and the mechanism is adjusted in line with domestic and international carbon reduction trends and CMC's carbon reduction pathway and targets, progressively linking it to operational strategy to expand its scope of application and steadily align with international sustainability frameworks. |
| 8. If climate-related goals are set, the activities covered, the scope of greenhouse gas emissions, the planning period, and the progress of each year should be explained; if carbon offsets or renewable energy certificates (RECs) were used to achieve the goals, the source and quantity of carbon reduction credits or quantity of Renewable Energy Certificates (RECs) for which they are exchanged should be explained. | **1. Long-Term Carbon Reduction Target**<br>To implement ESG corporate sustainability, CMC has set net-zero emissions by 2050 as its long-term carbon reduction target, aiming to achieve full carbon neutrality throughout the production process by 2050, and accordingly published its "2050 Net-Zero Declaration" in 2023.<br>**2. Short- and Medium-Term Carbon Reduction Targets Aligned with Government Policy**<br>CMC has responded to the "Taiwan 2050 Net-Zero Emissions" pathway and strategy announced by the National Development Council in March 2022. In 2023, CMC set its short- and medium-term carbon reduction target as "a 30% reduction in carbon emissions by 2030 compared to 2018 levels."<br>**3. Short- and Medium-Term Carbon Reduction Targets Aligned with International Standards**<br>To progressively advance toward the net-zero emissions target by 2050 and ensure that the Company's carbon reduction targets, calculation methods, and direction are aligned with international standards, CMC has adopted SBTi science-based carbon reduction targets from 2025 onwards, set under a "limit warming to 1.5°C" scenario. Specifically, using 2024 as the base year, the Company commits to reducing the combined total of Scope 1 (direct process emissions) and Scope 2 (indirect energy emissions) carbon emissions by 63% by 2035, as well as reducing Scope 3 Category 11 ("use of sold products") carbon emissions by 63% by 2035. The SBTi commitment review was passed in January 2024, and target verification was obtained in October 2025, making CMC the first automotive company in Taiwan to pass SBTi verification.<br>**4. Progress on Carbon Reduction Measures and Implementation**<br>For the planned schedule and annual progress on greenhouse gas emission reductions, please refer to section (3) below.<br>**5. Renewable Energy**<br>At present, the Company does not use the purchase of renewable energy certificates as a carbon reduction measure. The current approach to renewable energy prioritizes self-generation and self-use, with an inventory of available space at each operating location being conducted to progressively install renewable energy generation equipment. In 2024 (FY2024), self-generated renewable energy consumption amounted to 819,543 kWh(verified through greenhouse gas inventory). |
| 9. Greenhouse gas inventory and assurance status is detailed in (2). | Please refer to the following explanation in (2). |

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

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

| Annual | | 2024 | | 2025 | |
|---|---|---|---|---|---|
| Items (Unit) | | Total emissions (metric tons CO2e) | Intensity (Note 2) (tons of CO2e/NTD million) | Total emissions (metric tons CO2e) | Intensity (Note 2) (tons of CO2e/NTD million) |
| From the Company | Scope 1 (Note 1) | 8,089 | | 7,047 | |
| | Scope 2 (Note 1) | 11,638 | | 10,536 | |
| | Scope 3 (Note 1) | 2,150,749 | | 1,882,502 | |
| | Subtotal | 2,170,476 | | 1,900,085 | |
| All subsidiaries in the consolidated financial report | Scope 1 (Note 1) | 1,220 | | 1,286 | |
| | Scope 2 (Note 1) | 4,563 | | 4,360 | |
| | Subtotal | 5,783 | | 5,646 | |
| Total | | 2,176,259 | 55.4560 | 1,905,731 | 59.3834 |

Note 1:
Direct emissions (Scope 1: emissions directly from sources owned or controlled by the Company), energy indirect emissions (Scope 2: indirect greenhouse gas emissions resulting from the import of electricity, heat, or steam), and other indirect emissions (Scope 3: emissions generated by the Company's activities that are not energy indirect emissions but originate from sources owned or controlled by other companies).
Note 2:
Intensity is calculated as greenhouse gas emissions per NT$1 million in revenue. Consolidated revenues for FY2024 and FY2025 were NT$39,243 million and NT$32,092 million respectively.
Note 3:
For the latest information, please refer to the Company's Sustainability Report.

B. Greenhouse gas assertion information
1. The parent company shall implement assurance starting from 2027.
2. Subsidiaries included in consolidated financial statements shall implement assurance starting from 2028.

CMC conducts an annual greenhouse gas emissions inventory for each of its plant sites. For the latest information, please refer to the Company's 2025 Sustainability Report.

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

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

1. Reduction Targets:
   Following the publication of its "2050 Net-Zero Declaration" in 2023, CMC has once again demonstrated its commitment to the net-zero vision and its concrete response to the Paris Agreement's goal of limiting the global average temperature rise to within 1.5°C. The Company specifically commits to using 2024 as the base year and reducing the combined total of Scope 1 (direct process emissions) and Scope 2 (energy indirect emissions) carbon emissions by 63% by 2035, as well as reducing Scope 3 Category 11 ("use of sold products") carbon emissions by 63% by 2035. Requires an 8.6% CAGR in emissions reduction every year.
2. Reduction Strategies:
   (1) Management Strategy:
   The ESG Committee monitors progress on a quarterly basis. Energy conservation improvement assessments and certifications are conducted through the ISO 50001 Energy Management System. Third-party verification of carbon emissions in accordance with the ISO 14064 Greenhouse Gas Inventory Standard is carried out to serve as the basis for carbon reduction data. An internal carbon pricing mechanism is introduced to increase low-carbon investment, participation in the CDP Carbon Disclosure Project is pursued for continuous sustainability improvement, and a real-time ESG sustainability information management platform is established to strengthen sustainable business management.
   (2) Scope 1 and Scope 2:
   CMC has planned short-, medium-, and long-term greenhouse gas reduction strategies, deploying a three-pronged carbon reduction approach for direct process emissions (Scope 1) and energy indirect emissions (Scope 2): "Promotion of Renewable Energy Use," "Promotion of Smart Energy-Efficient Manufacturing," and "Introduction of Low-Carbon Process Technologies." Through improvements in energy efficiency and the use of alternative energy sources, a comprehensive carbon reduction plan is being advanced.
   (3) Scope 3:
   For carbon reduction actions targeting Scope 3 Category 11 ("use of sold products") emissions across the upstream and downstream value chain, the Company continues to advance on three fronts: "Planning New Energy Powertrain Systems for Vehicle Models," "Promoting Vehicle Emission Carbon Reduction Technology Strategies," and "Improving Vehicle Energy Consumption Efficiency," with new energy vehicle models being launched year by year to effectively reduce carbon emissions.
   (4) Incentive Measures:
   To enable management and all employees to jointly achieve greenhouse gas reduction targets and improve energy and resource efficiency, key program targets have been incorporated into the policy KPI indicators of each unit. An annual "Focus Incentive Proposal — ESG Corporate Sustainable Development Goals" initiative is held to encourage employees to propose ESG project ideas and pursue ESG awards, and incentive bonuses are awarded to departments that achieve carbon reduction targets or expand their impact.
3. Concrete Action Plan:
   CMC has been committed to ESG for many years, with "net-zero emissions by 2050" as its sustainable development goal. Since the Company's founding, annual budgets have been continuously invested in energy conservation projects to significantly reduce electricity consumption. Cumulative carbon reductions since 2018 have reached 14.46%. Future carbon reduction efforts will be increasingly challenging. Going forward, CMC will progressively launch new energy vehicle models to assist small and medium-sized enterprises in promoting green transportation, actively develop low-carbon manufacturing processes internally, invest in energy-saving upgrades to production equipment, increase the proportion of renewable and clean energy use, and work together with suppliers to reduce carbon emissions in order to achieve overall carbon reduction goals.

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

| Items of Evaluation | The state of implementation | | | Variance from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance. |
|---|---|---|---|---|
| | Yes | No | Description Summary | |
| I. Establishment of ethical corporate management policies and programs | | | | |
| (I) Does the Company have a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy? | V | | (I) All the business activities conducted by the Company are based on the principles of fairness, honesty, trustworthiness, and transparency. All employees must behave in good faith. The Company has adopted an "Integrity Management Code" and "Integrity Management Operating Procedures and Conduct Guidelines," both approved by the Board of Directors. Every employee is strictly required to fulfill the integrity policy, and the Company's integrity management policies as well as the Board of Directors' and management's commitment to active implementation are explained in detail in the Annual Report and Sustainability Report. | (I) Complied with the Ethical Corporate Management Best Practice Principle. |
| (II) Does the Company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the Company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies? | V | | (II) To have employees understand the ethical behaviors, the Company not only publishes the regulations and documents related to ethical management on the intranet for them to inquire any time, but also applies diversified approaches, such as posters, promotional activities, to announce the Company's management philosophy and compliance to systems of the Company. Moreover, to ensure the Company's business activities conform to the laws and regulations of ethical management, a whistle-blowing system is also provided in the official website and the internal platform.<br>In the Company's "Procedures for Ethical Management and Guidelines for Conduct," the unethical behaviors and related preventive procedures are specified and set forth that the violations will be punished pursuant to the Working Rules and the related regulations. | (II) Complied with the Ethical Corporate Management Best Practice Principle. |
| (III) Does the Company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical | V | | (III) The Company's "Procedures for Ethical Management and Guidelines for Conduct" has set forth the preventive procedures specifically for the business activities with higher risks of unethical behaviors, such as receiving improper benefits, political donations, donations and sponsorships, and the regulations are reviewed and amended regularly. Also, in the Company's | (III) Complied with the Ethical Corporate Management Best Practice Principle. |

<table>
<tr><th rowspan="2">Items of Evaluation</th><th colspan="3">The state of implementation</th><th rowspan="2">Variance from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance.</th></tr>
<tr><th>Yes</th><th>No</th><th>Description Summary</th></tr>
<tr><td>conduct? Does the Company enforce the programs above effectively and perform regular reviews and amendments?</td><td></td><td></td><td>"Working Rules," the sections of "Service Ethics" and "Reward/Disciplinary Actions, Promotion and Performance Appraisal" explain what are the acceptable employee's behaviors and how to handle others' improper behaviors and the appeals for disciplinary actions. The "Working Rules" are explained in the orientation and published on the intranet for employees to inquire any time.</td><td></td></tr>
<tr><td>II. Fulfill operations integrity policy<br>(I) Does the Company evaluate business partners' ethical records and include ethics-related clauses in business contracts?<br><br>(II) Does the Company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?</td><td>V<br><br>V</td><td></td><td>(I) In the "Working Rules," the Company specifies relevant ethics of services, greatly emphasizes the ethics of all business counterparties, and incorporate the ethical clauses into the standard contract templates.<br><br>(II) The Company's implementation status is as follows:<br>1. The Company has established an Integrity Management and Compliance Committee, with the Human Resources Department serving as the executive secretariat and the head of the Planning and Management Group serving as the chairperson. The Committee ensures the implementation of the Integrity Management Code in accordance with the duties and scope of each unit, and the President's Office reports its implementation to the Board of Directors at least once per year. The FY2025 implementation status was reported to the Board of Directors on December 23, 2025.<br>2. To prevent conflicts of interest and provide appropriate reporting channels, the Company formulated the "China Motor Corporation Integrity Management Code" in 2015.<br>3. Integrity management initiatives undertaken in FY2025 are as follows:<br>(1) The "Dishonest Conduct Risk Assessment Procedures" were revised from an awareness-stage document to a formal ISO document. Departments with high-risk positions have established risk prevention process mechanisms in accordance with these procedures.<br>(2) Announce ethical management to the new Directors and new manager and require them to sign the statement for ethical management.</td><td>(I) Complied with the Ethical Corporate Management Best Practice Principle.<br><br>(II) Complied with the Ethical Corporate Management Best Practice Principle.</td></tr>
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| Items of Evaluation | The state of implementation | | | Variance from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance. |
|---|---|---|---|---|
| | Yes | No | Description Summary | |
| | | | (3) Announce the ethical management concept to employees aperiodically. | |
| (III) Does the Company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it? | V | | (III) In the "Working Rules," the Company specifies that if an employee takes any job with a similar nature as that of the Company and having conflicts of interests, without the Company's prior consent, and thus damage the Company's interests, he/she may be dismissed and sued if the condition is severe. Moreover, employees' annual work objectives are derived from the Company's or the department's annual work direction. The Company ensures the consistency of the objectives top-down and prevents conflicts of interests through thorough communications.<br>The Company specified the preventive procedures for the unethical behaviors and interest recusals "Procedures for Ethical Management and Guidelines for Conduct," and established a dedicated unit and appealing channels for thorough communications so that implementations could be implemented effectively. | (III) Complied with the Ethical Corporate Management Best Practice Principle. |
| (IV) Does the Company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits? | V | | (IV) To ensure the accuracy and completeness of the financial related process and respective controls, the Company has designed the internal control system. The Audit Office also prepares the annual audit plans for various audits. The outcomes of audit and the subsequent correction programs are presented to the Board of Directors and management, as the consolidation of audit performance and prevention to the unethical behaviors. | (IV) Complied with the Ethical Corporate Management Best Practice Principle. |
| (V) Does the Company regularly hold internal and external educational trainings on operational integrity? | V | | (V) In FY2025, the Company held education and training sessions related to integrity management topics (including courses on integrity management regulatory compliance, integrity management pre-employment orientation, and integrity management case studies), with a total of 3,308 participant attendances and 1,819 training hours. | (V) Complied with the Ethical Corporate Management Best Practice Principle. |

| Items of Evaluation | The state of implementation | | | Variance from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance. |
|---|---|---|---|---|
| | Yes | No | Description Summary | |
| III. Operation of the integrity channel.<br>(I) Does the Company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?<br>(II) Does the Company have in place standard operating procedures for investigating accusation cases, as well as follow-up actions and relevant post-investigation confidentiality measures?<br>(III) Does the Company provide proper whistleblower protection? | <br>V<br><br>V<br><br>V | | (I) to (III) The employees may directly report to the Human Resources Department, or may report any violations of ethics directly to the Supervisors via the "Employee Complaint Mailbox," and the respective investigations are conducted privately. Moreover, the whistleblowing may be anonymous, and the presiding department shall never disclose the information related to the whistleblower for full protection. The Company also publicized the whistleblowing hotline and handling practices. Dedicated personnel and relevant operating procedures will be appointed based on the identity of the stakeholder.<br>For detailed information, please refer to the "Stakeholders" section on the Company's official website: (https://www.china-motor.com.tw/stakeholder.php) | (I)~( III) were complied with the Ethical Corporate Management Best Practice Principle |
| IV. Strengthening information disclosure<br>Does the Company disclose its ethical corporate management policies and the results of its implementation on the Company's website and MOPS? | V | | The Company has disclosed the content of the Company's ethical corporate management principles on its official website and the MOPS, and the Company's operating status is also disclosed on the official website regularly, which if necessary may include the status of its ethical corporate management. | Complied with the Ethical Corporate Management Best Practice Principle |
| V. If the Company has established the ethical corporate management policies based on the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies," please describe any discrepancy between the policies and their implementation: In 2014, the Company established its own Code of Business Ethics with reference to the " Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies." At present, the Company also established a comprehensive internal control system, therefore the Company has been operating and implementing according to the spirt of the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies." | | | | |
| VI. Other material information useful for understanding the Company's integrity management operations: In conjunction with the "establishment of an Audit Committee in lieu of supervisors," the Company completed amendments to its Integrity Management Code in December 2015 (effective July 2016). In addition, the "Integrity Management and Compliance Committee" has been convened on a regular annual basis since 2015. In 2025, the Committee meeting was held in November, reporting on that year's implementation status and discussing future directions. | | | | |

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

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

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

1. Statement of Internal Control System

Please refer to the Company's filed information via the following path or URL: Market Observation Post System > Individual Company > Corporate Governance > Company Regulations/Internal Controls > Internal Control Statement Announcement.

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

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

(XI) Important Resolutions of Shareholder Meetings and Board Meetings in FY2025 and up to March 31, 2026

1. Important resolutions of the board of directors’ meetings

| Date of meeting | Important Resolutions | Implementation Status |
|---|---|---|
| 2025.03.11 | 1. The Company's FY2024 Financial Report.<br>2. Proposed amendment of certain articles of the Company's Articles of Incorporation.<br>3. Proposed amendment of certain articles of the Company's "Internal Control System" and "Internal Audit Implementation Rules."<br>4. The Company's FY2024 Earnings Distribution Plan.<br>5. The Company's Cash Dividend Distribution Plan.<br>6. Allocation of the employees’ and the Directors’ remuneration for the fiscal year 2024.<br>7. Proposal to submit the “Declaration on the Internal Control System” for 2024.<br>8. The meeting date and location of the Company’s 2025 Annual Meeting of Shareholders.<br>9. Re-election of the directors and independent directors of 22nd term.<br>10. The Board of Directors proposed the last of director candidates of the 22nd Term and the qualification review.<br>11. Proposal to remove restrictions imposed against CMC's 22nd board of directors during the 2025 General Shareholders' Meeting.<br>12. Evaluation of the independence and suitability of the CPAs as of year 2025.<br>13. Change of managerial officers of the Company.<br>14. Establishing the scope of basic-level employees. | The Company has implemented the resolutions and disclosed in the Market Observation Post System. Among the above, items 1 and 4 are to be submitted for approval at the 2025 Annual General Meeting. Item 2 is to be submitted to the shareholders' meeting for discussion, item 9 for re-election, and item 11 for resolution. |
| 2025.03.25 | 1. Proposal for Change of the Company’s President.<br>2. Exemption from non-compete restrictions for the Company's managers. | The Company has implemented the resolutions and disclosed in the Market Observation Post System. |

| Date of meeting | Important Resolutions | Implementation Status |
|---|---|---|
| 2025.05.06 | 1. The Company's Q1 2025 Consolidated Financial Report.<br>2. Partial amendments to the Company's "Sustainable Development Best Practice Principles."<br>3. Proposal for removing the non-compete restrictions for the Directors in the 114 Shareholder Meeting. | The Company has implemented the resolutions and disclosed in the Market Observation Post System. Among others, motion 3 will be proposed to 2025 Shareholders' Meeting for resolution. |
| 2025.05.29 | 1. Election of the Company's Chairperson. | The Company has implemented the resolutions and disclosed in the Market Observation Post System. |
| 2025.08.05 | 1. The Company's Q2 2025 Consolidated Financial Report.<br>2. The Company's FY2024 ESG Report.<br>3. Amendment of certain articles of the Company's "Corporate Governance Best Practice Principles" and addition of a "Plan to Enhance Corporate Value."<br>4. Appointment of the Company's 6th Remuneration Committee.<br>5. Appointment of the Company's 2nd Risk Management Committee.<br>6. Authorization of one director by the Board to sign off on the Company's audit reports.<br>7. Amendment of certain articles of the Company's "Personal Data Protection Management Regulations."<br>8. The Company's proposed signing of an industry-academia collaboration and academic feedback mechanism agreement with National Taiwan University. | The Company has implemented the resolutions and disclosed in the Market Observation Post System. |
| 2025.11.11 | 1. The Company's Q3 2025 Consolidated Financial Report.<br>2. Formulation of the Company's FY2026 Internal Audit Work Plan.<br>3. Amendments to part of the articles of the "Internal Control System for Stock Affairs Unit".<br>4. Partial amendments to the Company's "Sustainable Development Best Practice Principles." | The Company has implemented the resolutions and disclosed in the Market Observation Post System. |
| 2025.12.23 | 1. The Company's FY2026 Corporate Objectives.<br>2. The Company's FY2026 estimated major purchases and sales with related parties.<br>3. Proposed salary adjustments for the Company's managers for FY2025.<br>4. Changes to the Company's departmental managers and above.<br>5. Removal of the non-compete restrictions for managerial officers.<br>6. Establishment of an IFRS Sustainability Disclosure Standards working group and adoption plan. | The Company has implemented the resolutions and disclosed in the Market Observation Post System. |
| 2026.03.10 | 1. The Company's FY2025 Business Report and Financial Report.<br>2. The Company's FY2025 Earnings Distribution Plan.<br>3. Proposal of cash dividend distribution.<br>4. The Company's FY2025 Employee Compensation and Director Compensation Distribution Plan.<br>5. Proposal to submit the "Declaration on the Internal Control System" for 2025.<br>6. Amendments to part of the articles of the "Internal Control System for Stock Affairs Unit". | The Company has implemented the resolutions and disclosed in the Market Observation Post System. Among the above, items 1 and 2 are to be submitted for approval at the 2026 |

| Date of meeting | Important Resolutions | Implementation Status |
|---|---|---|
| | 7. Amendment of certain articles of the Company's "Articles of Incorporation."<br>8. Partial amendments to the Company's "Code of Corporate Governance Practice"<br>9. Equity divestment plan for the Company's sub-subsidiary Greentrans Co., Ltd.<br>10. Proposal to reduce the Company's shareholding in sub-subsidiary Greentrans Co., Ltd. to below 10%.<br>11. Proposal for the issuance of employee stock warrants and subscription regulations, and the distribution list for managers, for the Company's sub-subsidiary GREENTRANS CORPORATION.<br>12. The meeting date and location of the Company's 2026 Annual Meeting of Shareholders.<br>13. Evaluation of the independence and suitability of the CPAs as of year 2026.<br>14. Proposed amendment to the definition of entry-level employees and certain articles of the internal control system for the payroll cycle.<br>15. Changes to the Company's organizational structure and departmental managers and above. | Annual General Meeting; items 7 and 9 are to be submitted to the 2026 Annual General Meeting for discussion. |

2. Important Resolutions of the 2025 Shareholders' Meeting and Their Implementation Status:

| Date of meeting | Important Resolutions | Implementation Status |
|---|---|---|
| 2025.05.29 General Shareholders' Meeting | 1. Approval of the FY2024 final financial statements. | We have announced and reported according to the regulations. |
| | 2. Approval of the FY2024 Earnings Distribution Statement. | A cash dividend of NT$4.2 per share was distributed, with July 25, 2025 set as the distribution record date. Dividends were paid to shareholders on August 20, 2025. |
| | 3. Approval of amendments to certain articles of the Company's Articles of Incorporation. | Has been processed in accordance with the revised rules. |
| | 4. Approval of the re-election of the Company's Board of Directors. | Registration was approved by the Ministry of Economic Affairs on August 8, 2025. |
| | 5. Exemption from non-compete restrictions for the Company's directors. | We have implemented according to the resolved contents. |

(XII) Cases in FY2025 and up to March 31, 2026 Where Directors Expressed Dissenting Opinions on Important Board Resolutions with Records or Written Statements, and Their Main Content: None.

## IV. Information on CPA professional fees Monetary

unit: NT$ thousands

| Accounting Firm | Name of CPA | Period Covered by CPA's Audit | Audit Fee | Non-audit Fee | Total | Remarks |
|---|---|---|---|---|---|---|
| Deloitte & Touche | Yu-Chen Sin | 2025.01.01~2025.12.31 | 7,520 | 436 | 7,956 | - |
| | Chih-Ming Shao | 2025.01.01~2025.12.31 | | | | |

Note: Non-audit fee services include tax certification, director continuing education course fees, etc.

(I) Replace the accounting firm and the audit fee paid in the year of replacement is less than that in previous year, disclose the amount of audit fee before and after the replacement and its reasons: N.A.

(II) For the audit fee that is reduced more than 10 percent as comparing to the previous year, disclose the amount reduced, percentage and reason: N.A.

## V. Information for Replacement of CPA

(I) Regarding the former CPA

<table>
<tr><td>Replacement Date</td><td colspan="4">January 2024</td></tr>
<tr><td>Replacement reasons and explanations</td><td colspan="4">Due to the internal business adjustment of Deloitte Taiwan, accountants Ya-Ling Weng and Hsu Xiu-Ming were replaced by Yu-Chen Sin and Chi-Ming Shao.</td></tr>
<tr><td rowspan="3">Appointment terminated or unacceptable by the client or the CPA</td><td colspan="2">Parties<br>Status</td><td>CPA</td><td>The Company</td></tr>
<tr><td colspan="2">Termination of appointment</td><td>(N.A.)</td><td>(N.A.)</td></tr>
<tr><td colspan="2">No longer accepted (continued) appointment</td><td>(N.A.)</td><td>(N.A.)</td></tr>
<tr><td>Other issues (except for unqualified issues) in the audit reports within the last two years</td><td colspan="4">For certain subsidiaries and certain long-term equity investments accounted for under the equity method in FY2025, recognition was based on audit reports issued by other CPAs, resulting in the issuance of an unqualified opinion with an other matters paragraph.</td></tr>
<tr><td rowspan="6">Differences with the Company</td><td rowspan="4">Yes</td><td>-</td><td colspan="2">Accounting principles or practices</td></tr>
<tr><td>-</td><td colspan="2">Disclosure of financial statements</td></tr>
<tr><td>-</td><td colspan="2">Audit scope or steps</td></tr>
<tr><td>-</td><td colspan="2">Others</td></tr>
<tr><td>None.</td><td colspan="3">V</td></tr>
<tr><td>Explanation</td><td colspan="3">-</td></tr>
</table>

| | |
|---|---|
| Other disclosure (items to be disclosed in accordance with clause 10.6.A.d to g of Regulations Governing Information to be Published in Annual Reports of Public Companies | None. |

(II) Regarding the successor CPA

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

(III) Response from the predecessor CPA regarding the three matters under Article 10, Paragraph 5, Subparagraphs 1 and 2 of the Regulations Governing Information to be Published in Annual Reports of Public Companies: Not applicable.

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

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

(I) Information on share transfers and pledge changes for the Company's directors, managers, and shareholders holding more than 10% of shares has been reported in accordance with regulations. Please refer to the data via the following paths or URLs:

A. Share transfers: Market Observation Post System > Individual Company > Equity Changes/Securities Issuance > Share Transfer Data Query > Post-Event Declaration of Changes in Insider Shareholding.

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

B. Share pledge changes: Market Observation Post System > Individual Company > Equity Changes/Securities Issuance > Insider Pledge/Release > Insider Pledge/Release Announcements.

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

(II) Where the counterparty to a share transfer or pledge is a related party, the counterparty's name, relationship with the Company, directors, supervisors, and shareholders holding more than 10% of shares, and the number of shares acquired or pledged shall be disclosed: None.

## VIII. Relationship among the Top Ten Shareholders

| Name | Current Shareholding | | Spouse and children of minor age's current shareholding | | Shareholding by Nominee Arrangement | | Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives within Two Degrees. | | Remark |
|---|---|---|---|---|---|---|---|---|---|
| | Number of shares | % | Number of shares | Shares holding % | Number of shares | Shares holding % | Name | Relationship | |
| Tai-Yuen Textile Co., Ltd | 139,435,815 | 25.19 | - | - | - | - | Yulon Motor Co., Ltd | Same Chairman | - |
| | | | | | | | Diamond Hosiery and Thread Co., Ltd. | Same Chairman | - |
| | | | | | | | Yung Han Investment Co., Ltd. | Same Chairman | - |
| Representative: Hsin-I Lin | - | - | - | - | - | - | - | - | - |
| Representative: Hsin-Cheng Tseng | - | - | - | - | - | - | - | - | - |
| Mitsubishi Motors Corporation | 77,507,309 | 14.00 | - | - | - | - | - | - | - |
| Representative: Yamazaki Yoshinori | - | - | - | - | - | - | - | - | - |
| Yulon Motor Co., Ltd | 44,592,177 | 8.05 | - | - | - | - | Tai-Yuen Textile Co., Ltd | Same Chairman | - |
| | | | | | | | Diamond Hosiery and Thread Co., Ltd. | Same Chairman | - |
| | | | | | | | Yung Han Investment Co., Ltd. | Same Chairman | - |
| Representative: Li-Lien Chen Yen | 2,216,162 | 0.40 | - | - | - | - | - | - | - |
| Representative: Tai-Ming Chen | - | - | - | - | - | - | - | - | - |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Diamond Hosiery and Thread Co., Ltd. | 37,438,652 | 6.76 | - | - | - | - | Tai-Yuen Textile Co., Ltd | Same Chairman | - |
| | | | | | | | Yulon Motor Co., Ltd | Same Chairman | - |
| | | | | | | | Yung Han Investment Co., Ltd. | Same Chairman | - |
| Nan Shan Life Insurance Company, Ltd. | 7,184,000 | 1.30 | - | - | - | - | - | - | - |
| Mercuries Life Insurance Life Insurance Co., Ltd. | 6,326,000 | 1.14 | - | - | - | - | - | - | - |
| Chin-Feng Cheng | 5,846,000 | 1.06 | - | - | - | - | - | - | - |
| Fan-Terh Investment Co., Ltd. | 4,995,758 | 0.90 | - | - | - | - | - | - | - |
| E.SUN Commercial Bank | 4,754,000 | 0.86 | - | - | - | - | - | - | - |
| Yung Han Investment Co., Ltd. | 3,997,638 | 0.72 | - | - | - | - | Tai-Yuen Textile Co., Ltd | Same Chairman | - |
| | | | | | | | Yulon Motor Co., Ltd | Same Chairman | |
| | | | | | | | Diamond Hosiery and Thread Co., Ltd. | Same Chairman | |

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

March 31, 2026

Unit: Shares; %

| Affiliated Enterprises | Ownership by the Company | | Direct or Indirect Ownership by Directors/ Supervisors/ Managers | | Total Ownership | |
|---|---|---|---|---|---|---|
| | Number of shares | Shareholding percentage | Number of shares | Shareholding percentage | Number of shares | Shareholding percentage |
| Yulon Motor Co., Ltd. | 171,382,445 | 16.13 | 227,242,053 | 21.24 | 398,624,498 | 37.37 |
| Kian Shen Corporation | 32,201,367 | 43.87 | 49,331 | 0.07 | 32,250,698 | 43.94 |
| Fortune Motors Co | 132,116,729 | 41.93 | 30,990,158 | 9.62 | 163,106,887 | 51.55 |
| Sino Diamond Motor Corporation | 91,267,030 | 100.00 | - | - | 91,267,030 | 100.00 |
| Tokio Marine Newa Insurance Co., Ltd. | 288,504,465 | 24.04 | 223,517,245 | 18.63 | 512,021,710 | 42.67 |
| Alliance Investment & Management Co., Ltd | 41,515,610 | 100.00 | - | - | 41,515,610 | 100.00 |
| Mercedes-Benz Vans Hong Kong Limited | 46,565,750 | 32.45 | - | - | 46,565,750 | 32.45 |
| ROC Spicer Ltd. | 147,990 | 29.60 | 102,302 | 20.46 | 250,292 | 50.06 |
| China Motor Investment Co., Ltd. | 40,000 | 100.00 | - | - | 40,000 | 100.00 |
| COC Tooling & Stamping Co., Ltd. | 33,564,678 | 49.76 | 33,892,450 | 50.24 | 67,457,128 | 100.00 |
| Hwa Wei Holdings Co., Ltd. | 40,000 | 40.00 | 60,000 | 60.00 | 100,000 | 100.00 |
| Uni Auto Parts Manufacture Co., Ltd. | 13,032,137 | 15.00 | 21,728,516 | 25.01 | 34,760,653 | 40.01 |
| Shung Ye Motor Enterprise | 49,332,552 | 39.99 | 12,368 | 0.01 | 49,344,920 | 40.00 |
| China Engine Corporation | 21,999,750 | 52.10 | 16,113,750 | 38.16 | 38,113,500 | 90.26 |
| Uni-calsonic Corp. | 6,083,525 | 31.20 | 5,983,875 | 30.69 | 12,067,400 | 61.89 |
| Yueki Industrial Co., Ltd. | 2,936,222 | 15.08 | 12,783,109 | 65.67 | 15,719,331 | 80.75 |
| Tai Ya Investment (HK) Co., Limited | 2,288,459 | 29.60 | 1,584,917 | 20.50 | 3,873,376 | 50.10 |
| Fujian Spicer Drivetrain System Co., Ltd. | 7,308,000 | 29.00 | 5,166,000 | 20.50 | 12,474,000 | 49.50 |

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

# Information on Capital Raising Activities

## I. Capital and Shares

### (I) Source of Capital

1. Sources of capital:

Unit: thousand shares; NTD thousand

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

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

### (II) Type of Stock

March 31, 2026

Unit: share

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

Note: TWSE listed stock

(III) List of Major Shareholders

March 31, 2026

| Shares of Stock / Shareholder | Shareholding (share) | Shareholding Percentage (%) |
|---|---|---|
| 1. Tai Yuen Textile Co., Ltd. | 139,435,815 | 25.19 |
| 2. Mitsubishi Motors Corporation | 77,507,309 | 14.00 |
| 3. Yulon Motor Co., Ltd. | 44,592,177 | 8.05 |
| 4. Diamond Hosiery & Thread Co., Ltd | 37,438,652 | 6.76 |
| 5. Nan Shan Life Insurance Co., Ltd. | 7,184,000 | 1.30 |
| 6. Mercuries Life Insurance Life Insurance Co., Ltd. | 6,326,000 | 1.14 |
| 7. Chin-Feng Cheng | 5,846,000 | 1.06 |
| 8. Fande Investment Co., Ltd. | 4,995,758 | 0.90 |
| 9. E.SUN Commercial Bank | 4,754,000 | 0.86 |
| 10. Yung Han Investment Co., Ltd. | 3,997,638 | 0.72 |

(IV) Company's dividend policy and implementation status

1. Dividend Policy

The dividend policy in the current version of the Articles of Incorporation is as follows: At the end of each fiscal year, if there are profits, apart from compensating for accumulated losses and paying taxes, the company should first allocate ten percent to the statutory surplus reserve. If there are still profits for that year, the company should then allocate a special surplus reserve as required by the regulatory authorities. The remaining profits, along with any accumulated undistributed profits from previous years, will be subject to a proposal by the Board of Directors for distribution. Profit distribution will be in cash, as per company regulations, authorized by the Board of Directors, and reported to the shareholders' meeting. However, for the distribution of new shares, a resolution shall be submitted to the shareholders' meeting for distribution. The Company is operated in a mature and stable industry. Dividends are distributed with reference to the Company’s profitability, capital demand for future business plans and industry environment change. In addition, the dividend distribution plan is made with reference to shareholder benefit and long-term organizational financial planning. Dividend distribution is not less than 40% of the net income. Dividends are distributed in the form of cash or stock. The amount of cash distributed each year shall not be less than 20% of the total amount of dividends issued.

2. Proposed Distribution of Dividend at the present Shareholder Meeting

The Company's 2025 earnings distribution, as proposed by the Board of Directors, provides for a cash dividend of NT$3.6 per share, with the Board authorized to handle the matter by resolution pursuant to the Articles of Incorporation.

If the number of shares outstanding on the dividend distribution record date is affected by a decision to buy back the Company's shares, the Chairperson is authorized to adjust the dividend payout ratio.

(V) The Impact of stock dividend issuance on the Company's business performance and earnings per share:

None.

(VI) Remuneration of employees and Directors

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

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

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

(1) No higher than 0.5% of net income as remuneration for Directors.

(2) No less than 0.1% of profits shall be allocated as employee compensation, of which no less than 0.05% shall be distributed to entry-level employees. The Board of Directors may resolve to make distributions in stock or cash to employees of affiliated companies who meet certain criteria, which are authorized to be set by the Board of Directors.

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

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

The Company distributes director compensation at a fixed rate based on pre-tax net profit before the allocation of employee and director compensation (the rate has been 0.5% for the past three years).

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

   The 2025 employee compensation and director compensation distribution proposal was approved at the 5th meeting of the 22nd Board of Directors on March 10, 2026. The proposed distributions are: employee cash compensation of NT$29,025 thousand and director compensation of NT$14,486 thousand, which are consistent with the estimated amounts recognized as expenses during the year. If the actual amounts paid in 2026 differ, the difference will be treated as a change in accounting estimate and recognized in FY2026 profit or loss.

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

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

As the Company did not distribute employee compensation in the form of shares in FY2025, this item is not applicable.

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

   The FY2024 employee compensation and director compensation distribution proposal was approved at the 17th meeting of the 21st Board of Directors on March 11, 2025. Employee cash compensation of NT$40,142 thousand and director compensation of NT$20,618 thousand were distributed, consistent with the actual amounts paid following the shareholders' meeting.

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

## II. Issuance of Corporate Bonds: None.

## III. Issuance of Preferred Stock: None.

## IV. Issuance of Global Depository Receipts: None.

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

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

## VII. Financing Plans and Implementation: N.A.

# Operations Overview

## I. Business Activities

### (I) Business Scope

1. Main areas of business operations

(1) CA01090 Aluminum Casting Industry

(2) CB01010 Machinery and Equipment Manufacturing

(3) CC01010 Power Generation, Transmission, and Distribution Machinery Manufacturing

(4) CD01030 Motor Vehicle and Parts Manufacturing

(5) CD01040 Motorcycle and Parts Manufacturing

(6) CD01050 Bicycle and Parts Manufacturing

(7) CC01090 Battery Manufacturing

(8) CD01990 Other Transportation Equipment and Parts Manufacturing

(9) CQ01010 Mold Manufacturing

(10) E603050 Automatic Control Equipment Engineering

(11) E603100 Electric Welding Engineering

(12) E604010 Machinery Installation

(13) E605010 Computer Equipment Installation

(14) F106030 Mold Wholesale

(15) F112040 Petroleum Products Wholesale

(16) F113010 Machinery Wholesale

(17) F113110 Battery Wholesale

(18) F113020 Electrical Appliances Wholesale

(19) F113070 Telecommunications Equipment Wholesale

(20) F114010 Motor Vehicle Wholesale

(21) F114020 Motorcycle Wholesale

(22) F114030 Motor Vehicle and Motorcycle Parts and Accessories Wholesale

(23) F114040 Bicycle and Parts Wholesale

(24) F114050 Tire Wholesale

(25) F119010 Electronic Materials Wholesale

(26) F206030 Mold Retail

(27) F212050 Petroleum Products Retail

(28) F213010 Electrical Appliances Retail

(29) F213060 Telecommunications Equipment Retail

(30) F213110 Battery Retail

(31) F214010 Motor Vehicle Retail

(32) F214020 Motorcycle Retail

(33) F214030 Motor Vehicle and Motorcycle Parts and Accessories Retail

(34) F214040 Bicycle and Parts Retail

(35) F214050 Tire Retail

(36) F219010 Electronic Materials Retail

(37) F401010 International Trade

(38) F401021 Import of Controlled Radio Frequency Telecommunications Equipment

(39) F501990 Other Food and Beverage Services

(40) H703100 Real Estate Leasing

(41) I102010 Investment Consulting

(42) I103060 Management Consulting

(43) I301010 Information Software Services

(44) I401010 General Advertising Services

(45) I501010 Product Design

(46) IE01010 Telecommunications Service Number Agency

(47) IZ01010 Photocopying Services

(48) IZ02010 Typing Services

(49) IZ04010 Translation Services

(50) IZ12010 Manpower Dispatch Services

(51) J901020 General Hotel Business

(52) J903020 Mountain Guide Services

(53) JA01010 Automobile Repair.

(54) JA01990 Other Automobile Services

(55) JA02010 Electrical and Electronic Product Repair

(56) JA02020 Motorcycle Repair

(57) JA02030 Bicycle Repair

(58) JB01010 Conference and Exhibition Services

(59) JE01010 Leasing Industry

(60) J202010 Business Incubation Services

(61) F106010 Hardware Wholesale

(62) CC01020 Electrical Wire and Cable Manufacturing

(63) CC01030 Electrical Appliances and Audiovisual Electronics Manufacturing

(64) CC01080 Electronic Components Manufacturing

(65) IZ99990 Other Industrial and Commercial Services

(66) ZZ99999 In addition to licensed businesses, any business not prohibited or restricted by law may be operated

2. Business Revenue Breakdown

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

3. Current Product Lines

- Commercial vehicles:
  Delica 2.4L series
  2.4L P350 Hybrid
  China Motor Lingo A190 1.5L
  CMC J SPACE 1.5L series
- Sedans:
  Colt Plus 1.5L series
- Recreational/Business vehicles:
  HS 1.5T/2.0T/PHEV series
  ZS 1.5L series
  G50 Plus 1.5T Series
  XFORCE 1.5L series
  Outlander 2.4L series

Epoch Cross 1.5T/PHEV series

Zinger 1.5T series

Zinger PICK UP 2.4L series

- Electric vehicles

Electric Commercial Vehicle: China Motor Lingo Electric E300 Series

Electric Commercial Vehicle: China Motor ET35 Electric Vehicle

Electric passenger vehicles: MG4 EV series

Electric Motorcycle: Jing Xuan 125

4. New Products Planned for Future Development

The Company's future product development will be market-driven, with a continued focus on optimizing the product portfolio and enhancing overall competitiveness. In addition to upgrading existing models and refining specifications, forward-looking product designs and equipment configurations will be introduced to strengthen product competitiveness across market segments. Integrated marketing strategies will be employed to enhance brand image and sales performance.

In response to the global trend toward vehicle electrification, the Company will also progressively expand its new energy vehicle product planning, introducing diverse powertrain options including HEV (Hybrid Electric Vehicle), PHEV (Plug-in Hybrid Electric Vehicle), and BEV (Battery Electric Vehicle) models to complete the product lineup and strengthen market competitiveness.

Taking into account the current overall market environment and the efficient allocation of company resources, the two-wheeled electric vehicle business will focus primarily on maintaining the stable operation of existing business going forward, continuing to provide existing customers with necessary after-sales maintenance, repair, and warranty services to protect customer rights and maintain the brand's fundamental operational value and market trust.

(II) Industry Overview

1. Current status and development trend of the industry

Taiwan's auto industry has a complete and mature supply chain system that is competitive in terms of parts development, quality, and management. In recent years, the development of intelligent connected vehicles and new energy vehicles has rapidly increased the proportion and importance of automotive electronics within vehicle components. Taiwan's high-tech industry strengths are being leveraged in various collaborations with the automotive industry, while proprietary whole-vehicle technology is helping to accelerate the development of new technologies for key new energy vehicle components such as batteries, motors, and control systems, thereby enhancing the value of the automotive parts ecosystem.

Furthermore, the development of new energy vehicles and intelligent connectivity technologies not only provides new thinking for whole-vehicle design and development, but also brings new business opportunities and models, including online sales, charging station services, connected vehicle ecosystems, battery leasing, and car-sharing mobility services. The automotive industry has expanded its business scope to integrate software and services.

2. Upstream, midstream and downstream industry linkages

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

3. Product competition

   Under the global ESG trend, governments worldwide have committed to net-zero carbon emission targets and are actively promoting related policies to guide the automotive industry's transition to new energy vehicles (including HEV, PHEV, and BEV). This has continuously increased the proportion of new energy vehicles in overall auto market sales, driving the development and scaling of key EV component technologies such as batteries, which helps reduce new energy vehicle costs, further increase market acceptance, and accelerate new energy vehicle market growth. In addition, as intelligent connectivity technologies continue to mature, the adoption of Advanced Driver Assistance Systems (ADAS) and connected vehicle functions is accelerating, prompting automakers and technology companies to actively launch smart new energy vehicle products and intelligent automotive electronics. The intelligent and electric transformation of automotive products brings more diversified development opportunities, requiring more precise mastery of usage environment factors, social changes, and demand trends, while continuously enhancing product competitiveness to meet the evolving needs of consumers and market conditions.

(III) Technology and R&D Overview

1. R&D expenses

   The Company's standalone R&D expenditure in FY2025 was NT$2,136,179 thousand; consolidated R&D expenditure for FY2025 was NT$2,224,264 thousand.

2. Technologies and Products Successfully Developed in FY2025 and up to March 31, 2026:

   (1) June 2025: China Motor J SPACE two-tone special edition completed development and entered mass production for sale.

   (2) July 2025: China Motor J SPACE Middle East export version completed development and entered mass production for sale.

   (3) August 2025: MG ZS Passion Edition completed development and entered mass production for sale.

   (4) September 2025: China Motor all-new 3.5-ton pure electric commercial vehicle ET35 completed development and entered mass production for sale.

   (5) September 2025: MG all-new 7-seat MPV G50 PLUS completed development and entered mass production for sale.

(6) November 2025: China Motor J SPACE 8-seat flagship model completed development and entered mass production for sale.

(7) December 2025: Mitsubishi all-new urban crossover SUV XFORCE completed development and entered mass production for sale.

(IV) Short- and Long-Term Business Development Plans

Regarding short-term development plans, the Company will continue to invest locally. In the commercial vehicle segment, in addition to continuing to independently develop new models and upgrade existing products, the Company will also strengthen the sales network and service network, carry out product upgrades and launch new models, actively respond to competitive challenges, and maintain its market leadership position. In the passenger vehicle market, the Company will maintain a multi-brand strategy, offer diversified products with high value for money to meet consumer needs, and expand production scale and market share.

Regarding long-term development plans, the Company will continue to actively leverage its core resource strengths to drive product and business development and deepen technical capabilities, achieving the Company's sustainable growth objectives. These include: independently developing an all-new multi-powertrain (ICE/NEV) commercial vehicle platform, combining Taiwan's automotive and high-tech industry resources to deepen key EV and intelligent connectivity technologies and secure key component supply, fully supporting the medium- and long-term electric commercial vehicle product launch plan, while also actively deepening overseas market cooperation opportunities through independently developed models. For passenger vehicles, under the multi-brand strategy, new models will continue to be introduced across major market segments to expand production capacity and enhance the cost competitiveness of the Company's entire product line.

In addition, the long-term accumulated hardware and software core competencies developed through the Company's whole-vehicle development process, combined with advanced software technologies, have given rise to an Autonomous Mobile Robot (AMR) business. In recent years, the Company has successfully penetrated the customer base of leading semiconductor companies, and will continue to grow alongside customer capacity expansions, develop new products, and extend product tiering to develop new markets.

## II. Market, production, and sales overview

### (I) Market Analysis

1. Main product sales and sales regions

   The Company's products include sedans, SUVs/MPVs, commercial vehicles, and electric two-wheeled vehicles. The primary sales market is currently Taiwan. In FY2025, the Company sold a total of 43,471 vehicles domestically (including imported vehicles and OEM vehicles). In the electric two-wheeled vehicle segment, 2,241 electric motorcycles and 2,070 micro electric two-wheeled vehicles were sold, for a combined total of 4,311 units.

2. Future supply, demand and growth of the market

   In FY2025, overall market sentiment was weak due to the impact of new U.S. tariff policies. Total Taiwan automobile market sales for FY2025 reached approximately 414,000 units, down 9.6% from approximately 458,000 units in FY2024. Of these, domestically produced vehicles accounted for approximately 208,000 units with a market share of 50.2%, a decline from the prior year, while imported vehicles accounted for approximately 206,000 units with a market share of 49.8%. Looking ahead to FY2026, new vehicle sales are forecast at approximately 439,000 units, representing growth of approximately 6% over FY2025. The changes in the global political and economic landscape since the beginning of this year, along with geopolitical tensions and conflicts, continue to impact market demand and warrant ongoing observation.

3. Competition strategy in the car market

   Facing new challenges in the automotive industry, the Company will actively pursue the strategic direction of deepening its presence in the Taiwan market while expanding into overseas markets with independently developed models, continuing to invest in new technology upgrades including new energy powertrain systems and intelligent functions to enhance product competitiveness. Explanation is as follows:

Favorable factors

(1) After years of diligent cultivation, the Company has established an excellent brand image with great word of mouth that has won consumers' identification and recognition. Moreover, the Company have successfully been established as the leader of commercial vehicle brands among consumers.

(2) The Company has engaged in in-house R&D for decades, and in 89, China-motor Asia Research & Technology Center (CARTEC) was established. The continuous investments accumulate the R&D capabilities, and well recognized by the partners other than laying a solid foundation.

(3) In the passenger vehicle segment, in addition to continuing to cultivate the Mitsubishi brand and amplify brand presence through new product positioning, the Company is also leveraging the MG brand agency to increase product sourcing, meet diverse consumer needs, raise the localization ratio, expand production scale, and strengthen supply chain cost competitiveness.

(4) In response to the green energy trend, the Company has long been building out its new energy technology development, with mass-produced models already established across new energy system categories, making it one of the pioneers in Taiwan's domestic new energy vehicle industry.

(5) The Company has the most compact sales and service network and a complete horizontal peripheral business system in Taiwan. The scope of services includes automobile sales, product insurance, car owner services, car leasing and used car sales, etc. With innovative technologies such as digital marketing, the Company is able to enhance its competitive advantages comprehensively and effectively.

(6) The Company has been promoting digital transformation over the long term, and in conjunction with new technology development, is further deepening the AI mindset across all staff, actively applying AI technology to improve R&D efficiency and production quality, while also broadly deploying conversational AI in business, services, finance, employee training, and career development activities to enhance operational efficiency.

Unfavorable factors:

(1) To address increasingly stringent vehicle emissions regulations in various countries and the transition to new energy vehicles, automakers must not only continue to invest in optimizing existing internal combustion engine models, but must also simultaneously invest in developing new energy vehicles.

(2) Anxiety about the price and range of electric vehicles affects consumers' acceptance of electric vehicles.

(3) International car manufacturers enter the Taiwan market through imports, leveraging brand consolidation, collaborations, and globally dispersed production layouts to offer models with enhanced cost competitiveness. This strategy allows them to provide more cost-competitive vehicles to the market.

(4) Changes in the global political and economic landscape are affecting international automakers' global production arrangements and sales strategies.

Countermeasures:

(1) Cultivate the Taiwan market

In the commercial vehicle segment, the Company leverages its proprietary technology and market leadership to capture the advantages of understanding local customer needs, enhancing product competitiveness, and deepening customer relationships through its service network advantages and digital technology platform. In the passenger vehicle segment, the Company leverages its proprietary R&D capabilities and supply chain resources to accelerate parts localization, develop the product portfolio, flexibly apply a multi-brand strategy to meet segmented market needs, and enhance cost competitiveness through expanded production scale.

(2) Active management in overseas markets

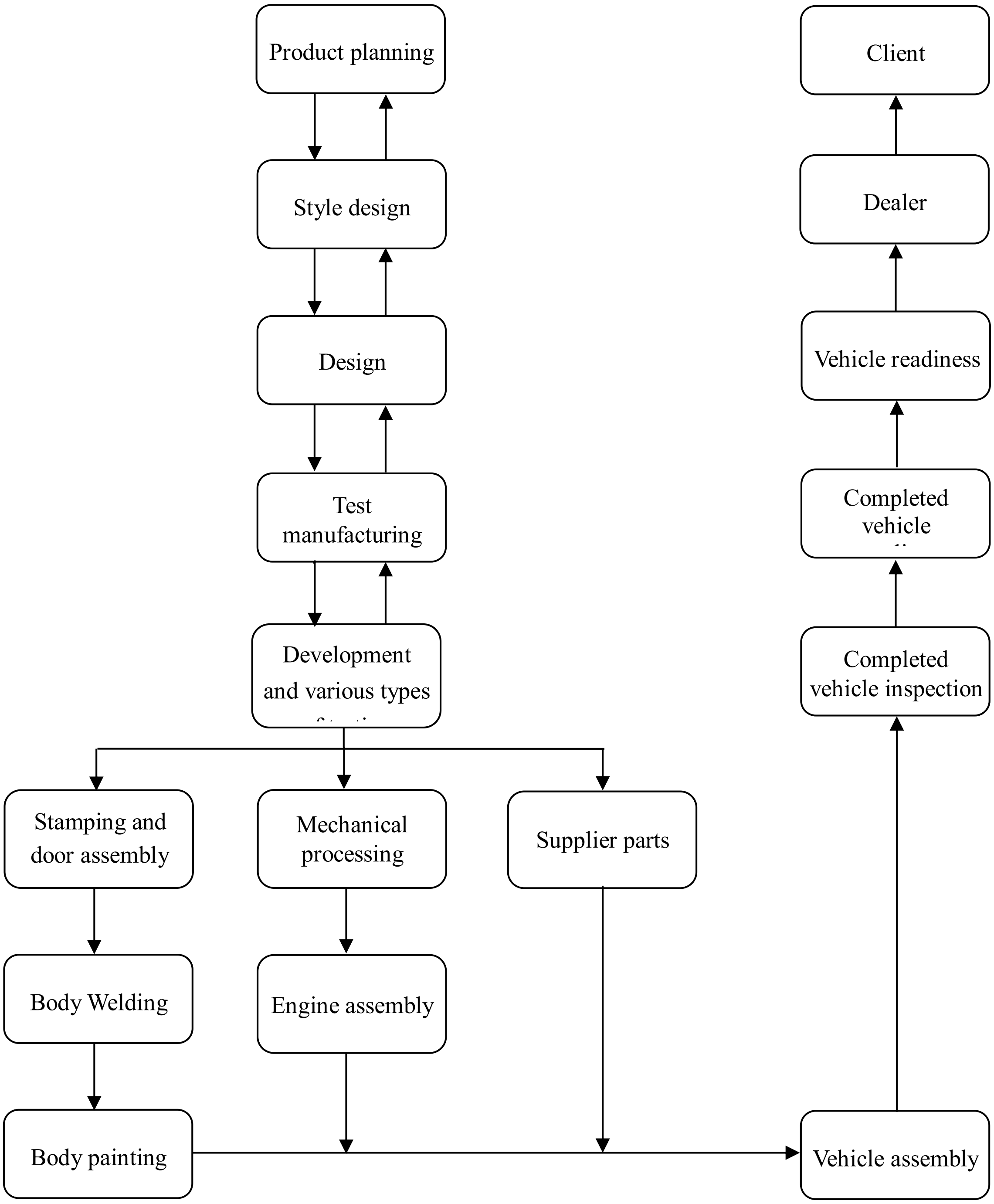
The Company is actively accelerating the expansion of its export business, with priority focus on the Middle East, Latin America, and Southeast Asian markets, and will further deepen overseas market cooperation through independently developed models going forward.

(3) Enhance the ability of technology R&D

The "China Motor Asia Technology R&D Center" has independently developed multiple all-new and facelifted models (such as the ET35, J SPACE, next-generation Zinger, Veryca/E-Veryca, Zinger Pick-up, and Colt Plus), continuously advancing technology iteration and product function upgrades in response to social and environmental changes and automotive market needs. Going forward, the Company will continue to deepen its intelligent and electric whole-vehicle and key systems technologies, expand its proprietary technology scope, support independently developed models and parts localization efforts, and build a solid foundation for sustainable operations.

(II) Main Uses and Production Processes of Major Products

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



(III) Supply Status of Major Raw Materials

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

| Category | Supplier | Item | Procurement Strategy |
|---|---|---|---|
| Automotive Parts | Mitsubishi Motors Co., Ltd. and SAIC Motor International Trading Co., Ltd. | Imported parts | Contract signed, delivery in batches |
| Automotive Parts | 114 major component suppliers including KIAN SHEN CORPORATION | Auto parts that are domestically produced | Contract signed, delivery in batches |
| Raw material | Such as CPC Corporation, Taiwan | Various oil products | Contract signed, delivery in batches |
| Raw material | Such as Taiwan Kansai Paint Co. Ltd. | Baking varnish, spray paint, solvent, etc | Contract signed, delivery in batches |
| Raw material | Nippon Steel and Sumitomo Metal and Chun Yuan Steel Industry Co., Ltd. and others | Steel plates | Contract signed, delivery in batches |

(IV) List of Customers Accounting for 10% or More of Total Purchases or Sales in Either of the Most Recent Two Fiscal Years

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

Unit: NTD$ Thousand

| | **2024** | | | | **2025** | | | |
|---|---|---|---|---|---|---|---|---|
| Item | Name | Value | Ratio to total annual net purchases (%) | Relationship with Issuer | Name | Value | Ratio to total annual net purchases (%) | Relationship with Issuer |
| 1 | Company A | 8,260,769 | 30.99 | None. | Company A | 2,017,500 | 9.78 | None. |
| | Others | 18,392,759 | 69.01 | - | Others | 18,610,698 | 90.22 | - |
| | Net purchase | 26,653,528 | 100 | - | Net purchase | 20,628,198 | 100 | - |

Analysis of the increase and decrease: The changes of purchase amount and percentage were mainly due to customer product demand change.

2. Major Clients in the Last Two Calendar Year

Unit: NTD$ Thousand

| | 2024 | | | | 2025 | | | |
|---|---|---|---|---|---|---|---|---|
| Item | Name | Value | Ratio to total annual net sales (%) | Relationship with Issuer | Name | Value | Ratio to total annual net sales (%) | Relationship with Issuer |
| 1 | Fortune Motors Co | 16,394,075 | 41.8 | Affiliate accounted for using equity method | Fortune Motors Co | 18,191,705 | 56.69 | Affiliate accounted for using equity method |
| | Others | 22,849,121 | 58.2 | - | Others | 13,900,462 | 43.31 | - |
| | Net Sales | 39,243,196 | 100 | - | Net Sales | 32,092,167 | 100 | - |

Analysis of the increase and decrease: The changes of sales amount and percentage were mainly due to customer product demand change.

Note: the table above is the consolidated information

## III. Employees

March 31, 2026

| Annual | | 2024 | 2025 | March 31, 2026 |
|---|---|---|---|---|
| Number of employees | | 3,112 | 2,940 | 2,893 |
| Average Age | | 42.85 | 43.60 | 43.91 |
| Average years of Service | | 13.46 | 14.18 | 14.50 |
| Education | Ph. D. | 0.10% | 0.10% | 0.10% |
| | Master | 18.48% | 18.50% | 18.29% |
| | Bachelor | 39.23% | 40.00% | 39.86% |
| | Senior High School | 37.31% | 35.99% | 36.43% |
| | Below Senior High School | 4.88% | 5.41% | 5.32% |

Note: The table above is based on consolidated information.

## IV. Environmental Protection Expenditure

(I) Losses and Penalties Incurred by the Company Due to Environmental Pollution in FY2025 and up to March 31, 2026 (including compensation and violations of environmental regulations identified through environmental protection audits; disposition date, disposition reference number, violated regulatory provisions, nature of violation, and disposition details shall be specified):

Unit: New Taiwan Dollars

| Disposition Date | Disposition Reference Number | Violated Regulatory Provision | Nature of Violation | Disposition |
|---|---|---|---|---|
| April 15, 2025 | Penalty Notice No. 40-114-040014 | Article 36, Paragraph 1 of the Waste Disposal Act; Article 5 of the Standards for Storage, Removal, and Treatment Methods and Facilities for Industrial Waste | Scrap iron drums still contained C-0301 waste liquid residue, no cleaning procedure was in place at the facility, and they were stored together with ordinary scrap iron. | Fine of NT$60,000; Environmental education session of 2 hours |
| April 15, 2025 | Penalty Notice No. 40-114-040015 | Article 36, Paragraph 1 of the Waste Disposal Act; Article 7 of the Standards for Storage, Removal, and Treatment Methods and Facilities for Industrial Waste | C-0301 waste liquid scrap iron drums were not labeled at a conspicuous location with the required information, including the Chinese name of the waste, storage date, quantity, composition, and classification of hazardous industrial waste characteristics. | Fine of NT$60,000; Environmental education session of 2 hours |
| April 15, 2025 | Penalty Notice No. 40-114-040016 | Article 31, Paragraph 1, Subparagraph 1 of the Waste Disposal Act | Scrap iron drums (solid) generated from the production process were not recorded in the industrial waste management plan. | Fine of NT$60,000; Environmental education session of 2 hours |

| | | | | |
|---|---|---|---|---|
| April 15, 2025 | Penalty Notice No. 40-114-040017 | Article 28, Paragraph 1, Subparagraph 3 of the Waste Disposal Act | Scrap iron drums were not removed and processed by a qualified public or private waste removal and treatment organization as required. | Fine of NT$120,000; Environmental education session of 2 hours |

(II) Future Response Strategies (including improvement measures) and Potential Expenditures

1. Scrap iron drums will henceforth be handled as hazardous industrial waste, resulting in an estimated annual cost increase of approximately NT$2 million.
2. Improvement measures:
   (1) All penalized matters have been fully remediated, and re-inspections by the Environmental Protection Bureau have all passed.
   (2) A vendor selection mechanism has been introduced, including on-site audits of vendors' processing capabilities and regulatory compliance qualifications, with non-compliant vendors excluded, to ensure all cooperating vendors meet regulatory requirements.
   (3) The storage area environment within the facility has been optimized, with zones and stacking regulations re-labeled to ensure regulatory compliance. A cage cart removal model has been introduced to reduce labor burden and improve operational safety.
3. Future response strategies:
   (1) Monthly regulatory identification procedures are conducted to ensure compliance with the latest regulations and interpretations, strengthening regulatory compliance and reducing potential risks.
   (2) Vendor management is being strengthened, with vendors meeting environmental regulations and company standards added to the approved cooperation list to reduce subsequent contractual and penalty risks.

(III) Projected Environmental Protection Expenditures for the Next Three Years

Unit: NTD$ Thousand

| Item \ Annual | 2026 | | 2027 | | 2028 | |
|---|---|---|---|---|---|---|
| | Environmental Protection Expenditure | Value | Environmental Protection Expenditure | Value | Environmental Protection Expenditure | Value |
| Proposed Pollution Prevention and Control Equipment or Expenses | (1) Waste water, waste gas and waste treatment transportation fee<br>(2) Pollution inspection fee | 46,237<br>15,560 | (1) Waste water, waste gas and waste treatment transportation fee<br>(2) Pollution inspection fee | 51,105<br>15,367 | (1) Waste water, waste gas and waste treatment transportation fee<br>(2) Pollution inspection fee | 56,988<br>15,958 |
| Expected improvement situation | Complied with the (1) Air Pollution Control Act, (2) Water Pollution Control Act, (3) Waste Disposal Act, and (4) Toxic and Concerned Chemical Substances Control Act. | | | | | |

## V. Labor and Management Relationship

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

1. Employee Welfare

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

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

(3) Regular activities including family days, year-end dinners, and lucky draws are organized, with subsidies provided for travel and off-site social events.

(4) Sponsoring employee’s social group activities.

(5) Free group term insurance, injury insurance, and regular health checkups for colleagues.

(6) Hospitalization condolence gifts, bereavement condolences and mutual aid are provided for employees, and dependents are also entitled to hospitalization subsidies.

(7) Gifts are presented to employees for the three major holidays, birthdays, weddings,

childbirth, pregnancy, children's first year of elementary school, and retirement.

(8) Providing scholarships for employees and their children, emergency loans and aids.

(9) Signing agreements with excellent domestic stores to become “Appointed Stores” to provide employees with diversified information for purchasing and selection.

(10) Providing discounts to employees for purchasing cars.

2. Education and Training system

(1) The Company’s human resources development integrates the two goals of "Corporate Development" and “Employee Satisfaction” to nurture professionals, develop personal potential and establish learning organizations so that the growth of the Company and employees are integrated.

(2) To implement the concept of talent development, the Company's talent development system is divided into " in-house education and training," "off-site education and training," "overseas training," "job training" and "training for verification personnel" to provide a series of courses of core working skill, management skill and professional skill and to offer a convenient real-time online learning system, so that the personal development of employees and the needs of the work task are closely integrated.

A. In-house education and training:

a. Core working skill training

b. Management skill training

c. Professional skill training

d. New Employee Training

e. Project Training

B. Off-site education and training:

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

C. Overseas training:

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

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

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

E. Training for verification personnel:

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

F. Succession training for management and executive personnel:

The Group's senior management conference regularly reviews the selection, promotion, rotation, relocation and expatriation, and cultivation process of the succession of senior management of the Group and each subsidiary every year to implement the management mechanism of the Group's reserve candidates.

In addition to providing multiple training methods for the reserve talents in the "Management Talent Cultivation Program," the Company also assigns important projects and responsibilities and establishes a rotation career path to complement the implementation of experience training and job rotation for increasing the working exposures and accelerating the maturity of the reserve talents.

3. Retirement System

(1) Employee retirement is handled in accordance with the following provisions:

A. The Company has formulated retirement regulations for formally employed staff. Retirement reserves are contributed at 2% of each employee's total monthly salary, managed by the Company's Labor Pension Reserve Supervisory Committee, and deposited in a dedicated account at Bank of Taiwan in the name of that committee.

B. Employees who opt for the retirement provisions under the Labor Standards Act may receive their retirement pension only upon meeting the retirement conditions stipulated therein and completing the retirement process.

C. For employees who opt for the Labor Pension Act, the Company contributes 6% of the employee's monthly salary to the employee's individual account from the date of application. Years of service accumulated prior to opting into the Labor Pension Act are retained, and the employee may claim retirement benefits for those years only upon meeting the retirement conditions under the Labor Standards Act and completing the retirement process.

D. Employees who joined the Company on or after July 1, 2005 (including those who resigned and were rehired) are subject exclusively to the Labor Pension Act.

(2) Employee retirement eligibility is determined in accordance with the following provisions:

A. Employees may apply for voluntary retirement under any of the following circumstances:

a. Having worked at the Company for 15 or more years and being at least 55 years of age.

b. Having worked at the Company for 25 or more years.

c. Having worked at the Company for 10 or more years and being at least 60 years of age.

B. The Company may not compulsorily retire an employee unless one of the following conditions applies:

a. The employee is 65 years of age or older.

b. The employee has become mentally incapacitated or physically disabled and is unable to perform their duties.

(3) The retirement benefit calculation standards under the Labor Standards Act are as follows:

A. Two base units are granted for each full year of service; for years of service exceeding 15 years, one base unit is granted per full year, with a maximum total of 45 base units. Those who have worked for less than half year shall be counted as half year, and those who have worked over half year shall be counted as one year.

B. Employees who retire due to mental incapacity or physical disability caused by performing work duties shall receive an additional 20% or 5 base units above the above provisions, whichever is more favorable.

C. The standard for each base unit of retirement pay is the average monthly wage at the time retirement is approved.

4. Labor-Management Agreements

(1) Based on the philosophy of mutual coexistence and shared prosperity, the Company works in concert with employees in a spirit of harmonious cooperation to pursue the greatest welfare of all staff.

(2) A year-end bonus and profit-sharing system has been established to align employee interests with company interests and jointly create outstanding performance.

(3) Labor-management meetings are held regularly to facilitate open communication and promote labor-management harmony and solidarity.

(4) China Motor Corporation and the labor union have reached a consensus and signed a Collective Agreement to promote labor-management harmony and protect the rights and interests of both parties. In accordance with the Labor Union Act and the Collective Agreement Act, the Company and the enterprise union signed the Collective Agreement on March 31, 2017, and renewed it on October 30, 2024. The rights and interests of all employees are protected under the agreement, covering 100% of China Motor Corporation's employees, to safeguard employees' working conditions and benefits and promote the cooperative relationship between labor and management.

5. Employee Rights Protection Measures

(1) An Employee Assistance Program is implemented to maintain employees' physical and social well-being, providing psychological, legal, and other counseling and guidance services, and building a comprehensive, whole-person care support system.

(2) Managerial competency training is provided for supervisors to integrate coaching skills into day-to-day management.

(3) Multi-directional communication is advocated, employee participation in

management is encouraged, and team consensus is cultivated.

(4) Business and management conditions are disclosed openly to strengthen employees' sense of belonging and crisis awareness.

(5) Employee concerns are taken seriously, union organizations are well-supported, and employee rights are protected.

(6) Labor-management meetings are held regularly to coordinate labor-management relations.

6. Workplace and Employee Personal Safety Protection Measures

The Company has always regarded the work safety of its employees as a top priority. In addition to strictly complying with all national regulations, the Company has adopted international standards (ISO/CNS 45001 certification, currently valid until December 13, 2026) and continuously improves in a systematic manner to ensure a safe and healthy working environment for all employees and stakeholders. The Hsinchu Plant received the Five-Star Award from the Ministry of Labor's Occupational Safety and Health Excellence Unit designation in 2023 and passed performance review, with the designation currently valid until October 24, 2026, demonstrating the Company's commitment to continuously raising occupational safety and health standards. In addition, comprehensive hazard identification and risk assessments are conducted for various work environments, covering potential risks such as cutting, entanglement, electrocution, falls, fire and explosion, flying objects, poisoning, and asphyxiation. Through the introduction of effective preventive measures and management regulations, and through the operation of the occupational safety and health management system, the Company continuously improves hazard risks for personnel, equipment, and the environment. In FY2025, a total of 461 safety and health improvement items were completed.

(1) Concrete Measures for a Good Working Environment

A. Environmental beautification: Large numbers of plants and flowers are planted in open spaces throughout the facility, with themed flower areas planned seasonally to provide a visually pleasant working environment.

B. Recreational spaces: QCC garden areas, cafés, and other spaces are provided to give employees places to relax and unwind outside of work hours.

C. Health promotion: Smoking is banned throughout all workplaces and dining areas; dedicated pedestrian walkways are provided for mealtimes and commuting to implement the separation of pedestrians and vehicles.

D. Air quality: Turbine exhaust fans and local exhaust ventilation equipment are widely installed throughout factory buildings to ensure indoor air circulation and quality.

E. Facility upgrades: The intrinsic safety of equipment is actively introduced and improved; air conditioning has been added to the paint shop work area to increase working comfort. This year, drone technology combined with AI interpretation was introduced for safety inspections of solar power generation systems and ventilation ball facilities on factory rooftops, with plans to move toward a preventive management strategy going forward.

F. Work environment monitoring: Work environment measurements are conducted every six months, with monitoring and improvement carried out for dust, noise, organic solvents, and other hazards.

(2) Personal Safety Protection Measures for Employees

A. Systematic safety management: A comprehensive and continuously operating management mechanism has been established to ensure effective implementation of safety policies from the source. Occupational safety and health management systems are planned and implemented, with detailed management plans formulated to enhance overall safety performance. Safety and health committee meetings are held regularly to closely track the achievement of various safety performance indicators and ensure that safety policies are effectively and reliably implemented in daily operations.

B. Comprehensive healthcare: The Company cares about employees' physical health and provides convenient and professional medical services. Regular health check-ups are arranged for employees, with health education information provided to those with abnormal results, who are also required to undergo follow-up examinations or treatment. On-site medical services: A health center is established within the facility, staffed by a team of professional physicians, pharmacists, nurses, and nutritionists to provide employees with timely and convenient medical consultation and services.

C. Safety awareness and education: The Company is committed to instilling safety awareness in employees and their families to prevent hazards at the root level. Senior management regularly participates in facility safety inspections, with ongoing awareness activities covering home safety, traffic safety, carbon monoxide poisoning prevention, and other topics. Fire evacuation drills are conducted for offices, factories, and dormitories, and on-site operational safety observations and sharing of occupational accident cases from other facilities are used to strengthen employees' risk awareness. In FY2025, a total of 1,553 participant attendances completed occupational safety and health education and training.

7. Code of Conduct and Ethics

(1) Code of Conduct: The Company has established "Integrity, Care, and Responsibility" as the behavioral guidelines for all employees.

(2) Code of Ethics: The Company's Work Rules include a dedicated chapter on "Service Ethics," with explicit provisions governing work attitude, strict confidentiality, proper use of public property, and prohibition of accepting bribes or improper benefits.

(II) Labor Disputes in FY2025 and up to March 31, 2026

No labor disputes occurred at the Company during FY2025 or up to March 31, 2026. The Company will continue to uphold this spirit of promoting labor-management harmony going forward, and accordingly estimates that no contingent losses from labor disputes will arise in the future.

## VI. Cyber security management

### (I) Information Security Management Strategy and Framework

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

1. Cyber security policy

To achieve our company's mission objectives and meet the expectations and requirements of top management regarding information security, and to ensure the confidentiality, integrity, and availability of our company's information assets, our information security policy is defined as: "Information security is everyone's responsibility." To enhance information security management, the Company completed the transition verification to ISO 27001:2022 in September 2025. The current certificate is valid from September 11, 2025 to September 10, 2028. An "Information Security Management Committee" has also been established, with a dedicated information security supervisor and dedicated information security personnel to be responsible for the Company's information security operation management, supervision, and verification, and other related operations, and regularly report the status of information security governance and review to the Board of Directors.

2. Cyber security management framework

(1) Corporate information security management strategy and framework

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

① "Planning Phase" emphasizes the information security risk management, while establish the complete information security management system (ISMS), and promoting the upgrading and introduction the certification of international information security management system (ISO/IEC 27001) , to reduce the corporate information security threats from the aspects of system, technology, and procedure, and thus establishing the highest-spec confidential information safeguard service meeting customers' needs.

② "Do Phase" establishes the multi-layer information security safeguard, and continues to introduce innovative information security defense technologies, to integrate and internalize the information security control mechanism to the daily operating process such as operation and maintenance of soft- and hardware, and supplier information security management, as well as monitor the information security systematically, to protect the confidentiality, integrity, and availability of the Company's key assets.

③ "Check Phase" actively monitors the effects of the information security management, and takes corrective or improving measures based on the outcomes of audit; the information security vulnerabilities are patched via the regular vulnerability scanning.

④ "Act Phase": takes the review and continual improvements as the foundation, to implement the supervision and audit, for ensuring the continuous effectiveness of the information security regulations. When employees violate the related regulations and procedures, they are handled with the process handling the information security violation, and the HR disciplinary action may be taken depending on the violation (including their annual performance appraisal or take necessary legal action); in addition, the improvement actions, such as information security measures, education, training and promotion shall be reviewed and implemented regularly, to ensure the Company's key confidential information not leaked out.

(2) Corporate information security risk management and continual improvement framework


3. Information security management mechanism

(1) Information security decision-making and supervision

① Conduct ISO 27001 external audits once a year

(2) Information security threats and trend tracking

① Collect threat intelligence on TWCERT/CC information security platform and send plant-wide information security reports

(3) Information security education and training plan

① Conduct social engineering drills twice a year

② Conduct company-wide information security training once a year

(4) Refinement of information security protection technology

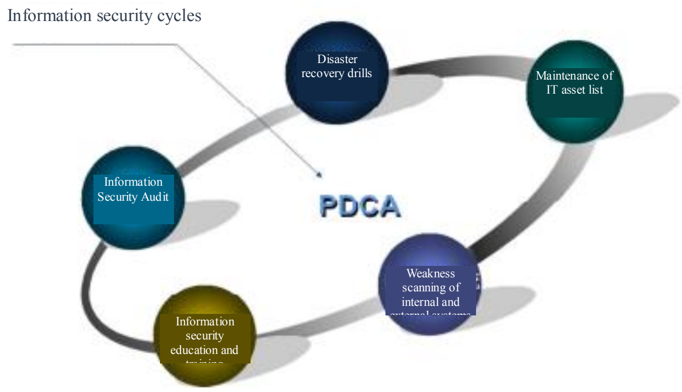
① Penetration testing is conducted once a year

(5) Implement information security governance

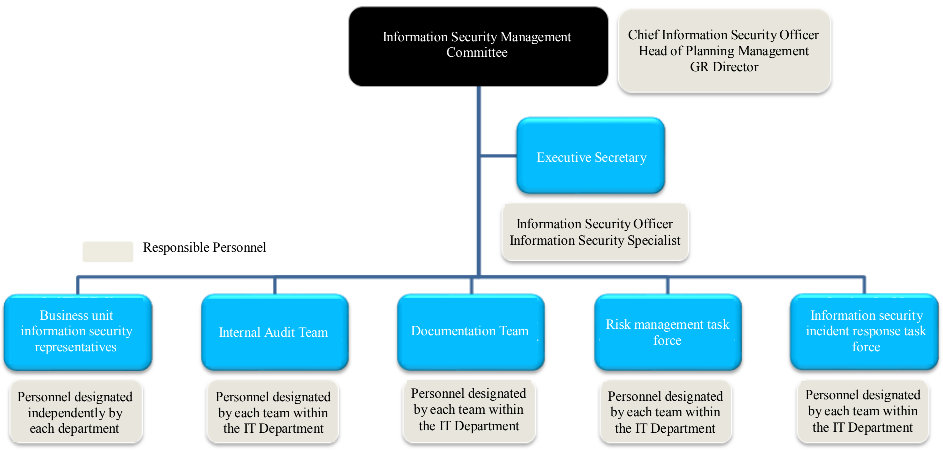
① The "Information Security Management Review Meeting" is held once a year

② Annual PDCA cycle:

- Q1 Asset inventory and risk evaluation
- Q2 Carry out information internal audit, correction and improvement.
- Q3 Business continuity plan drill
- Q4 Information security management review




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




5. Concrete management programs

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

① Strengthen basic environment security: Internet identity recognition system, strengthen virtual enterprise network system

② Upgrade information defenses: Upgrade the anti-virus and anti-hack systems, introduce an email filtering system to reduce the risk of phishing attacks, and establish an endpoint protection system

③ Reduce the risk of data loss: Establish an offline backup mechanism

④ Establishment of trace recording function: Introduction of data access audit system

(2) Future information security planning

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

① System maintenance:

- Regularly perform system security vulnerability scanning
- Strengthen the basic information environment
- Establish an automated remote storage mechanism for backup data
- Disaster recovery procedures and drill through rolling adjustments

② Smart manufacturing:

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

③ Information security training:

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

④ AI-Enhanced IT and Information Security Management Capabilities:

- Introduction of AI technology to establish information security monitoring and anomaly detection capabilities
- Promotion of automation in IT system management and monitoring operations
- Improved problem analysis and resolution efficiency through AI-assisted analysis
- Establishment of an automated network-wide information security threat intelligence collection and real-time notification mechanism

(II) Information Security Risks and Response Measures

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

1. Risks and management measures of information technology security

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

   While the Company seeks to continuously review and assess its cybersecurity policies and procedures to ensure their adequacy and effectiveness, the Company cannot guarantee that it will not be susceptible to new and emerging risks and attacks in the evolving landscape of cybersecurity threats. These cyber attacks may also attempt to steal the Company's trade secrets and other sensitive information, such as proprietary information of its customers and other stakeholders and personal information of its employees. Malicious hackers may also try to introduce computer viruses, corrupted software or ransomware into the Company's network systems to disrupt our operations, blackmail us to regain control of its computing systems, or spy on it for sensitive information. These attacks may result in us having to pay damages for its delayed or disrupted orders or incur significant expenses in implementing remedial and improvement measures to enhance its cybersecurity network, and may also expose us to significant legal liabilities arising from or related to legal proceedings or regulatory investigations associated with, among other things, leakage of employee, customer or third party information, which the company has an obligation to keep confidential.

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

In addition, the Company employs certain third party service providers for the Company and its affiliates worldwide with whom the Company needs to share highly sensitive and confidential information to enable them to provide the relevant services. Despite that the Company requires the third party service providers to comply with the confidentiality and/or internet security requirements in its service agreements with them, there is no assurance that each of them will strictly fulfill such obligations, or at all. The on-site network systems of and the off-site cloud computing networks, such as servers maintained by such service providers and/or its contractors, are also subject to risks associated with cyber attacks. If the Company or its service providers are not able to timely resolve the respective technical difficulties caused by cyber attacks, or ensure the integrity and availability of its data (and data belonging to its customers and other third parties) or control of its or its service providers' computing systems, the Company's commitments to its customers and other stakeholders may be materially impaired and its results of operations, financial condition, prospects and reputation may also be materially and adversely affected as a result.

(III) Losses, potential impacts, and response measures resulting from material information security incidents in FY2025 and up to March 31, 2026; if a reasonable estimate cannot be made, the reason shall be stated: None.

## VII. Intellectual Property Management Plan

The Company has formulated an intellectual property management improvement plan aligned with the Company's operational objectives, building on its existing intellectual property management system.

(I) FY2025 Intellectual Property Management Plan Implementation

1. Patent Management

To understand the current technology landscape and development trends in "vehicle-side cybersecurity protection design," the Company completed a patent technology research survey in FY2025, and held a course titled "Optimizing Existing Patent Management Through the TIPS Management Framework."

2. Trade Secret Management

In FY2025, the Company completed a review of the implementation status of its trade secret management system to assess the effectiveness of its trade secret management practices.

3. Trademark Management

To familiarize employees with the trademark application process, the Company held a course titled "Key Considerations for Trademark Application and Registration" in FY2025.

4. The Company reported intellectual property-related matters to the 22nd Board of Directors at its 3rd meeting (November 11, 2025), and proposed improvement measures in response to directors' suggestions.

(II) Current Intellectual Property Portfolio and Results

As of the end of FY2025, the Company's actively managed intellectual property includes 19 valid patents, 205 trademarks, and 786 trade secrets.

Unit: items

| Country/Region | Patents | | Trademarks | |
|---|---|---|---|---|
| | Approved | Pending | Approved | Pending |
| Taiwan | 15 | 1 | 203 | 0 |

| Country/Region | Patents | | Trademarks | |
|---|---|---|---|---|
| | Approved | Pending | Approved | Pending |
| Mainland China | 4 | 1 | 0 | 0 |
| Other countries | 0 | 3 | 2 | 0 |
| Total | 19 | 5 | 205 | 0 |

(III) FY2026 Intellectual Property Management Promotion Plan

The Company plans to organize a "Trademark Use Evidence Collection Workshop" course and foundational intellectual property courses in FY2026.

## VIII. Material Contracts

| Contract Nature | Parties | Commencement dates and expiration dates of contracts | Details | Restrictive clauses |
|---|---|---|---|---|
| Licensing and technical cooperation contracts | Mitsubishi Motors Corporation | July 1, 2005 to October 27, 2035 | The Company is licensed to manufacture and sell parts, components, and vehicles designed by Mitsubishi Motors Corporation based on the design, drawings, and technical specifications provided by it. Mitsubishi Motors Corporation should send staff to provide necessary technical assistance in manufacturing at any time at the request of the Company. | The Company should not assign or re-license the rights and licenses granted by Mitsubishi Motors Corporation to a third party without Mitsubishi Motors Corporation's prior written consent. |
| Parts supply and sales of completed vehicles agreements | Daimler Trucks Asia Taiwan Ltd. | January 1, 2017 to August 31, 2031 | 1. The Company provides vehicles under the FUSO brand and locally manufactured parts to Daimler Trucks Asia Taiwan Ltd. (DTAT).<br>2. DTAT shall provide imported parts to the Company. | The rights and obligations shall not be transferred to third parties without the prior written consent of the counterparty. |
| Distribution contract | Fortune Motors Co., Ltd. | August 1, 2018 to December 31, 2026 | Distribution of sedans, RVs, vans, and trucks below 3.5 tons. | Distribution territory: Taiwan and Fujian areas under the ROC jurisdiction. |

| Contract Nature | Parties | Commencement dates and expiration dates of contracts | Details | Restrictive clauses |
|---|---|---|---|---|
| Distribution contract | Shung Ye Motor Enterprise | December 30, 2017 to December 30, 2026 | Distribution of sedans, RVs and vans below 3.5 tons. | Distribution territory: Taiwan and Fujian areas under the ROC jurisdiction. |
| Distribution contract | MG Motor Taiwan Co., Ltd. | April 25, 2022 to July 31, 2026 | Distribution of passenger cars and RVs. | Distribution territory: Taiwan and Fujian areas under the ROC jurisdiction. |
| Shareholders Agreement | Daimler AG | Since 4 November 2004 | Established and manages Fujian Daimler Automotive Co., Ltd. (now Fujian Benz Automotive Co., Ltd.), a joint venture established among CMC, Daimler AG, and Fujian Motors Group, to manufacture medium and light sedans at the weight 2 ~ 6 tons. | Except for models licensed by Mitsubishi Motors Corporation or Daimler AG or independently developed models, the Company should not develop, manufacture, and distribute models competitive with models manufactured and distributed by Fujian Benz Automotive Co., Ltd. in China. |
| License Agreement | SAIC Motor International Trading Co., Ltd. | February 15, 2022 to February 14, 2032 | The Company may manufacture and sell spare parts and automobiles according to the drawings, specifications and all technical information provided by SAIC Motor International. | The rights and authorizations granted to the Company as contracted shall not be sub-authorized by the Company to a third party. |

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

## I. Financial position

Comparative Analysis of Financial Position

Unit: NTD$ Thousand

| Item \ Annual | December 31, 2025 | December 31, 2024 | Difference | |
|---|---|---|---|---|
| | | | Value | % |
| Current assets | 14,331,334 | 15,536,007 | (1,204,673) | (7.75) |
| Investment | 26,955,247 | 26,444,189 | 511,058 | 1.93 |
| Property, Plant and Equipment | 9,574,371 | 8,678,667 | 895,704 | 10.32 |
| Intangible assets | 1,069,543 | 989,321 | 80,222 | 8.11 |
| Other assets | 2,110,717 | 1,972,760 | 137,957 | 6.99 |
| Total assets | 54,041,212 | 53,620,944 | 420,268 | 0.78 |
| Current liabilities | 11,151,762 | 11,565,044 | (413,282) | (3.57) |
| Non-current liabilities | 1,136,525 | 1,120,969 | 15,556 | 1.39 |
| Total Liabilities | 12,288,287 | 12,686,013 | (397,726) | (3.14) |
| Share capital | 5,536,203 | 5,536,203 | - | - |
| Capital surplus | 7,458,794 | 7,454,640 | 4,154 | 0.06 |
| Retained earnings | 24,982,900 | 24,230,705 | 752,195 | 3.10 |
| Other equity interest | (88,877) | (115,190) | 26,313 | 22.84 |
| Treasury stock | - | - | - | - |
| Equity attributable to the parent company | 37,889,020 | 37,106,358 | 782,662 | 2.11 |
| Non-controlling interest | 3,863,905 | 3,828,573 | 35,332 | 0.92 |
| Total equity | 41,752,925 | 40,934,931 | 817,994 | 2.00 |

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

Other equity increases were primarily due to the recognition of "exchange differences arising from translation of financial statements of foreign operations."

## II. Financial performance

### Comparative Analysis of Financial Performance

Unit: NTD$ Thousand

| Item \ Annual | 2025 | 2024 | Increase (decrease) in amount | Percentage of change (%) |
|---|---|---|---|---|
| Operating revenue | 32,092,167 | 39,243,196 | (7,151,029) | (18.22) |
| Operating costs | 27,230,743 | 33,534,957 | (6,304,214) | (18.80) |
| Gross profit | 4,861,424 | 5,708,239 | (846,815) | (14.83) |
| Realized gross profit | 4,865,661 | 5,703,586 | (837,925) | (14.69) |
| Operating expenses | 3,728,531 | 3,980,849 | (252,318) | (6.34) |
| Operating income | 1,137,130 | 1,722,737 | (585,607) | (33.99) |
| Non-operating income and expenses | 2,050,218 | 2,818,062 | (767,844) | (27.25) |
| Profit or loss before tax from continuing operations | 3,187,348 | 4,540,799 | (1,353,451) | (29.81) |
| Income tax benefits (expenses) | 477 | (324,428) | 324,905 | 100.15 |
| Profit or loss after tax from continuing operations | 3,187,825 | 4,216,371 | (1,028,546) | (24.39) |
| Income from Discontinued Operations | - | 23,260 | (23,260) | (100.00) |
| Net profit for the year | 3,187,825 | 4,239,631 | (1,051,806) | (24.81) |
| Other comprehensive income | 59,713 | 781,294 | (721,581) | (92.36) |
| Total comprehensive income for the year | 3,247,538 | 5,020,925 | (1,773,387) | (35.32) |

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

1. Operating profit decreased primarily due to a reduction in vehicle deliveries.
2. Non-operating income and expenses decreased primarily due to a reduction in recognized income from investee companies.
3. The decrease in pre-tax income, after-tax income, and net income from continuing operations is explained in points 1 and 2 above.
4. Income tax expense decreased primarily due to income tax benefits recognized upon assessment by the tax authority.
5. Profit from discontinued operations decreased because the Company's subsidiary Jiangsu Greentrans was divested in Q4 2024, and therefore no profit from discontinued operations was recognized in Q4 2025.
6. Other comprehensive income decreased primarily due to reductions in "share of other comprehensive income of associates and joint ventures accounted for using the equity method" and "gains and losses on hedging instruments."
7. For the reasons behind the decrease in total comprehensive income for the year, please refer to the explanations above.

## III. Analysis of cash flow

### (I) Liquidity analysis for the last two years

| Item \ Annual | 2025 | 2024 | Increase (decrease) ratio % |
|---|---|---|---|
| Cash flow ratio (%) | 9.88 | 2.23 | 343.05 |
| Cash flow adequacy ratio (%) | 32.99 | 42.57 | (22.50) |
| Cash reinvestment ratio (%) | (1.82) | (4.59) | (60.35) |

Analysis and explanation of the percentage of increase or decrease:
The cash flow ratio and cash reinvestment ratio increased while the cash flow adequacy ratio decreased, primarily because net cash flows from operating activities increased in FY2025 compared to a decrease in FY2024.

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

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

| Cash balance at the beginning of the year | Expected net cash flow from operating activities throughout the year | Expected net cash flow from investing and financing activities throughout the year | Expected cash surplus (deficit) amount | Remedies for expected cash deficit | |
|---|---|---|---|---|---|
| | | | | Investment plan | Financial plan |
| 921,397 | 2,102,670 | (1,820,709) | 1,203,358 | - | - |

1. Analysis of cash flow changes in the coming year:
   (1) Operating activities: Estimated net cash inflow from operating activities of NT$2,102,670 thousand.
   (2) Investing activities: Estimated net cash outflow from investing activities of NT$837,676 thousand.
   (3) Financing activities: Estimated net cash outflow from financing activities of NT$983,033 thousand.
2. Remedies for expected cash deficit and liquidity analysis: Not applicable.

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

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

Major capital expenditures in FY2025 totaled NT$1,865,846 thousand, with the following anticipated benefits:

(I) Introduction of new products: increasing the market share of the Company's products and improving turnover and sales volume.

(II) Introduction of parts and components: increasing the proportion of self-made parts and reducing production costs.

(III) Strengthening of sales: improving market awareness for the Company and its products, enhancing the after-sales service quality and further growing the sales.

(IV) Upgrading of productivity: upgrading production line equipment, implementing automation, rationalizing layouts, increasing production capacity, and enhancing technologies.

(V) Quality improvement: enhancing the total quality assurance capability of the Company's suppliers, implementing the operation of the total quality assurance system, ensuring quality by eliminating the price of non-conformance (PONC), improving customer satisfaction with product quality, and carrying out source management and mistake-proofing measures.

(VI) Work environment improvement: upgrading computer equipment, replacing old office equipment and official vehicles, implementing office planning and construction for all the Company's plants, improving air quality, installing pollution prevention equipment, etc.

(VII) Land purchase: purchasing land in response to operational needs and future business planning.

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

The Company's equity investments remain focused primarily on the automotive industry. Reviewing the overall equity investment income for FY2025, performance declined compared to FY2024. The primary reasons were a decrease in recognized profits from Yulon's investee companies and a reduction in FBAC's vehicle sales due to intensifying competition in the Mainland China market. Going forward, the Company will continue to closely monitor the operational performance of its equity investees, and improve overall profitability through operational optimization and strategic adjustments.

## VI. Risk management

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

Interest rate changes primarily affect the financial assets held by the Company. If interest rates increase by one basis point (0.25%), the Company's FY2025 pre-tax net profit would decrease by NT$8,107 thousand.

We hold some of our assets and liabilities in foreign currencies. As a result, any change of the exchange rates will lead to decreased values of our assets in foreign currencies and exposure to risks of fluctuating cash flow in the future. Based on the Company's foreign currency assets and liabilities at the end of FY2025, if the New Taiwan Dollar appreciates 1% against the US Dollar, pre-tax net profit would decrease by NT$1,038 thousand; if the New Taiwan Dollar appreciates 1% against the Japanese Yen, pre-tax net profit would decrease by NT$1,120 thousand; if the New Taiwan Dollar appreciates 1% against the Chinese Renminbi, pre-tax net profit would not be affected.

With rising energy prices and increasing uncertainty in U.S. trade policy, the world faces inflationary pressures. Major economies such as the U.S. and Europe have slowed the pace of interest rate cuts, and geopolitical risks may continue to affect the global economy. Inflation and changes in interest rates may partially affect the Company's operating costs. Therefore, the Company will continue to pay attention to market dynamics to respond to changes in the demand for the Company's products and services.

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

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

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

The Company's R&D center, CARTEC, carries out its mission and product group development in accordance with the Company's established business strategy, with new energy, safety, and technology as the core pillars of technological development. Specific R&D activities include: (1) developing vehicle technologies that rapidly respond to market demand characteristics and regulatory requirements; (2) developing system integration capabilities for differentiated and high value-added specification products; (3) adapting products to meet the requirements of different export markets; (4) developing new energy and energy-saving related products, with emphasis on advanced powertrain systems, electronic control systems, and the integrated design, analysis, and verification of automotive electronics; and (5) continuing to advance parts localization efforts to expand and deepen the value of domestic supply chain collaboration.

The Company's projected standalone R&D expenditure for FY2026 is NT$1,957,859 thousand.

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

The Company continues to closely monitor changes in laws and policies that affect its business and operations. To date, major domestic and international policy and legal changes since FY2025 have had no material impact on the Company's financial condition or business operations.

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

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

(2) The industry is changing towards new energy and electrified products. The Company has also increased investment in the research and development of related products. Therefore, there is no significant effect on the Company’s operations.

(VI) Effect of changes in the corporate image on the Company’s crisis management, and response measures to be taken: None.

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

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

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

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

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

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

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

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

## VII. Other important matters: None.

I. Information on affiliates

Please refer to the Company's filed information via the following path or URL: Market Observation Post System > Individual Company > Electronic Document Download > Affiliated Enterprise Three-Report Section.

(https://mopsov.twse.com.tw/mops/web/t57sb01_q10)

II. Private placements of securities in FY2025 and up to March 31, 2026: None.

III. Other matters that require additional description: None.

IV. Matters with material impact on shareholders' equity or securities prices in FY2025 and up to March 31, 2026: None.

China Motor Corporation

Chairperson 嚴陳莉蓮