Stock Code: 2248

Shining Victory Motor Electronic Co., Ltd.

2025 Annual report

Company website: http://hs-elan.tw/
Market Observation Post System: http://mops.twse.com.tw
Printed on May 12, 2026

I. Name, position, contact number and e-mail address of the spokesperson and acting spokesperson:

Name of spokesperson: Chu Chung-Ping Telephone: +886-2-25061953
Job title: Head of Finance and Accounting Email: IR@top-elan.com
Name of acting spokesperson: Chen Keng-Sheng Telephone: +86 573-85078997
Job title: Chairman and General Manager Email address:IR@top-elan.com

II. Address and telephone number of the head office, branch offices, and factories

(I) The Company:

Name: Shining Victory Motor Electronic Co., Ltd.
Address: The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands
Room 729, 7F, No. 150, Section 2, Nanjing East Road, Zhongshan District, Taipei City (Taiwan Office)
Website: http://hs-elan.tw/
Telephone: +886-2-25061953

(II) Subsidiaries:

1. Name: Shining Victory International Holdings Co., Ltd.
Address: Unit 2, LG1, Mirror Tower, 61 Mody Road, Tsim Sha Tsui, Kowloon, Hong Kong
Website: -
Telephone: +86-573-85078997
2. Name: E-LAN MOTOR ELECTRONIC(Pinghu) Co., Ltd.
Address: No. 1199, Xinxing 2nd Road, Economic Development Zone, Pinghu City, Zhejiang Province, China
Website: http://www.top-elan.com
Telephone: +86-573-85078997
3. Name: E-LAN Holding Company
Address: 1209 Orange Street, Wilminqton, New Castle, DE 19801, USA
Website: -
Telephone: +01-248-792-6154
4. Name: E-LAN CAR COMPONENTS (USA) INC.
Address: 1895 Crooks Road, Suite 200, Troy, MI 48084, USA
Website: -
Telephone: +01-248-792-6154
5. Name: E-LAN MOTOR ELECTRONIC (THAILAND) CO., LTD.
Address: 169 MOO 2.Narapirom, Banglen, Nakornpathom 73130,Thailand
Website: -
Telephone: +66-034900200
6. Name: E-LAN CAR COMPONENTS MEXICO
Address: Avenida México 586, Latinoamericana, Saltillo, Coahuila De Zaragoza, 25270, Mexico
Website: -
Telephone: -

(III) Branch offices:

Name: Hong Kong Shining Victory International Holdings Co., Ltd. Taiwan Branch
Address: No. 52, Gongming South 3rd Road, Annan District, Tainan City
Website: -
Telephone: +886-06-2473767

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

Name: Stock Affairs Agency Department of IBF Securities

Address: 15F., No. 188, Sec. 5, Nanjing E. Rd. Songshan Dist., Taipei City 105411, Taiwan (R.O.C.)
Telephone: +886-2-25288988
Website: https://www.ibfs.com.tw/

IV. Name, firm name, address, website and phone number of the CPAs who certified the most recent annual financial report:
Name of CPAs: Lu Yi-Chen, Hsieh Ming-Chung
Website: http://www.deloitte.com.tw
Name of CPA firm: Deloitte Taiwan
Telephone: +886-2-27259988
Address: 20F, No. 100, Songren Road, Xinyi District, Taipei City

V. Name of the trading venue where overseas securities are listed and the method for querying the information of such overseas securities: None

VI. Company website: http://hs-elan.tw/

VII. Board of Directors:

Job title	Name	Nationality	Major experience
Chairman	Chen Keng-Sheng	Republic of China	Chairman, Shining Victory Motor Electronic Co., Ltd.
Director	AMMI DEVELOPMENT LIMITED	SAMOA	–
	Representative: Chang Hsiao-Yen	China	Executive Director, E-LAN (Pinghu) Co., Ltd.
Director	Eight Eagles Venture Inc.	SAMOA	–
	Representative: Chen Hung-Chih	Republic of China	Director of Overseas Business Department, E-LAN MOTOR ELECTRONIC(Pinghu) Co., Ltd.
Director	Wu Yu-Wen	Republic of China	Chairman, Dellcon Technology Co., Ltd.
Independent Director	Chieh Te-Chang	Republic of China	Director, Taiwan Dean Wealth Management Consulting Co.,Ltd.
Independent Director	Chang Kuo-Hua	Republic of China	Professor, Institute of Technology and Law, National Yunlin University of Science and Technology
Independent Director	Chen Ming-Ching	Republic of China	Deputy General Manager, Chongqing Changan Automobile International Sales Service Co., Ltd.
Independent Director	Liu Cheng-Kang	Republic of China	Partner and Vice President of Shanghai Xiantu Intelligent Technology Co., Ltd.

VIII. Domestic designated agent:

Name of agent: Wu Yu-Wen

Job title: Director

Telephone: +886-2-27550880

E-mail: vcneilwu@gmail.com

Shining Victory Motor Electronic Co., Ltd.

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One. Shareholders' report

I. Business report for 2025

(I) Business results

The Company's consolidated operating revenue for 2025 was NT$2,065,319 thousand, decrease by 9,944, or 0.48%, from the previous year's consolidated operating revenue of NT$2,075,263 thousand; consolidated net profit after tax was NT$247,578 thousand, decrease by NT$22,209 thousand, reduced by about 8.23%, from the previous year's consolidated net profit after tax of NT$269,787 thousand; earnings per share was NT$5.32, reduced by about 17.13% from the previous year's earnings per share of NT$6.42.

Unit: NTD thousand; %

Subject	2025	2024	Increase (decrease) amount	Change ratio
Operating revenue	2,065,319	2,075,263	(9,944)	(0.48)
Operating gross profit	634,684	679,976	(45,292)	(6.67)
Income (loss) after tax	247,578	269,787	(22,209)	(8.23)

(II) Budget execution: Financial forecasts are not disclosed, so not applicable.

(III) Financial income and expenditure and profitability

The Company's financial structure and solvency indicators for 2025 were superior to those for 2024, with the debt ratio decreasing by 14.07% compared to the previous year. Regarding long-term investments, the Company effectively utilized long-term funds for capital expenditures and equipment upgrades, increasing the ratio of long-term funds to real estate, plant, and equipment. Furthermore, the current ratio exceeding 1 indicates that the Company has sufficient liquidity to repay its current debt. The Company maintained stable profitability in 2025, benefiting from cash capital increases. The increased share capital led to a slight dilution of return on equity and earnings per share compared to 2024. Overall, this demonstrates the Company's sound financial condition and continued growth.

Items \ Year		2025	2024
Financial structure	Debt ratio (%)	45.11	52.50
	Long-term capital to property, plant and equipment ratio (%)	463.34	504.13
Solvency	Current ratio (%)	178.43	153.55
	Quick ratio (%)	149.92	129.23
Profitability	Return on assets (%)	8.96	11.61
	Return on equity (%)	17.10	24.51
	Earnings per share (NTD)	$5.32	$6.42

(IV) Research and development status

In recent years, the diversification, personalization and intelligence of automotive interior and exterior decoration have been widely valued by the market. Consumers hope to make their cars unique and apply intelligent technology to products to provide more functions and services. Various automotive and technology manufacturers have also started to develop related products. In order to meet the automotive market's more diverse demand for interior decoration and the pursuit of fashion and technology, the Company is actively developing more diverse interior intelligent lighting products to meet the future market demand for automotive interior parts.

Products	Functions
Radar blind spot detection system	The obstacle information in the car's blind spot is displayed on the rearview mirror. When driving and turning, the driver can predict in advance whether there are obstacles in the blind spot to avoid accidents caused by hitting obstacles.
Radar wavefront vehicle collision avoidance system	When there is an obstacle in front of the vehicle, it will display advance warning. The vehicle can give advance warnings and provide preventive mechanisms in time to achieve active safety effects.
Angle-measuring radar system	Installed at the front and rear of the car, it can replace the ultrasonic radar system to more accurately sense obstacles around the car and is not affected by weather and dirt, thus avoiding collisions when the car is driving slowly.
In-vehicle active ambient light controller	According to the signals prompted by the smart sensors inside and outside the vehicle, the ambient light provides instant warning signals to remind the driver and passengers, achieving the function of active driving reminder.
AVAS electric vehicle low speed driving warning sound system	With the popularization of new energy electric vehicles, due to their low noise characteristics, when driving at low speeds and passing by pedestrians, it is easy to cause danger due to not noticing the passing of vehicles. When the vehicle is running at low speeds, AVAS will emit a vehicle warning sound to actively inform pedestrians of the vehicle's location to ensure pedestrian safety.
Capacitive sensor door open warning light	Instantly sense the door opening signal and use lights to alert the vehicles behind before the door is opened, reducing the risk of being hit by vehicles behind due to passengers opening the door.
Invisible imitation material film	Using special film technology, it is applied to car’s interior lighting and scuff plates to create a variety of product appearance characteristics.
Streamer scuff plate	Conventional scuff plates are non-luminous or simply turn on and off, while the streamer scuff plate uses multiple LEDs and is paired with an MCU to dynamically control the LEDs, enhancing the premium feel of the scuff plate.
miniLED light-emitting panel	Utilizing the small size of miniLED can be applied to interior ambient lights or light-emitting panels to achieve dynamic effects for the ambient lights and to realize the function of information display on the light-emitting panels.
Star top	Breakthrough in the structure and installation method of conventional solid-state ambient lights, promoting the in-depth expansion of application areas, the expansion and development of glass ambient lights and glass electronic sunshade fills the gap in automotive interior applications, and through the development of intelligent small-program controllers, the color, mode, and brightness of the ambient lights can be simultaneously linked to the car or autonomously controlled, perfectly realizing human-vehicle interaction. The electronic sunshade also meets customers' personalized functional needs.
Two-tone color light curtain ambient light	By adjusting the color of the light sources at both ends, different color segments can be presented on the entire light beam; by adjusting the brightness of the different light colors of the light sources at both ends, the position of the mixed color in the middle of the light beam material can be controlled, thereby achieving color segment movement and flashing light effects. This item has simple wiring and assembly, low cost, and smooth color changes.

Products	Functions
A2B in-vehicle audio bus controller	Compared with traditional automotive audio ECU, A2B automotive audio bus controller has the characteristics of high bandwidth and low latency. When enjoying a ride, sound-controlled rhythmic ambient lighting can also convey emotions through lighting. The rhythm of the music and the changes in light and shadow echo each other, providing dual auditory and visual enjoyment and increasing the user's comfort during the ride.
Dynamic flow ambient light	ISELED integrates RGB LED, LED driver and advanced communication interface into a single package. Since each LED is individually addressed, the bandwidth is effectively utilized, and its high-density system can support up to 4096 LEDs.
Touch control reading light	Roof control panel with touch-controlled reading lights, integrated microphone camera and switches.
Mat slow moving light	Adopt multi-angle projection lens and film solution to form a large area of high brightness on vehicle’s welcome mat lights
Luminescent Grating	The grille light adopts annular light guides and high-power LEDs, featuring a breathing gradient dynamic effect. Combined with the headlight assembly, it forms various scene modes, such as welcome and farewell modes, enhancing the customer perception experience.

II. Business plan overview for 2026

(I) Management policy

The Company will further enhance product quality and market competitiveness. In order to actively respond to the future automotive industry's high requirements for innovation capabilities and stable quality, the Company will continue to invest in R&D and engineering personnel, improve the level of production automation and vertical integration of key processes to reduce production costs.

(II) Expected sales volume and its basis

Taking into account the impact of diverse product types and product mix, product sales volume is expected to reach 18,364 thousand units in 2026. This expectation is based on an analysis of current market conditions and future development trends.

(III) International market and production base strategy

The company will continue to deepen its presence in the North American market and expand its overseas market share. In order to effectively respond to international political and economic changes and trade barriers, the Company has established a production base in Thailand, which will help to flexibly adjust production strategies and maintain a stable supply chain.

III. Future development strategy of the Company

With the gradual recovery of the global economy and the continued expansion of the new energy vehicle market, the Company will continue to increase its investment in the field of new energy vehicles, actively expand the international market, and strengthen global cooperation to cope with the uncertainty of the international political and economic environment. At the same time, the Company will continue to promote vertical integration of production and optimization of supply chain to further enhance cost-effectiveness and product competitiveness. We expect to achieve more robust performance growth in the future.

IV. Impact of external competition, regulatory environment and overall business environment

Entering 2026, the global automotive industry is accelerating its transition toward intelligent systems, with the Chinese market moving decisively into the high-level autonomous driving segment. Amidst ongoing uncertainty in U.S. tariff policies and the deepening trend of regionalization and localization within the global value chain, the Company will remain committed to its "Tri-pillar Strategy": Technological Leadership, Global Footprint, and Overseas Capacity Expansion. We aim to proactively navigate industry shifts through the following key initiatives:

1. Accelerating Overseas Market Investment We will strategically deepen our presence in the Americas while continuing to expand across Southeast Asia and Europe, refining our international distribution channels and client ecosystems. Key milestones include bringing our Thailand production base to full-scale mass production and initiating the development of our Mexico manufacturing facility. By steadily scaling overseas capacity and leveraging localized production, we aim to mitigate trade barriers, improve delivery efficiency, and strengthen our cross-regional supply chain synergy network.
2. Aggressive Product Matrix Expansion To capitalize on the evolving demands of smart vehicles, we will increase R&D investment in core smart cockpit components and actively develop automotive exterior trims. By diversifying our product portfolio, we intend to cover a broader range of vehicle models and customer scenarios, thereby enhancing our integrated competitiveness and customer stickiness.
3. Fortifying Internal Operational Resilience The Company will deepen vertical integration in production and advance the localization and digitalization of our supply chain to ensure continuous cost optimization. Leveraging our R&D strengths, we will fortify the performance barriers of our core products and construct a more resilient global supply system.

Through these strategic deployments, the Company strives to achieve robust performance growth and further increase our global market share in 2026, consistently consolidating our leadership position in the global core components sector for smart vehicles.

We sincerely thank all shareholders for their long-term support and encouragement to the Company. We extend our most heartfelt gratitude to all shareholders and wish you

good health and all the best!

Chairman: Chen Keng-Sheng

General Manager: Chen Keng-Sheng

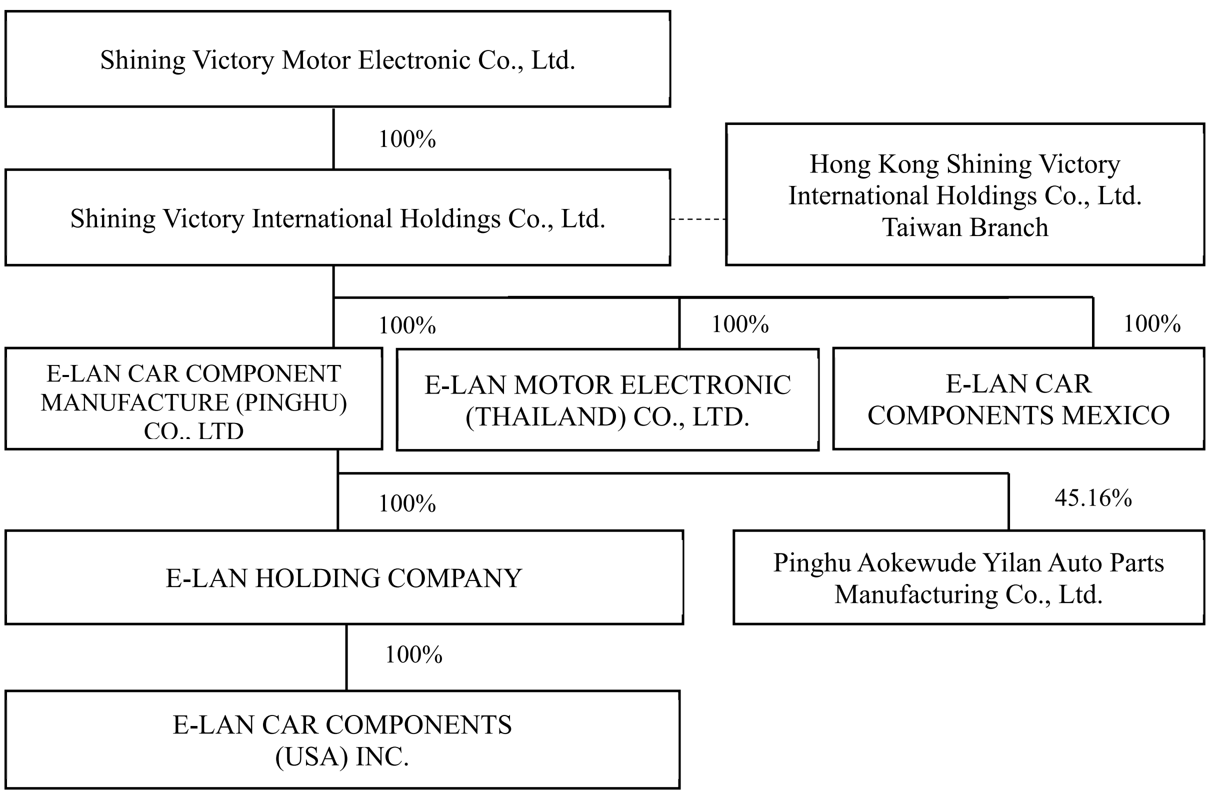
Accounting Supervisor: Chu Chung-Ping

Two. Company Profile

I. Date of establishment

Shining Victory Motor Electronic Co., Ltd. (hereinafter referred to as the "Company") was established on April 10, 2017 as an investment holding company incorporated in the Cayman Islands. The Company's subsidiaries include Shining Victory International Holdings Co., Ltd., Yilan Auto Parts Manufacturing (Pinghu) Co., Ltd., E-LAN MOTOR ELECTRONIC (THAILAND) CO., LTD., E-LAN CAR COMPONENTS MEXICO, E-LAN HOLDING COMPANY, Pinghu Aokewude Yilan Auto Parts Manufacturing Co., Ltd., and E-LAN CAR COMPONENTS (USA) INC.

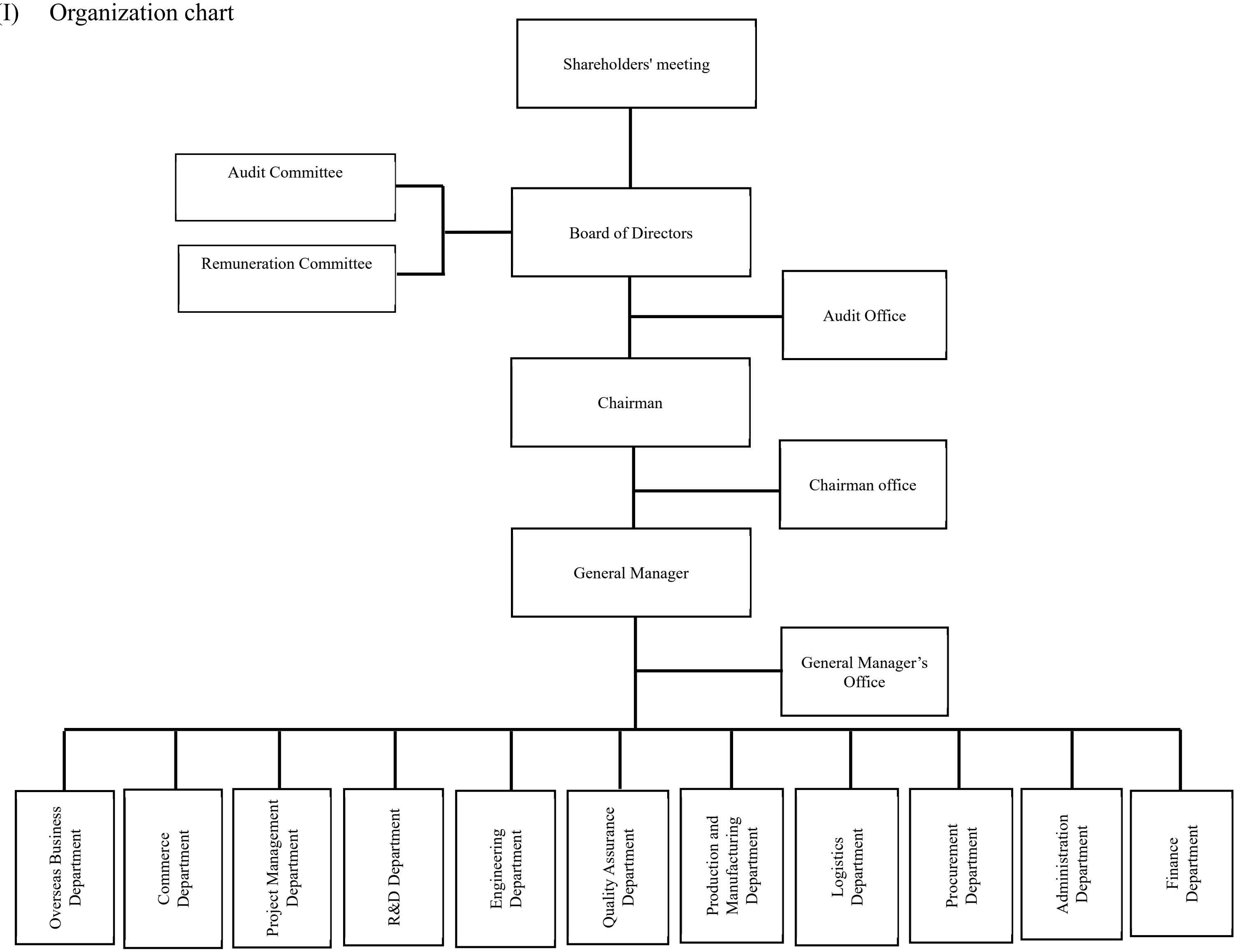
The Company is mainly engaged in the research and development, manufacturing, and sales of automotive components such as interior ambient lighting and automotive interior and exterior trim parts.
Please refer to 6. Review and analysis of financial position and financial performance and risk issues.



Three. Corporate governance report

I. Organization system

(I) Organization chart



(II) Operation of each major department

Department	Business responsibilities
Board of Directors	Implement the resolutions of the shareholders' meeting, determine the Company's business policies and set operating goals within the scope of authorization of the shareholders' meeting, and appoint the Company's main managers.
Audit Committee	Supervision of the Company's business and financial position, the proper presentation of the Company's financial statements, and the effective implementation of internal controls.
Remuneration Committee	Establish and regularly review the policies, systems, standards and structures for performance evaluation and remuneration of directors and managers, and regularly evaluate and review the remuneration of directors and managers.
Audit Office	Establish, review, and revise the internal audit system; evaluate and implement the internal control system; make improvement suggestions and continuously track improvement progress; formulate and implement the annual audit plan.
Chairman office	Decision on the Group's development and investment strategies.
General Manager’s Office	Oversee the Company's operations, decision-making and management.
Overseas Business Department	Responsible for overseas sales and customer development, order processing, and account collection.
Commerce Department	Formulate and implement sales plans, customer credit investigation, order processing, account collection and market intelligence analysis.
Project Management Department	Responsible for project management and communication, including progress control and customer and internal integration.
R&D Department	Responsible for the research, design and development of new products, as well as process improvement of existing products.
Engineering Department	Responsible for product development, preparation of process operation instructions and product performance verification.
Quality Assurance Department	Responsible for the planning, implementation and management of the Company's overall quality management system and ISO related systems.
Production and Manufacturing Department	Responsible for the execution and progress control of the overall production plan, product manufacturing quality management, production efficiency control and improvement, planning and management.
Logistics Department	Formulation of production plans, inventory management of raw materials and finished products, and coordination of production and sales.
Procurement Department	Responsible for the selection and management of qualified suppliers; procurement of raw materials and equipment, etc.
Administration Department	Responsible for the formulation of personnel regulations, talent recruitment and selection, implementation of education and training plans, performance management, salary management, employee relations management, employee health and environmental safety management, factory affairs, general affairs and general administrative management. Planning, development, design and promotion of the Company's overall information system; maintenance and management of computerized software and computer hardware maintenance; network information security management and maintenance and management of network equipment, computer equipment, software, systems, etc.
Finance Department	Planning and processing of accounting, budgeting and taxation operations, providing analysis and comparison of business data and tax declarations, fundraising and scheduling, and management of cashier operations.

II. Information on directors, general manager, deputy general manager, senior managers, heads of departments and branches:

(I) Director

1. Information on directors (I) April 14,2026; Unit: Shares

Job title	Name	Gender	Nationality or place of registration	Age (years)	Date of initial appointment	Date of election	Term of office	Shareholding at the time of election		Number of shares held		Shares held by spouse and minor children		Shares held in the name of others		Major experience/educational background	Concurrent positions held in the Company and other companies	Spouse or other managers, directors or supervisors with a relationship within the second degree of kinship		
								Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)			Job title	Name	Relationship
Chairman	Chen Keng-Sheng	Male	Republic of China	61~65	2017.9.17	2023.6.12	3	4,000,000	9.52%	4,098,000	8.61%	—	—	12,817,360	26.93%	Graduated from the Department of Automobile Repair, National Luodong Industrial Vocational High School Chairman,E-LAN MOTOR ELECTRONIC(Pinghu) Co., Ltd.	Note 1	Legal representative of director	Chang Hsiao-Yen	Spouse
Director	AMMI DEVELOPMENT LIMITED	—	SAMOA	-	2020.6.23	2023.6.12	3	8,012,640	19.08%	7,298,640	15.33%	—	—	—	—	—	—	—	—	—
	Representative: Chang Hsiao-Yen	Female	People's Republic of China	46 - 50	—	—	—	—	—	—	—	4,098,000	8.61%	7,298,640	15.33%	Bachelor of Science from Shanghai Metallurgical College Secretary to the Chairman, E-LANMOTORELECTRONIC(Pinghu) Co., Ltd.	Note 2	Chairman	Chen Keng-Sheng	Spouse
Director	Eight Eagles Venture Inc.	|	SAMOA	-	2020.6.23	2023.6.12	3	6,817,360	16.23%	6,817,360	14.32%	—	—	—	—	—	—	—	—	—

II. Information on directors, general manager, deputy general manager, senior managers, heads of departments and branches:

(I) Director

1. Information on directors (I) April 14,2026; Unit: Shares

Job title	Name	Gender	Nationality or place of registration	Age (years)	Date of initial appointment	Date of election	Term of office	Shareholding at the time of election		Number of shares held		Shares held by spouse and minor children		Shares held in the name of others		Major experience/educational background	Concurrent positions held in the Company and other companies	Spouse or other managers, directors or supervisors with a relationship within the second degree of kinship		
								Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)			Job title	Name	Relationship
	Representative: Chen Hung-Chih	Male	Republic of China	31 - 35	—	—	|	—	—	1,009,000	2.12%	—	—	2,960,000	6.22%	Master of Finance, National Taiwan University Director of Overseas Business Department, E-LAN MOTOR ELECTRONIC(Pinghu) Co., Ltd.	Note 3	—	—	—
Director	Wu Yu-Wen	Male	Republic of China	51 - 55	2017.9.17	2023.6.12	3	186,400	0.44%	288,400	0.61%	605,000	1.27%	436,000	0.92%	Master of Business Administration, National Chung Cheng University Chairman, Dellcon Technology Co., Ltd.	Note 4	—	—	—
Independent Director	Chang Kuo-Hua	Male	Republic of China	65 - 70	2017.9.17	2023.6.12	3	—	—	—	—	—	—	—	—	Doctor of Law, Meijo University, Japan Professor, Institute of Technology and Law, National Yunlin University of Science and Technology	Note 5	—	—	—
Independent Director	Chieh Te-Chang	Male	Republic of China	65 - 70	2017.9.17	2023.6.12	3	—	—	—	—	—	—	—	—	Master of Accounting, Shanghai University of Finance and Economics Director, Taiwan Dean Wealth Management Consulting Co.,Ltd.	Note 6	—	—	—
Independent Director	Chen Ming-Ching	Male	Republic of China	75~80	2021.6.25	2023.6.12	3	—	—	—	—	—	—	—	—	Graduated from the Special Training Class, Republic of China Air Force Institute of Technology	Note 7	—	—	—
Independent Director	Liu Cheng-Kang	Male	Republic of China	40~45	2023.6.12	2023.6.12	3	—	—	—	—	—	—	—	—	Bachelor of Science in Industrial Engineering, University of Michigan	Note 8	—	—	—

Note 1: Chairman and General Manager of Shining Victory Motor Electronic Co., Ltd., Chairman of Shining Victory International Holdings Co., Ltd., Chairman of E-LAN MOTOR ELECTRONIC(Pinghu) Co., Ltd., Chairman of ELAN INVESTMENT LIMITED, Vice Chairman of Pinghu Aokewude Yilan Auto Parts Manufacturing Co., Ltd., Chairman of Eight Eagles Venture Inc., Chairman of Striking Returns Group Inc., Chairman of Baying Investment Co., Ltd., Director of E-LAN MOTOR ELECTRONIC (THAILAND) CO., LTD.

Note 2: Director of Shining Victory Motor Electronic Co., Ltd., Director of Shining Victory International Holdings Co., Ltd., Secretary to the Chairman of E-LAN MOTOR ELECTRONIC(Pinghu) Co., Ltd., Director of E-LAN HOLDING COMPANY, Director of E-LAN CAR COMPONENTS (USA) INC., Chairman of AMMI DEVELOPMENT LIMITED, Director of ELAN INVESTMENT LIMITED, Director of Pinghu Aokewude Yilan Auto Parts Manufacturing Co., Ltd. Director of E-LAN MOTOR ELECTRONIC (THAILAND) CO., LTD.

Note 3: Chairman of Glory Arc Worldwide Inc., Director of E-LAN MOTOR ELECTRONIC (THAILAND) CO., LTD.

Note 4: Director of Shining Victory Motor Electronic Co., Ltd., Supervisor of E-LAN MOTOR ELECTRONIC(Pinghu) Co., Ltd., Chairman of Galaxy Star Management Consulting Co., Ltd., Chairman of Dellcon Technology Co., Ltd., Director of Chuangzhi Automotive Electronics Co., Ltd., Supervisor of Longdian Marine Biotechnology Co., Ltd., Director of Yongding Applied Metals Co., Ltd.

Note 5: Independent director of Shining Victory Motor Electronic Co., Ltd., professor of the Science and Technology Law Institute of National Yunlin University of Science and Technology, independent director of Jimao Precision Co., Ltd.,

Note 6: Independent director of Shining Victory Motor Electronic Co., Ltd., president of Dean Wealth Management Consulting Co.,Ltd., chairman of Taiwan Dean Wealth Management Consulting Co.,Ltd., chairman of Dean Family Office Co., Ltd., chairman of Dean Wealth Inheritance Management Consulting Co., Ltd., and director of De Zhong An Wealth Management Consulting Co., Ltd.

Note 7: Corporate Director Representative, Xintong Transportation Equipment Co., Ltd.

Note 8: Partner and Vice President of Shanghai Xiantu Intelligent Technology Co., Ltd.

Note 9: If the Company's chairman and general manager or person of equivalent position (top manager) are the same person, or are spouses or first-degree relatives, the Company should explain the reasons, rationality, necessity and corresponding measures (such as increasing the number of independent directors and ensuring that more than half of the directors do not concurrently serve as employees or managers, etc.).

The Company's chairman and general manager are the same person	
Reason	The chairman is highly familiar with the professional field and has keen judgment. Considering the Company's scale and industrial development, the chairman who also serves as the general manager can lead the Company to move forward towards the business blueprint according to the strategy.
Reasonableness	The chairman serving concurrently as general manager can improve operational efficiency and make decision-making execution easier. The Company also sets up an Audit Committee to supervise corporate governance and protect the interests of shareholders, so that the Board of Directors can operate soundly. In order to improve information transparency, the Company implements and discloses corporate governance evaluation indicators so that external investors can obtain information from the MOPS and the Company’s website to achieve the role of monitoring and effectively supervise the Company's operations.
Necessity	Considering the size of the Company and the development of the industry, the current situation can bring the greatest benefits.
Response measures	Depending on the Company's operation and development status, if necessary, we will hire professional managers to lead the team to expand the market and enhance overall benefits.

2. Major shareholders of legal shareholders:

April 14, 2026

Name of corporate shareholder	Major shareholders of the corporate shareholder
AMMI DEVELOPMENT LIMITED	Chang Hsiao-Yen (100% shareholding)
Eight Eagles Venture Inc.	Chen Keng-Sheng (100% shareholding)

3. If the major shareholder is a legal person, the major shareholder: None

4. Directors' information (II)

(1) Information disclosure on the professional qualifications and independence of directors:

Conditions / Name	Professional qualification and experience (Note 1)	Independence (Note 2)	Number of independent director concurrently serves in other publicly listed companies
Chen Keng-Sheng	1. Work experience in R&D, machinery and industry, and business management. 2. He is currently the chairman and general manager of the Company, and concurrently serves as chairman of Shining Victory International Holdings Co., Ltd., chairman of E-LAN MOTOR ELECTRONIC(Pinghu) Co., Ltd., chairman of ELAN INVESTMENT LIMITED, vice chairman of Pinghu Aokewude Yilan Auto Parts Manufacturing Co., Ltd., chairman of Eight Eagles Venture Inc., chairman of Striking Returns Group Inc., chairman of Baying Investment Co., Ltd., and director of E-LAN MOTOR ELECTRONIC (THAILAND) CO., LTD., etc.	Not applicable	0
AMMI DEVELOPMENT LIMITED Representative: Chang Hsiao-Yen	1. Work experience in machinery, industry and business management. 2. Currently serving as a director of Shining Victory Motor Electronic Co., Ltd., director of Shining Victory International Holdings Co., Ltd., secretary to the chairman ofE-LAN MOTOR ELECTRONIC(Pinghu) Co., Ltd., director of E-LAN HOLDING COMPANY, director of E-LAN CAR COMPONENTS (USA) INC., chairman of AMMI DEVELOPMENT LIMITED, director of ELAN INVESTMENT LIMITED, director of Pinghu Aokewude Yilan Auto Parts Manufacturing Co., Ltd., and director of E-LAN MOTOR ELECTRONIC (THAILAND) CO., LTD.	Not applicable	0
Eight Eagles Venture Inc. Representative: Chen Hung-Chih	1. Work experience in finance, business, machinery and industry, and business management. 2. He is currently the director of the overseas business department of E-LAN MOTOR ELECTRONIC(Pinghu) Co., Ltd., chairman of Glory Arc Worldwide Inc., and legal representative of Eight Eagles Venture Inc.	Not applicable	0
Wu Yu-Wen	1. Work experience in finance, business, machinery and industry, and business management. 2. He currently serves as a director of Shining Victory Motor Electronic Co., Ltd., chairman of Galaxy Star Management Consulting Co., Ltd., chairman of Dellcon Technology Co., Ltd., director of Chuangzhi Automotive Electronics Co., Ltd., supervisor of Longdian Marine Biotechnology Co., Ltd., and director of Yongding Applied Metals Co., Ltd. He has served as a director of Chinachem (Cayman Islands) Co., Ltd. and supervisor of Tongzhi Electronics Co., Ltd.	Not applicable	0
Chang Kuo-Hua	1. Possess legal work experience and also a university professor. 2. Currently serving as a professor at the Science and Technology Law Institute of National Yunlin University of Science and Technology, an independent director of Jimao Precision Co., Ltd. He has also served as an independent director of Yingrui International Co., Ltd. and Zhaohui Industrial Co., Ltd.,.	Compliance	2
Chieh Te-Chang	1. Possess the necessary working experience in finance and commerce. 2. He is currently the director of Dean Wealth Management Consulting Co.,Ltd., chairman of Taiwan Dean Wealth Management Consulting Co., Ltd., chairman of Dean Family Office Co., Ltd., chairman of Dean Wealth Inheritance Management Consulting Co., Ltd., and director of De Zhong An Wealth Management Consulting Co., Ltd.	Compliance	0

Name \ Conditions	Professional qualification and experience (Note 1)	Independence (Note 2)	Number of independent director concurrently serves in other publicly listed companies
Chen Ming-Ching	1. Work experience in machinery and industry, business and management. 2. Currently serving as the legal representative of Xintong Transportation Equipment Co., Ltd., previously served as the deputy general manager of Changan Automobile International Sales Service Co., Ltd. and the general manager of Changan Ford Customer Service, etc.	Compliance	0
Liu Cheng-Kang	1. Work experience in machinery and industry, business and management. 2. He is currently the partner and vice president of Shanghai Xiantu Intelligent Technology Co., Ltd.; he has served as the strategic cooperation director of Beijing Didi Infinity Technology and Development Co.,Ltd., etc.	Compliance	0

Note 1: None of the directors of the Company has committed any of the offences set out in Article 30 of the Company Act.

Note 2: All independent directors of the Company meet the requirements of independence, including but not limited to

(1) The person, his/her spouse, or any relative within the second degree of kinship does not serve as a director, supervisor, or employee of the Company or its affiliated companies.

(2) The person, his/her spouse, or relatives within the second degree of kinship (or using the names of others) do not hold any shares of the Company.

(3) Not serving as a director, supervisor or employee of a company with a specific relationship with the Company (refer to Article 3, Paragraph 1, Subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies).

(4) No remuneration received for providing business, legal, financial, accounting, etc. services to the Company or its affiliated companies in the past two years.

(2) Diversity and independence of the Board of Directors:

The nomination and election of the Company's Board of Directors adopts a candidate nomination system. In addition to evaluating the academic qualifications of each candidate, the opinions of various stakeholders are considered and the "Procedures for Election of Directors" and "Corporate Governance Best Practice Principles" are followed to ensure the diversity and independence of the Board of Directors.

The Company's "Corporate Governance Best Practice Principles" clearly states that the composition of the Board of Directors should take into account diversity, and that directors who also serve as company managers should not exceed one-third of the board seats. The Company also formulates appropriate diversity policies based on its own operations, operating models and development needs, but is not limited to gender, age, nationality, culture, etc. The Board of Directors as a whole should generally possess the knowledge, skills and qualities necessary to perform their duties. In order to achieve the ideal goal of corporate governance, the Board of Directors as a whole should possess the following capabilities: (1) Operational judgment ability. (2) Accounting and financial analysis ability. (3) Business management ability. (4) Crisis management ability. (5) Industry knowledge. (6) International market perspective. (7) Leadership ability. (8) Decision-making ability, etc.

The Company's current diversity policy for board members and its implementation are as follows:

Diversified items / Name of directors	Basic composition									Industry experience and professional capabilities							
	Nationality	Gender	Employee status	Age				Term of office of independent directors		Business judgment	Finance and accounting	Business administration	Crisis management	Industry knowledge	International market perspective	Leadership ability	Decision-making ability
				Under 50 years old	51 to 60 years old	61 to 70 years old	71 to 80 years old	Less than three terms	More than three terms								
Chen Keng-Sheng	Republic of China	Male	✓	-	-	✓	-	-	-	✓	-	✓	✓	✓	✓	✓	✓
AMMI DEVELOPMENT LIMITED Representative: Chang Hsiao-Yen	People's Republic of China	Female	✓	✓	-	-	-	-	-	✓	✓	✓	✓	✓	✓	✓	✓
Representative of Eight Eagles Venture Inc.: Chen Hung-Chih	Republic of China	Male	✓	✓	-	-	-	-	-	✓	✓	✓	✓	✓	✓	✓	✓
Wu Yu-Wen	Republic of China	Male	-	-	✓	-	-	-	-	✓	-	✓	✓	✓	✓	✓	✓
Chang Kuo-Hua	Republic of China	Male	-	-	-	✓	-	✓	-	✓	-	✓	✓	-	✓	✓	✓
Chieh Te-Chang	Republic of China	Male	-	-	-	✓	-	✓	-	✓	✓	✓	✓	-	✓	✓	✓
Chen Ming-Ching	Republic of China	Male	-	-	-	-	✓	✓	-	✓	-	✓	✓	✓	✓	✓	✓
Liu Cheng-Kang	Republic of China	Male	-	✓	-	-	-	✓	-	✓	-	✓	✓	✓	✓	✓	✓

The Company's directors include 3 employees (accounting for 37.5% of all directors), 4 independent directors (accounting for 50% of all directors) who have not been re-elected for more than three terms, 1 female director (accounting for 12.5% of all directors), 3 directors under 50 years old, 1 director aged 51-60, 3 directors aged 61-70, and 1 director aged 71-80. The Company has achieved the management goal of having at least one female director and more than one-third of the independent directors.

If the number of directors of either gender does not reach one-third of the Board, please explain the reasons and measures to improvegender diversity on the Board:

(a) Reason: The Company has established a eight-member Board of Directors in accordance with its Articles of Incorporation, with only one femaledirector currently serving. Although this arrangement complies with relevant legal requirements, it does not meet the one-third genderrepresentation threshold. This is primarily due to industry-specific characteristics, which make it difficult to identify suitable candidateswithin a short period.

(b) Measures: In view of the increasing global emphasis on environmental issues and corporate governance, and to further enhance the composition andstructure of the Board, the Company will, based on future development needs, aim to appoint directors of diferent genders or individualswith expertise in environmental protection or other professional fields, These eforts will help strengthen the Board's overal finctionalitand enhance the Company's long-term sustainability and competitiveness.

All independent directors of the Company meet the independence requirements of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies". The Company has obtained written statements and other supporting documents from each independent director, confirming that the independent director himself/herself and his/her relatives within the scope of legal requirements are independent from the Company. The entire Board of Directors complies with the provisions of Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act, and all directors do not have a spouse or family relationship within the second degree of kinship. Therefore, the Company believes that the Board of Directors of the Company meets the independence requirements.

(II) Information on the general manager, deputy general manager, senior managers, heads of departments and branches: April 14, 2026; Unit: Shares

Job title	Name	Gender	Nationality	Date of appointment	Shareholding		Shares held by spouse and minor children		Shares held in the name of others		Major experience/educational background	Positions currently held in other companies	Managers who are spouses or have a relationship within the second degree of kinship			Employee stock options acquired by managers
					Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)			Job title	Name	Relationship	
General Manager	Chen Keng-Sheng	Male	Republic of China	2020.09.15	4,098,000	8.61%	—	—	12,817,360	26.93%	Graduated from the Department of Automobile Repair, National Luodong Industrial Vocational High School Chairman,E-LAN MOTOR ELECTRONIC(Pinghu) Co., Ltd.	Chairman, Shining Victory Motor Electronic Co., Ltd. Vice Chairman, Pinghu Aokewude Yilan Auto Parts Manufacturing Co., Ltd..	—	—	—	—
General Manager of Yilan Company	Shih Chien-Chun	Male	People's Republic of China	2017.09.23	—	—	—	—	—	—	Master of Business Administration, Shanghai Jiao Tong University Engineering Manager, Ningbo Huazhong Auto Parts Co., Ltd.	Sales Manager, E-LAN CAR COMPONENTS (USA) INC.	—	—	—	—
Vice President of Finance	Chu Chung-Ping	Male	Republic of China	2017.09.23	159,000	0.33%	—	—	—	—	Master of Accounting, Soochow University Assistant Manager, Deloitte Taiwan Finance Manager, AirTAC International Group	Vice President of Finance,E-LAN MOTOR ELECTRONIC(Pinghu) Co., Ltd.	—	—	—	—
Vice President of R&D	Li Ching-Kuo	Male	Republic of China	2022.05.01	—	—	—	—	—	—	Master of Engineering in Management, Shanghai Jiao Tong University Supply Chain Manager, Shanghai GM	Vice President of R&D,E-LAN MOTOR ELECTRONIC(Pinghu) Co., Ltd.	—	—	—	—
Senior Manager of Management Department	Pan Hsia-Chin	Female	People's Republic of China	2017.09.23	—	—	—	—	—	—	Bachelor of Accounting, China Central Radio and TV University Finance Department, Zhejiang Jingxing Paper Co., Ltd.	Senior Manager of Management Department,E-LAN MOTOR ELECTRONIC(Pinghu) Co., Ltd.	—	—	—	—
Senior Manager of Quality Assurance Department	Hsu Hai-Pin	Male	People's Republic of China	2017.09.23	—	—	—	—	—	—	Graduated from Shanghai Xinmao Middle School Head of Manufacturing Department, Zhejiang Fuxing Metal Products Co., Ltd.	Senior Manager of Quality Assurance Department,E-LAN MOTOR ELECTRONIC(Pinghu) Co., Ltd.	—	—	—	—
Sales Director	Shao Chin-Hai	Male	People's Republic of China	2020.01.01	—	—	—	—	—	—	Graduated from Changchun Normal University Quality Management Supervisor, Zhejiang Jingxing Daily Paper Co., Ltd.	Sales Director,E-LAN MOTOR ELECTRONIC(Pinghu) Co., Ltd.	—	—	—	—
Audit Manager	Wu Yi-Lung	Male	Republic of China	2018.05.18	10,000	0.02	—	—	—	—	Bachelor of Accounting, Tamkang University Audit Manager, STEMINENT BIOTHERAPEUTICS, INC.	Audit Supervisor,E-LAN MOTOR ELECTRONIC(Pinghu) Co., Ltd.	—	—	—	—

III. Remuneration paid to directors, supervisors, general manager and deputy general manager in the most recent year

(I) Remuneration to directors (including independent directors)

Unit: NTD thousands; %

Job title		Name	Remuneration to directors								The sum of A, B, C and D and their proportion to net profit after tax (%)		The relevant remuneration received by those who concurrently serve as employees								The sum of A, B, C, D, E, F and G and their proportion to net profit after tax (%)		Remuneration received from invested businesses other than subsidiaries
			Remuneration (A)		Retirement pay and pension (B)		Remuneration to directors (C)		Business execution expenses (D)				Salaries, bonuses and special expenses, etc. (E)		Retirement pay and pension (F)		Employee remuneration (G)						
			The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements	
																	Cash amount	Stock amount	Cash amount	Shares Amount			
Director	Chairman	Chen Keng-Sheng	—	—	—	—	433	433	52	52	485 0.20	485 0.20	6,686	12,080	—	—	3,376	—	3,376	—	10,547 4.62	15,941 6.44	—
	Director	AMMI DEVELPOMENT LIMITED																					
		Representative: Chang Hsiao-Yen																					
	Director	Eight Eagles Venture Inc.																					
		Representative: Chen Hung-Chih																					
	Director	Wu Yu-Wen																					
Independent Director	Independent Director	Chang Kuo-Hua	—	—	—	—	1,733	1,733	208	208	1,941 0.78	1,941 0.78	—	—	—	—	—	—	—	—	1,941 0.78	1,941 0.78	—
	Independent Director	Chieh Te-Chang																					
	Independent Director	Chen Ming-Ching																					
	Independent Director	Liu Cheng-Kang																					

1. Please describe the policy, system, standards and structure for the payment of remuneration to independent directors, and describe the correlation between the responsibilities, risks, time invested, etc. and the amount of remuneration paid:

Meeting name	Frequency	The correlation between the responsibilities, risks, time commitment, etc. of independent directors and the amount of remuneration paid
Remuneration Committee	at least two meetings per year	Independent directors review the Company's systems based on their expertise (finance, law, and industry background), evaluate industry characteristics, and provide timely advice on company decisions. They also communicate with CPAs from time to time to review the Company's internal control operations and financial statements. In addition to attending meetings in person, he also spends time reviewing the Company's operations on weekdays. Therefore, the Company pays directors' remuneration at a fixed rate every quarter based on reference to industry environment and data.
Audit Committee	at least once a quarter	
Board of Directors	at least once a quarter	

2. In addition to the above disclosures, the remuneration received by the Company's directors for providing services to all companies included in the financial report (such as serving as consultants other than employees) in the most recent year: None.

Remuneration brackets table

Remuneration level of each director of the Company	Name of directors			
	Total remuneration of the first four items (A+B+C+D)		Total remuneration of the first seven items (A+B+C+D+E+F+G)	
	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements
less than NTD 1,000,000	Wu Yu-Wen, Chang Kuo-Hua, Chieh Te-Chang, Chen Ming-Ching, Liu Cheng-Kang	Wu Yu-Wen, Chang Kuo-Hua, Chieh Te-Chang, Chen Ming-Ching, Liu Cheng-Kang	Wu Yu-Wen, Chang Kuo-Hua, Chieh Te-Chang, Chen Ming-Ching, Liu Cheng-Kang	Wu Yu-Wen, Chang Kuo-Hua, Chieh Te-Chang, Chen Ming-Ching, Liu Cheng-Kang
NTD 1,000,000 (inclusive) - NTD 2,000,000 (exclusive)	—	—	Chen Hung-Chih	Chen Hung-Chih
NTD 2,000,000 (inclusive) - NTD 3,500,000 (exclusive)	—	—	Chen Keng-Sheng , Chang Hsiao-Yen	—
NTD 3,500,000 (inclusive) - NTD 5,000,000 (exclusive)	—	—	—	Chen Keng-Sheng , Chang Hsiao-Yen, Chen Hung-Chih
NTD 5,000,000 (inclusive) - NTD 10,000,000 (exclusive)	—	—	—	
NTD 10,000,000 (inclusive) - NTD 15,000,000 (exclusive)	—	—	—	—
NTD 15,000,000 (inclusive) - NTD 30,000,000 (exclusive)	—	—	—	—
NTD 30,000,000 (inclusive) - NTD 50,000,000 (exclusive)	—	—	—	—
NTD 50,000,000 (inclusive) - NTD 100,000,000 (exclusive)	—	—	—	—
More than NTD 100,000,000	—	—	—	—
Total	5 people	5 people	8 people	8 people

(II) Remuneration to supervisors: The Company has established an Audit Committee to replace the supervisor's functions, so there is no such remuneration expenditure.

(III) Remuneration to the general manager and deputy general manager

Unit: NTD thousands; %

Job title	Name	Salaries (A)		Retirement pay and pension (B)		Bonuses and special expenses, etc (C)		Amount of employees' remuneration (D)				The sum of A, B, C and D and their proportion to net profit after tax (%)		Remuneration received from invested businesses other than subsidiaries
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
General Manager	Chen Keng-Sheng	2,937	11,075	—	—	—	2,132	8,102	—	8,102	—	11,039 4.46	21,309 8.61	—
General Manager of Yilan Company	Shih Chien-Chun													
Vice President of Finance	Chu Chung-Ping													
Vice President of R&D	Li Ching-Kuo													

Remuneration brackets table

The remuneration range for each general manager and deputy general manager of the Company	Name of general manager and deputy general manager	
	The Company	All companies included in the financial statements
less than NTD 1,000,000	Li Ching-Kuo	—
NTD 1,000,000 (inclusive) - NTD 2,000,000 (exclusive)	—	—
NTD 2,000,000 (inclusive) - NTD 3,500,000 (exclusive)	Chen Keng-Sheng, Shih Chien-Chun	
NTD 3,500,000 (inclusive) - NTD 5,000,000 (exclusive)	Chu Chung-Ping	Li Ching-Kuo
NTD 5,000,000 (inclusive) - NTD 10,000,000 (exclusive)	—	Chen Keng-Sheng, Shih Chien-Chun, Chu Chung-Ping
NTD 10,000,000 (inclusive) - NTD 15,000,000 (exclusive)	—	—
NTD 15,000,000 (inclusive) - NTD 30,000,000 (exclusive)	—	—
NTD 30,000,000 (inclusive) - NTD 50,000,000 (exclusive)	—	—
NTD 50,000,000 (inclusive) - NTD 100,000,000 (exclusive)	—	—
More than NTD 100,000,000	—	—
Total	4 people	4 people

(IV) Name of the manager who distributes employee remuneration and the distribution status:

December 31, 2025; Unit: NTD thousand

	Job title (Note 1)	Name (Note 1)	Stock amount	Cash amount	Total	Total amount as a percentage of net profit after tax (%)
Managers	General Manager	Chen Keng-Sheng	—	8,102	8,102	3.27
	General Manager of Yilan Company	Shih Chien-Chun				
	Vice President of Finance	Chu Chung-Ping				
	Vice President of R&D	Li Ching-Kuo				

(V) A comparative explanation of the total amount of remuneration paid to directors, supervisors, general managers and deputy general managers of the Company and all companies in the consolidated statements in the most recent two years and an analysis of the proportion of net profit after tax in the parent company only or individual financial statements, and an explanation of the policy, standard and combination of remuneration payment, the procedure for setting remuneration, and the correlation with operating performance and future risks:

1. Analysis of the total remuneration paid by the Company and all companies in the consolidated financial statements to directors, supervisors, general manager and deputy general manager as a percentage of net profit after tax in the most recent two years:

Unit: NTD thousands; %

Job items	The Company				Consolidated financial statements			
	2024		2025		2024		2025	
	Total amount	Proportion of net profit after tax	Total amount	Proportion of net profit after tax	Total amount	Proportion of net profit after tax	Total amount	Proportion of net profit after tax
Remuneration to directors	2,211	0.82	2,166	0.87	2,211	0.82	2,166	0.87
Remuneration of general manager and deputy general manager	6,021	1.98	11,039	4.46	14,549	6.27	21,309	8.61
Net profit after tax	269,787	—	247,578	—	269,787	—	247,578	—

2. Relationship between remuneration policy, standards and composition, remuneration setting procedures and business performance:

The Company has established a Remuneration Committee, which is composed of all independent directors and is responsible for regularly reviewing and evaluating the performance of directors and managers and the policies, systems, standards and structures of remuneration.

A. Director:

The remuneration of the Company's directors and independent directors shall be determined in accordance with the Company's Articles of Incorporation, and the Board of Directors is authorized to determine the remuneration based on the directors' level of participation in the Company's operations, their contribution value, and the industry standards.

B. General Manager and Deputy General Manager:

The remuneration of the general manager and deputy general manager includes salary and bonus. The salary level is determined based on the position held in the Company, the responsibilities assumed and the contribution to the Company, and is determined with reference to the industry standards.

IV. Operation of corporate governance

(I) Operation of the Board of Directors:

The Board of Directors held 7 meetings in 2025, and the attendance of directors was as follows:

Job title	Name	Actual (number of) attendance (B)	Number of attendance by proxy	Actual attendance rate (%) (B/A)	Notes
Chairman	Chen Keng-Sheng	7	–	100	
Director	AMMI DEVELPOMENT LIMITED Representative: Chang Hsiao-Yen	7	–	100	
Director	Eight Eagles Venture Inc. Representative: Chen Hung-Chih	7	–	100	
Director	Wu Yu-Wen	7	–	100	
Independent Director	Chang Kuo-Hua	7	–	100	
Independent Director	Chieh Te-Chang	6	–	86	
Independent Director	Chen Ming-Ching	7	–	100	
Independent Director	Liu Cheng-Kang	7	–	100	

Other matters that should be recorded:

I. If the operation of the Board of Directors has any of the following circumstances, the date, period, content of the proposals, opinions of all independent directors and the Company's handling of the opinions of the independent directors shall be stated:

(I) Matters set forth in Article 14-3 of the Securities and Exchange Act:

Date	Term of Board of Directors	Proposal content	Results of board's resolution	Dealt with by the Company
2025.3.8	10th meeting of the 3rd term	The Company's 2024 internal control effectiveness evaluation and internal control system statement.	Approved by all directors present	Not applicable
		Assessment of the independence and suitability of the Company's CPAs in 2025 and appointment.	Approved by all directors present	Not applicable
		The Company provided a joint guarantee for the bank acceptance bill of RMB 10 million opened by its subsidiary E-LAN MOTOR ELECTRONIC(Pinghu) Co., Ltd. at Shanghai Branch of Cathay United Bank (China) Ltd.	Approved by all directors present	Not applicable
		The subsidiary Shining Victor International Holdings Co., Ltd. intends to increase its investment in E-LAN MOTOR ELECTRONIC (THAILAND) CO., LTD. (hereinafter referred to as "E-LAN THAILAND") by THB 100 million.	Approved by all directors present	Not applicable
		The subsidiary Shining Victor International International Holdings Co., Ltd., intends to increase the investment in E-LAN CAR COMPONENTS MEXICO by US$2 million.	Approved by all directors present	Not applicable
		Amendments to the "Remuneration System, Structure and Performance Evaluation of Directors and Managers", "Regulations Governing Remuneration to Directors" and "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies".	Approved by all directors present	Not applicable
		The Company's overdue accounts receivable and other receivables as of the end of December 2024 are not of the nature of capital loans.	Approved by all directors present	Not applicable
2025.5.10	11th meeting of the 3rd term	The Company's overdue accounts receivable and other receivables as of the end of March 2025 are not of the nature of capital loans.	Approved by all directors present	Not applicable
		Review of the Company's Statement of Internal Control System.	Approved by all directors present	Not applicable
2025.6.21	12th meeting of the 3rd term	The Company to apply for a bank loan from Shanghai Commercial and Savings Bank with a loan amount of USD 4 million, and authorizes the chairman to sign the relevant contract and documents and handle all matters related to the bank loan.	Approved by all directors present	Not applicable
		Loaning of funds and credit line by the company to subsidiary E-LANMOTOR ELECTRONIC (THAILAND) CO.,LTD (hereinafter referred to as "E-LAN THAILAND").	Approved by all directors present	Not applicable
2025.8.23	13th meeting of the 3rd term	The company provides a guarantee for its subsidiary E-LAN MOTOR ELECTRONIC (THAILAND) CO., LTD. (hereinafter referred to as "E-LAN THAILAND") for a financing amount of US$1 million from Cathay United Bank.	Approved by all directors present	Not applicable
		The company's case of changing the stock affairs agency.	Approved by all directors present	Not applicable
		The Company's overdue accounts receivable and other receivables as of the end of June 2025 are not of the nature of capital loans.	Approved by all directors present	Not applicable

		Renewal of liability insurance of the Company's directors.	Approved by all directors present	Not applicable

Date	Term of Board of Directors	Proposal content	Results of board's resolution	Dealt with by the Company
2025.11.8	14th meeting of the 3rd term	The company provides a guarantee for its subsidiary E-LAN MOTOR ELECTRONIC (THAILAND) CO., LTD. (hereinafter referred to as "E-LAN THAILAND") for a financing amount of US$2 million from Taishin International Bank.	Approved by all directors present	Not applicable
		The Company's overdue accounts receivable and other receivables as of the end of September 2025 are not of the nature of capital loans.	Approved by all directors present	Not applicable
2025.12.27	15th meeting of the 3rd term	The Company's 2026 audit plan.	Approved by all directors present	Not applicable
		Regular review and evaluation of the Company's "Regulations Governing the Remuneration System, Structure and Performance Evaluation of Directors and managers", "Regulations Governing the Remuneration of Directors", "Manager Salary and Remuneration Policy" and "Grade Salary Table"	Approved by all directors present	Not applicable
		The Company to apply for a bank loan from Bank SinoPac with a loan amount of RMB 20 million, and authorizes the chairman to sign the relevant contract and documents and handle all matters related to the bank loan.	Approved by all directors present	Not applicable

(II) In addition to the above matters, other matters resolved by the Board of Directors that have been objected to or reserved by independent directors and have records or written statements: None.

II. The implementation of directors' recusal of resolutions with conflicts of interest shall state the director's name, resolution content, reason for recusal and voting participation:

Date	Term of Board of Directors	Proposal content	Directors who have recusal of interest and their reasons	Participation in voting
2025.3.8	10th meeting of the 3rd term	The 2024 remuneration distribution plan for employees and directors.	Chairman Chen Keng-Sheng had a conflict of interest	Individual recusal from exercising voting rights
2025.12.27	15th meeting of the 3rd term	Distribution of year-end bonus to managers for 2025.	Chairman Chen Keng-Sheng had a conflict of interest	Individual recusal from exercising voting rights

III. Listed companies should disclose information such as the evaluation cycle and period, evaluation scope, method and evaluation content of the Board of Directors' self-evaluation (or peer evaluation):

1. Evaluation cycle and period: Evaluation is conducted once a year, and the current period is from January 1, 2025 to December 31, 2025.
2. Scope of Evaluation: Included the performance evaluation of the entire Board of Directors, individual board members and functional committees.
3. Evaluation method: Based on the "Rules for Performance Evaluation of Board of Directors" approved by the Board of Directors.
4. Evaluation content:
   (1) The board performance evaluation measurement items should include the following aspects:
      A. Level of participation in the Company's operations.
      B. Improvement of the quality of the Board of Directors' decision making.
      C. The composition and structure of the Board of Directors.
      D. Election and continuing education of directors
      E. Internal control.
   (2) The self-performance evaluation items of board members should include the following aspects:
      A. Understanding of the Company's goals and mission.
      B. Awareness of the duties of a director
      C. Level of participation in the Company's operations.
      D. Management of internal relationship and communication.
      E. The professional and continuing education of directors.
      F. Internal control.
   (3) The functional committee's performance evaluation and measurement items shall include the following aspects:
      A. Level of participation in the Company's operations.
      B. Awareness of the duties of the functional committee.
      C. Improvement of the quality of decision making of the functional committee.
      D. Composition of functional committees and election of members.
      E. Internal control.
5. Evaluation results:
   (1) Performance evaluation of the Board of Directors: The average score of each item was 4.97 points/full score 5 points, and the evaluation result was "Excellent". The evaluation results show that the Board of Directors has fulfilled its responsibilities in guiding and supervising the Company's strategy and has established an appropriate internal control system. The overall operation is sound and complies with the corporate governance requirements of the competent authorities and relevant laws and regulations.
   (2) Self-evaluation of the board members: The average score for each item was 4.98 points/full score 5 points, and the evaluation result was "Excellent". The results of the evaluation that the directors of the Company have positively evaluated the efficiency

and effectiveness of the operation of various evaluation indicators.

(3) Performance evaluation of the functional committee: The average score of each item was 4.97 points/full score 5 points, and the evaluation result was "Excellent". The evaluation results show that the overall operation of the functional committees is sound, in line with the requirements of corporate governance, and can effectively enhance the functions of the Board of Directors.

(4) The evaluation results were submitted to the Board of Directors on March 14, 2026.

IV. Evaluation of the goals and implementation status of strengthening the functions of the Board of Directors in the current year and the most recent year:

1. In order to strengthen the functions of the Board of Directors, the Company has established an Audit Committee and a Remuneration Committee to supervise and assist the Board of Directors in performing its duties and to make appropriate recommendations to the Board of Directors. After the board meeting, important resolutions will be disclosed on the MOPS.
2. The Company has established the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" and convened the board meeting regularly in accordance with the Regulations, with the entire meeting recorded as evidence.
3. In order to protect the directors and managers from the risks they bear when performing their duties, the Company purchases "Directors and Managers Liability Insurance" for the directors and managers.
4. The Company regularly arranges for directors to participate in professional training courses to enable directors to maintain their core values and professional strengths and capabilities.

Evaluation and implementation status of the Board of Directors:

Evaluation cycle	Duration of evaluation	Scope of evaluation	Method of evaluation	Evaluation content	Evaluation results
Performed once a year	2025	Board of Directors	The performance evaluation is implemented in accordance with the "Rules for Performance Evaluation of Board of Directors" approved by the Board of Directors.	A. Level of participation in the Company's operations. B. Improvement of the quality of the Board of Directors' decision making. C. The composition and structure of the Board of Directors. D. Election and continuing education of directors E. Internal control.	The average score of each item was 4.97 points/full score 5 points, and the evaluation result was "Excellent".
		Individual members of the board		A. Understanding of the Company's goals and mission. B. Awareness of the duties of a director C. Level of participation in the Company's operations. D. Management of internal relationship and communication E. The professional and continuing education of directors. F. Internal control.	The average score of each item was 4.98 points/full score 5 points, and the evaluation result was "Excellent".
		Functional committees		A. Level of participation in the Company's operations. B. Awareness of the duties of the functional committee. C. Improvement of the quality of decision making of the functional committee. D. Composition of functional committees and election of members. E. Internal control.	The average score of each item was 4.97 points/full score 5 points, and the evaluation result was "Excellent".

(II) Operation of the Audit Committee:

The Audit Committee held 7 meetings in 2025, and the attendance of independent directors was as follows:

Job title	Name	Actual (number of) attendance (B)	Number of attendance by proxy	Actual attendance rate (%) (B/A)	Notes
Independent Director	Chang Kuo-Hua	7	—	100	
Independent Director	Chieh Te-Chang	6	—	86	
Independent Director	Chen Ming-Ching	7	—	100	
Independent Director	Liu Cheng-Kang	7	—	100	

Other matters that should be recorded:

I. If the operation of the Audit Committee involves any of the following circumstances, the date and period of the Audit Committee meeting, the content of the proposals, the objections, reservations or major suggestions of the independent directors, the resolution of the Audit Committee, and the Company's handling of the Audit Committee's opinions shall be stated:

(I) Matters listed in Article 14-5 of the Securities and Exchange Act:

Date	Period	Proposal content	Audit Committee's resolution	Dealt with by the Company
2025.3.8	9th meeting of the 3rd term	Business report and consolidated financial statements for 2024.	All present members approved the proposal	Not applicable
		The Company's 2024 Internal Control Effectiveness Review and Statement of Internal Control System	All present members approved the proposal	Not applicable
		Assessment of the independence and suitability, and appointment of the Company's CPAs in 2025.	All present members approved the proposal	Not applicable
		The Company provided a joint guarantee for the bank acceptance bill of RMB 10 million opened by its subsidiary E-LAN MOTOR ELECTRONIC(Pinghu) Co., Ltd. at Shanghai Branch of Cathay United Bank (China) Ltd.	All present members approved the proposal	Not applicable
		The subsidiary Hua Sheng International Holdings Co., Ltd. intends to increase its investment in E-LAN MOTOR ELECTRONIC (THAILAND) CO., LTD. (hereinafter referred to as "E-LAN THAILAND") by THB 10 million	All present members approved the proposal	Not applicable
		The subsidiary Shining Victory International Holdings Co., Ltd., intends to increase the investment in E-LAN CAR COMPONENTS MEXICO by US$2 million.	All present members approved the proposal	Not applicable
		Amendments to the "Remuneration System, Structure and Performance Evaluation of Directors and Managers", "Regulations Governing Remuneration to Directors" and "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies"	All present members approved the proposal	Not applicable
		The Company's overdue accounts receivable and other receivables as of the end of December 2024 are not of the nature of capital loans.	All present members approved the proposal	Not applicable
2025.5.10	10th meeting of the 3rd term	The Company's overdue accounts receivable and other receivables as of the end of March 2025 are not of the nature of capital loans.	All present members approved the proposal	Not applicable
		Review of the Company's Statement of Internal Control System.	All present members approved the proposal	Not applicable
2025.6.21	11th meeting of the 3rd term	The Company to apply for a bank loan from Shanghai Commercial and Savings Bank with a loan amount of USD 4 million, and authorizes the chairman to sign the relevant contract and documents and handle all matters related to the bank loan.	All present members approved the proposal	Not applicable

		Loaning of funds and credit line by the company to subsidiary E-LANMOTOR ELECTRONIC (THAILAND) CO.,LTD (hereinafter referred to as "E-LAN THAILAND").	All present members approved the proposal	Not applicable
2025.8.23	12th meeting of the 3rd term	The company provides a guarantee for its subsidiary E-LAN MOTOR ELECTRONIC (THAILAND) CO., LTD. (hereinafter referred to as "E-LAN THAILAND") for a financing amount of US$1 million from Cathay United Bank.	All present members approved the proposal	Not applicable
		The company's case of changing the stock affairs agency.	All present members approved the proposal	Not applicable
		The Company's overdue accounts receivable and other receivables as of the end of June 2025 are not of the nature of capital loans.	All present members approved the proposal	Not applicable
2025.11.8	13th meeting of the 3rd term	The company provides a guarantee for its subsidiary E-LAN MOTOR ELECTRONIC (THAILAND) CO., LTD. (hereinafter referred to as "E-LAN THAILAND") for a financing amount of US$2 million from Taishin International Bank.	All present members approved the proposal	Not applicable
		The Company's overdue accounts receivable and other receivables as of the end of September 2025 are not of the nature of capital loans.	All present members approved the proposal	Not applicable
2025.12.27	14th meeting of the 3rd term	The Company's 2026 audit plan.	All present members approved the proposal	Not applicable
		The Company to apply for a bank loan from Bank SinoPac with a loan amount of RMB 20 million, and authorizes the chairman to sign the relevant contract and documents and handle all matters related to the bank loan.	All present members approved the proposal	Not applicable

(II) In addition to the above matters, other matters that have not been approved by the Audit Committee but have been agreed upon by more than two-thirds of all directors are: None.

II. The independent director's recusal of a proposal with a conflict of interest shall include the independent director's name, proposal content, reason for recusal, and voting participation: None.

III.Communication between independent directors and internal audit supervisors and CPAs:

1. After the audit director submits the audit report and follow-up report to the chairman, they are sent to each independent director via email every month for review. The director attends the meeting of the Audit Committee and the Board of Directors at least once a quarter to present the business audit report so that each independent director can grasp the Company's internal audit status in a timely manner.
2. The CPAs report to the independent directors on the Company's audit objectives, audit methods, audit results and other matters required to be communicated under relevant laws and regulations. The audit director and independent directors can also contact the CPAs at any time on weekdays, and the communication is good.

(III) The Company's corporate governance practices and any deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons:

Evaluation items	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary	
I. Has the Company formulated and disclosed its corporate governance best practice principles in accordance with the corporate governance best practice principles for TWSE/TPEx listed companies?	✓		The Company has established the "Corporate Governance Best Practice Principles" and implements its relevant regulations in accordance with the spirit of corporate governance.	No significant difference.
II. Equity structure and shareholders' equity of the Company				
(I) Does the Company have established internal operating procedures to handle shareholder suggestions, doubts, disputes and litigation, and implement them in accordance with the procedures?	✓		(I) The Company has a dedicated person and email address to handle shareholder suggestions or disputes and other related matters.	No significant difference.
(II) Does the Company have a list of the major shareholders who actually control the Company and the ultimate controllers of the major shareholders?	✓		(II) The Company has established a stock affairs department and a stock affairs agency to keep track of the list of major shareholders who actually control the Company and the ultimate controllers of the major shareholders.	No significant difference.
(III) Does the Company establish and implement risk control and firewall mechanisms with related companies?	✓		(III) The Company has established "Regulations Governing the Supervision of Subsidiaries" and "Regulations Governing Financial and Business Matters Between the Company and Its Affiliates" to ensure the implementation of risk control and firewall mechanisms.	No significant difference.
(IV) Does the Company have internal rules prohibiting company insiders from using undisclosed information in the market to buy or sell securities?	✓		(IV) The Company has established "Regulations Governing the Handling and Prevention of Material Inside Information" and has informed the Company's internal personnel to strictly follow them.	No significant difference.
III. The composition and duties of the Board of Directors				
(I) Does the Board of Directors have a diversity policy in place and what is the implementation status?	✓		(I) The Company has established "Regulations Governing the Election of Directors" and "Corporate Governance Best Practice Principles", which stipulate that the composition of the Board of Directors should take into account diversity, and the Board of Directors as a whole should have operational judgment, accounting and financial analysis capabilities, business management capabilities, crisis management capabilities, industry knowledge, international market perspectives, etc. For details, please refer to pages 9-10 of this annual report. Board members shall have the necessary knowledge, skills and competencies to perform their duties. The abilities that the Board of Directors as a whole should possess include operational judgment, accounting and financial analysis,	No significant difference.

<table>
<tr><th rowspan="2">Evaluation items</th><th colspan="3">Operation Status</th><th rowspan="2">The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>business management, crisis management, industry knowledge, international market perspective, leadership and decision-making abilities. The composition of the Board of Directors should take diversity into consideration and formulate a diversity policy for board members based on the needs of the Company's operations, business model and future development trends, including basic conditions and values (gender, age, nationality and culture), professional knowledge and skills (such as law, accounting, industry, finance, marketing or technology), etc. The specific management objectives and achievement status of the Company’s diversity policy are as follows:
<table><tr><th>Management goals</th><th>Achievement status</th></tr><tr><td>At least one-third of the directors must have industry, marketing or technology expertise</td><td>Achievement</td></tr><tr><td>At least one-third of the independent directors must have legal, accounting or technology expertise</td><td>Achievement</td></tr></table></td><td>No significant difference.

No significant difference.</td></tr>
<tr><td>(II) In addition to the Remuneration Committee and Audit Committee established in accordance with the law, does the Company voluntarily establish other functional committees?</td><td></td><td>✓</td><td>(II) The Company has established the Remuneration Committee and Audit Committee. If there is a need to establish other functional committees in the future, it will be handled in accordance with relevant regulations.</td><td>No significant difference.</td></tr>
<tr><td>(III) Does the Company establish performance evaluation methods for the Board of Directors and conduct performance evaluations regularly every year, does the Company submit the results of performance evaluations to the Board of Directors and use them as a reference for individual director remuneration and nomination for re-election?</td><td>✓</td><td></td><td>(III) The Company has established the "Regulations Governing the Board Performance Evaluation", and conducts an internal Board of Directors performance evaluation at least once a year, and submits a report at the most recent board meeting in the following year. For detailed information on the overall evaluation and measurement items of the Company’s Board of Directors and the performance evaluation and measurement items of its board members, please refer to Three. IV. (I) Information on the operation of the Board of Directors: Implementation of the evaluation of the Board of Directors.</td><td></td></tr>
<tr><td>(IV) Does the Company regularly assess the independence of the CPAs who perform the audit function?</td><td>✓</td><td></td><td>(IV) The Company's Audit Committee regularly evaluates the independence of the CPAs every year and then submits the evaluation results to the Board of Directors. The most recent evaluation was approved by the Audit Committee on March 14, 2026, and submitted to the Board of Directors for approval on March 14, 2026.
The evaluation mechanism is as follows:
1. Confirm that there is no direct or significant indirect financial interest relationship between the CPAs and the</td><td></td></tr>
</table>

Evaluation items	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary	
			Company. 2. Confirm that there is no significant close business relationship between the CPAs and the Company. 3. Confirm that there is no potential employment relationship between the CPAs and the Company when auditing the Company. 4. Confirm that the CPAs have no monetary loan relationship with the Company. 5. Confirm that the CPAs have not accepted any gifts or presents of significant value (the value of which exceeds the general social etiquette standards) from the Company and its directors and managers. 6. Confirm that the CPAs have not provided audit services to the Company for seven consecutive years. 7. Confirm that the CPAs do not hold any shares in the Company. 8. Confirm that the CPAs, his/her spouse or dependent relatives, and his/her audit team have not served as directors, managers, or positions with significant impact on the audit cases of the Company during the audit period or in the past two years, and have also confirmed that they will not serve in the aforementioned related positions during future audit periods. 9. Confirm that the CPAs have complied with the independence requirements of the Bulletin of the Code of Professional Ethics for Accountants No. 10, and obtain a "Statement of Independence" issued by the CPAs. 10. Obtain information on 13 audit quality indicators (AQIs) provided by accounting firm, and evaluate the audit quality of accounting firm and audit teams based on the "Audit Committee's Interpretation of Audit Quality Indicators (AQI) Guidelines" issued by the competent authority. The evaluation results are as follows: The financial statements for this year were certified by CPA of Deloitte Taiwan. After assessment, the independence and suitability of the two CPAs were found to be satisfactory.	
IV. Does the listed company have an appropriate number of qualified corporate governance personnel and designate a corporate governance officer to be responsible for corporate governance-related matters (including but not limited to	✓		The Company has appointed competent and appropriate corporate governance personnel and designated a qualified corporate governance officer. The corporate governance personnel provide directors with information necessary for performing their duties,	No significant difference.

Evaluation items	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary	
providing directors and supervisors with information required to perform their duties, assisting directors and supervisors in complying with laws and regulations, handling matters related to board and shareholders meetings in accordance with the law, and preparing minutes of board and shareholders meetings, etc.)?			assist directors and supervisors in complying with laws and regulations, handle matters related to board and shareholders' meetings in accordance with the law, prepare minutes of board and shareholders' meetings, and other governance-related matters.	
V. Does the Company establish communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers, etc.), set up a stakeholder area on the Company's website, and appropriately respond to important corporate social responsibility issues of concern to stakeholders?	✓		The Company has a spokesperson and acting spokesperson to serve as the Company's external communication channel. Stakeholders may contact the Company at any time by telephone, letter, fax or email if necessary.	No significant difference.
VI. Has the Company appointed a professional shareholder affairs agency to handle shareholders' meeting affairs?	✓		The Company has appointed Yuanta Securities Co., Ltd., a professional stock affairs agency, to handle matters related to the shareholders' meeting.	No significant difference.
VII. Information disclosure (I) Does the Company have a website to disclose financial, business and corporate governance information?	✓		(I) The Company has establish a company website to disclose relevant information at any time; and in accordance with the regulations of the competent authorities, we will announce and report the company overview and various financial information on the MOPS.	No significant difference.
(II) Does the Company adopt other methods of information disclosure (such as setting up an English website, designating a person to be responsible for the collection and disclosure of company information, implementing a spokesperson system, placing corporate briefings on the Company's website, etc.)?	✓		(II) The Company has designated a person to be responsible for the collection and disclosure of relevant information, and has a spokesperson and acting spokesperson.	No significant difference.
(III) Does the Company announce and file its annual financial report within two months after the end of the fiscal year, and announce and file its first, second and third quarter financial reports and monthly operating results in advance of the prescribed deadline?	✓		(III) The Company shall announce and file the second quarter, third quarter and annual financial reports, as well as the operating conditions of each month within the prescribed period.	No significant difference.
VIII. Does the Company have other important information that would be helpful in understanding the operation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, directors and supervisors' training, implementation of risk management policies and risk measurement standards, implementation of customer policies, the Company's purchase of liability insurance for directors	✓		(I) Employee benefits: In addition to complying with the Labor Standards Act and related laws, we also provide subsidies for weddings, funerals, hospitalization, childbirth, employee training, department dinners, etc. We also regularly organize employee travel, group lucky draws and other welfare activities. (II) Employee care: All management regulations of the Company are based on the interests of employees, caring about the lives	No significant difference.

Evaluation items	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary	
and supervisors, etc.)?			and welfare of employees, and setting reasonable salary and benefits. (III) Investor Relations: The Company has a spokesperson and acting spokesperson who are responsible for the Company's external relations communications; investors can also learn about the Company's operating conditions through the MOPS and the Company's website. (IV) Supplier relations: The Company maintains a good and close cooperative relationship with its suppliers, ensuring sufficient supply and optimizing production costs. (V) Stakeholders' rights: The Company has established a system of spokesperson and acting spokesperson to maintain good communication channels with stakeholders and safeguard their legitimate rights and interests. (VI) Continuing education for directors and supervisors: The Company provides directors and independent directors with securities laws and other training courses that meet the continuous training hours at least once a year. (VII) Implementation of risk management policies and risk measurement standards: Various internal regulations and internal control systems are established in accordance with the law to conduct various risk management and assessments, and the internal audit unit regularly and irregularly audits the effectiveness of the implementation of the internal control system. (VIII) Implementation of customer policy: The Company maintains a stable and good relationship with its customers and lists "customer satisfaction" as an important part of its quality policy to create higher profits. (IX) Purchase of liability insurance for directors: The Company has purchased liability insurance for all directors and senior managers and continues to maintain such insurance.	
IX. Please explain the improvements that have been made based on the corporate governance evaluation results released by the Corporate Governance Center of the Taiwan Stock Exchange Corporation in the most recent year, and propose priority improvement items and measures for those that have not yet been improved: The Company was not included in the evaluated companies, so this does not apply.				

(IV) Composition, responsibilities and operations of the Remuneration Committee

1. Information of the Remuneration Committee members

Identification	Conditions / Name	Professional qualification and experience	Meeting the criteria for independence (Note 2)										The family members of Remuneration Committee who concurrently serve in other publicly traded companies
			1	2	3	4	5	6	7	8	9	10	
Convener	Chang Kuo-Hua	He has been teaching at the National Yunlin University of Science and Technology since 1991 and became a professor at Science and Technology Law Institute in 2011	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2
Independent Director	Chieh Te-Chang	He has been the director of Dean Wealth Management Consulting Co.,Ltd. since 2007, specializing in financial accounting	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	–
Independent Director	Chen Ming-Ching	Active in the automotive industry for 35 years, he once worked as the deputy general manager of Chongqing Changan Automobile International Sales Service Co., Ltd. and is currently the legal representative of Xintong Transportation Equipment Co., Ltd.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	–
Independent Director	Liu Cheng-Kang	Currently a partner and vice president of Shanghai Xiantu Intelligent Technology Co., Ltd.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	–

Note 1: Chang Kuo-Hua, Chieh Te-Chang, Chen Ming-Ching and Liu Cheng-Kang are all independent directors of the Company; Liu Cheng-Kang was elected as an independent director at the shareholders' meeting on June 12, 2023, and was appointed as a member of the Remuneration Committee by the Board of Directors on June 12, 2023.

Note 2: If each member meets the following conditions in the two years before election and during the term of office, Please put a "✓" in the blank below each condition code.

(1) Not an employee of the Company or its affiliated companies.

(2) Not a director or supervisor of the Company or its affiliated companies. However, this restriction does not apply to independent directors appointed by the Company or its parent company or subsidiary in accordance with this Act or the local laws and regulations.

(3) A natural person shareholder who is not the individual, his/her spouse, minor children, or another person and holds 1% or more of the total issued shares of the Company or is one of the top ten shareholders.

(4) Not the spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of the manager listed in (1) or the personnel listed in (2) or (3).

(5) A person who is not a direct shareholder of 5% or more of the total issued shares of the Company, or a director, supervisor or employee of the top five shareholders or a corporate shareholder who has appointed a representative to serve as a director or supervisor of the Company pursuant to Article 27, Paragraph 1 or 2 of the Company Act (but this does not apply to persons who concurrently hold the position of independent director of the Company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this Act or the local laws and regulations).

(6) Not a director, supervisor or employee of another company whose directorship or more than half of the voting shares are controlled by the same person as the Company (but this does not

apply to independent directors appointed by the Company or its parent company, subsidiary or subsidiary of the same parent company in accordance with this Act or local laws and regulations).

(7) A director (council member), supervisor (auditor) or employee of another company or institution who is not the same person or spouse of the Company's chairman, general manager or person of equivalent position (however, this does not apply to independent directors appointed by the Company and its parent company, subsidiary or subsidiary of the same parent company in accordance with this Act or local laws and regulations).

(8) Not a director (council member), supervisor (auditor), manager or shareholder holding 5% or more of the shares of a specific company or institution that has financial or business dealings with the Company (however, if a specific company or institution holds more than 20% but less than 50% of the total issued shares of the Company, and is an independent director appointed by the Company and its parent company, subsidiary or subsidiary of the same parent company in accordance with this Act or local laws and regulations, this restriction does not apply)

(9) Professionals, sole proprietors, partnerships, owners, partners, directors, supervisors, managers and their spouses of companies or institutions that do not provide audit services to the Company or its affiliated companies, or provide business, legal, financial, accounting or other related services with a cumulative remuneration of no more than NT$500,000 in the past two years. However, this restriction does not apply to members of the Remuneration Committee, Public Acquisitions Review Committee, or the Merger and Acquisition Special Committee who perform their duties pursuant to the Securities and Exchange Act or the Business Mergers and Acquisitions Act.

(10) None of the circumstances set out in Article 30 of the Company Act occurs.

2. Responsibilities of the Remuneration Committee

The Compensation Committee shall, as a good steward, faithfully perform the following duties and submit its recommendations to the Board of Directors for discussion:

(1) Establish and regularly review the policies, systems, standards and structures for the annual and long-term performance evaluation and remuneration of directors and managers.

(2) Regularly evaluate the achievement of performance targets for directors and managers, and determine the content and amount of their individual remuneration.

3. Information on the operation of the Remuneration Committee

(1) The Company's Remuneration Committee consists of 4 members.

(2) The term of office of the current members: from June 12, 2023 to June 11, 2026. The Remuneration Committee held 3 meetings in 2025, and the qualifications and attendance of the committee members were as follows:

Job title	Name	Number of actual attendance (B)	Number of attendance by proxy	Actual attendance rate (%) (B/A)	Notes
Convener	Chang Kuo-Hua	3	—	100	
Committee member	Chieh Te-Chang	3	—	100	
Committee member	Chen Ming-Ching	3	—	100	
Committee member	Liu Cheng-Kang	3	—	100	
Other matters that should be recorded: I. If the Board of Directors does not adopt or amend the Remuneration Committee's recommendation, it shall state the date, period, content of the proposal, the result of the board resolution, and the Company's handling of the Remuneration Committee's opinion: None. II. If a member objects to or reserves an opinion on a resolution of the Remuneration Committee and there is a record or written statement, the date, term, content of the resolution, opinions of all members, and the handling of the opinions of the members shall be stated: None.					

4. Information on members of the Nomination Committee and its operation: The Company does not have a Nomination Committee, so this information is not applicable.

(V) Implementation of sustainable development and deviation from the Corporate Sustainability Best Practice Principles for TWSE/TPEx Listed Companies and the reasons:

<table>
<tr><th rowspan="2">Evaluation items</th><th colspan="3">Implementation status (Note 1)</th><th rowspan="2">The deviation and the reason for deviation from the Corporate Sustainability Best Practice Principles for TWSE/TPEx Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary (Note 2)</th></tr>
<tr><td>I. Has the Company established a governance structure to promote sustainable development and set up a dedicated (or part-time) unit to promote sustainable development? Has the Board of Directors authorized senior management to handle it, and has the Board of Directors provided supervision?</td><td></td><td>✓</td><td>The Company has established a Sustainability Development Committee (ESG Committee), chaired by the Group General Manager and composed of several key executives. The Committee is responsible for reviewing and approving ESG governance strategies and goals, and meets on a quarterly basis. Under the ESG Committee, five functional task forces have been formed: Corporate Governance, Employee Care, Social Care, Environmental Sustainability, and Customer Care. Senior executives in charge serve as the conveners for each task force, with external ESG consultants providing technical guidance. The Board of Directors oversees the execution of sustainability strategies. The responsible business units reported the annual ESG performance and greenhouse gas (GHG) inventory progress to the Board of Directors on August 23, 2025, and December 27, 2025, respectively. Additionally, an "Environmental Sustainability Task Force" has been established, which is dedicated to plant-level environmental issues such as GHG inventory, energy management, and waste management.</td><td>No significant difference.</td></tr>
<tr><td>II. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to its operations based on the principle of materiality, and establish relevant risk management policies or strategies?</td><td>✓</td><td></td><td>The Company has established an environmental management system and strictly complies with various laws and regulations. Risk assessment is mainly based on the Group, including subsidiaries in Taiwan, mainland China, America, Mexico, etc.
<table><tr><th>Topics</th><th>Explanation</th></tr><tr><td>Environment</td><td>The Company has effectively reduced pollution emissions and impacts on the environment during the production process, and has passed certifications such as ISO9001 (valid from 2024/5/18 to 2027/5/17), IAFT16949 (valid from 2024/5/18 to 2027/5/17), ISO14001 (valid from 2023/10/17 to 2026/9/29) and ISO45001 (valid from 2024/12/11 to 2027/12/10), to serve our customers while devoting ourselves to environmental protection.</td></tr></table></td><td>No significant difference.</td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation items</th><th colspan="3">Implementation status (Note 1)</th><th rowspan="2">The deviation and the reason for deviation from the Corporate Sustainability Best Practice Principles for TWSE/TPEx Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary (Note 2)</th></tr>
<tr><td></td><td></td><td></td><td><table>
<tr><td>Society</td><td>We hold employee safety education and training regularly every year to cultivate employees' emergency response and self-safety management capabilities, and have passed the ISO45001 occupational health and safety management system certification (the certificate is valid from 2024/12/11 to 2027/12/10).</td></tr>
<tr><td>Corporate governance</td><td>We plan continuing education courses for directors every year to provide them with the latest laws, regulations, system developments and strategies. We also purchase directors and managers liability insurance for directors and managers to minimize their losses from litigation claims.</td></tr>
</table></td><td></td></tr>
<tr><td>III. Environmental issues
(I) Has the Company established an appropriate environmental management system based on its industry characteristics?</td><td>✓</td><td></td><td>(I) The Company has established an appropriate environmental management system based on the characteristics of the industry. The international certification standards that the Company has passed and the scope of coverage are as follows:<table>
<tr><td>Certification</td><td>Validity</td></tr>
<tr><td>ISO9001</td><td>2024/5/18~2027/5/17</td></tr>
<tr><td>IAFT16949</td><td>2024/5/18~2027/5/17</td></tr>
<tr><td>ISO14001</td><td>2023/10/17~2026/9/29</td></tr>
<tr><td>ISO45001</td><td>2024/12/11~2027/12/10</td></tr>
</table></td><td>No significant difference.</td></tr>
<tr><td>(II) Is the Company committed to improving the efficiency of resource utilization and using recycled materials with low impact on the environment?</td><td>✓</td><td></td><td>(II) In order to make good use of various resources, the Company promotes and implements electronic form systems, resource waste classification, recycling and reduction, and the use of recycled paper, and thoroughly implements resource recycling and reuse.</td><td>No significant difference.</td></tr>
<tr><td>(III) Does the Company assess the potential risks and opportunities that climate change poses to the business now and in the future, and take measures to address climate-related issues?</td><td></td><td>✓</td><td>(III) In alignment with the TCFD recommendations, we have systematically evaluated climate-related risks and opportunities across four dimensions: governance, strategy, risk management, and metrics and targets. Our identified risks include transition risks—such as carbon pricing policies, rising electricity costs, and clients' green energy mandates—and physical risks like summer heatwaves and heavy precipitation. Managed by the Environmental Sustainability Task Force, these findings are regularly updated to the ESG Committee and the Board. Moving</td><td>No significant difference.</td></tr>
<tr><td>(IV) Has the Company compiled statistics on greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulated policies for energy</td><td></td><td>✓</td><td></td><td>No significant difference.</td></tr>
</table>

Evaluation items	Implementation status (Note 1)			The deviation and the reason for deviation from the Corporate Sustainability Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary (Note 2)	
conservation and carbon reduction, greenhouse gas reduction, water reduction or other waste management?			forward from our completed qualitative risk identification, we plan to advance into scenario analysis and financial quantification by late 2026. (IV) The Company has completed its first GHG inventory for 2025, establishing it as our baseline year. Our Scope 1 and Scope 2 emissions reached \$243.084 tCO2e and \$2,377.012 tCO2e respectively, amounting to an aggregate of \$2,620.096 tCO2e. To drive continuous improvement, we have defined short-term carbon reduction goals for 2026 alongside our long-term targets for 2030.	
IV. Social issues (I) Does the Company formulate relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	✓		(I) The Company complies with labor-related laws and regulations, protects the legal rights and interests of employees, and adopts a two-way communication approach in policy promotion and employee management to ensure full and effective communication between employees and management. The Company recognizes and voluntarily abides by internationally recognized human rights standards such as the "United Nations Universal Declaration of Human Rights", the "United Nations Global Compact", the "United Nations Guiding Principles on Business and Human Rights", and the "United Nations International Labor Organization".	No significant difference.
(II) Does the Company formulate and implement reasonable employee welfare measures (including salary, leave and other benefits), and appropriately reflect operating performance or results in employee remuneration?	✓		(II) The Company has formulated and implemented reasonable employee welfare measures (including salary, leave and other benefits), and appropriately reflects operating performance or results in employee remuneration. It also takes into account employees' gender equality and diversity. The detailed implementation status is as follows: 1. Employee benefits In addition to complying with the Labor Standards Act and related laws, the Company also provides subsidies for weddings, funerals, hospitalization, childbirth, employee training, department dinners, etc. We also regularly organize employee travel, group lucky draws and other welfare activities. All management regulations of the Company are based on the interests of employees to care about the lives and welfare of employees, and set reasonable salaries and benefits. 2. Gender equality and diversity	No significant difference.

<table>
<tr><th rowspan="2">Evaluation items</th><th colspan="3">Implementation status (Note 1)</th><th rowspan="2">The deviation and the reason for deviation from the Corporate Sustainability Best Practice Principles for TWSE/TPEx Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary (Note 2)</th></tr>
<tr><td></td><td></td><td></td><td>The Company is committed to providing employees with a dignified and safe working environment. We implement employment diversity, fairness in compensation and promotion opportunities, and ensure that employees will not suffer discrimination, harassment or unequal treatment due to race, gender, religious beliefs, age, political inclinations or any other status protected by applicable laws and regulations.
<table><tr><th>Indicators</th><th>Percentage (%)</th></tr><tr><td>Women account for the majority of employees</td><td>50.11%</td></tr><tr><td>Women account for all supervisors (team leaders to general manager)</td><td>38.60%</td></tr><tr><td>Women account for the majority of entry-level supervisors (team leaders to managers)</td><td>41.11%</td></tr><tr><td>Women account for the majority of senior executives (managers to general manager)</td><td>18.18%</td></tr></table>3. Remuneration equality
The Company has established a "Remuneration Committee" to provide employees with highly competitive salaries and use a transparent and equal salary policy to give back operating performance to employees. For entry-level specialists of the same rank, the remuneration for new recruits is the same. For those with relevant professional knowledge and work experience, the remuneration will be determined based on the recruit’s academic background, expertise and certificates, and will not vary based on gender or ethnicity.</td><td></td></tr>
<tr><td>(III) Does the Company provide employees with a safe and healthy working environment and provide regular safety and health education to employees?</td><td>✓</td><td></td><td>(III) The Company regularly reviews and maintains the safety and hygiene of the working environment, and is committed to providing employees with a warm and comfortable working environment. The Company did not have any occupational accidents or fire incidents in the past five years.
1. Equipment safety management
The Company regularly conducts detailed inspections on dangerous machinery and equipment, and obtains inspection reports issued by relevant local government</td><td>No significant difference.</td></tr>
</table>

Evaluation items	Implementation status (Note 1)			The deviation and the reason for deviation from the Corporate Sustainability Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary (Note 2)	
(IV) Does the Company establish an effective career development training program for its employees? (V) Does the Company comply with relevant laws and international standards regarding the health and safety of customers, customer privacy, marketing and labeling of its products and services, and has established relevant policies and complaint procedures to protect consumer rights? (VI) Does the Company have a supplier management policy that requires suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor human rights, and what is its implementation status?	✓ ✓ ✓		agencies to ensure that the equipment can be safely operated and there are no safety concerns in the use of the equipment. 2. Monitoring and inspection of the Company's safety and health and labor work environment The Company conducts monthly safety, health and labor environment monitoring and inspections. All audit reports will be mailed to all employees, who will be required to make improvements within a specified period of time. The audit recommendations for improvement and the specific improvement situations will be announced for reference and improvement by all units. Deficiencies will also be reviewed based on the audit recommendations for improvement. 3. Education and training Employees are given regular education and training, and the heads of production and operation units have obtained local safety production knowledge and management assessment certificates. (IV) The Company provides education and training for each new employee, encourages each department to cooperate with the work content, and actively arranges participation in external training courses to enhance the professional functions of employees. (V) The Company values its customers and has a dedicated unit to handle customer feedback and after-sales services to ensure that we provide customers with the best service efficiency and protection of their rights. (VI) The Company has established a "Supplier Selection and Management Method" to conduct pre-evaluation and regular scoring of suppliers. If a supplier is found to have a bad record of affecting the environment and society, its cooperation relationship will be carefully evaluated.	No significant difference. No significant difference. No significant difference.
V. Does the Company prepare sustainability reports and other reports that disclose the Company's non-financial information by referring to internationally accepted reporting standards or guidelines? Has the above-mentioned report obtained confirmation or assurance from a third-party verification agency?		✓	The company are currently compiling our 2025 Sustainability Report, which details our non-financial performance across Environmental, Social, and Governance (ESG) dimensions, covering key topics such as GHG inventory, energy management, climate risks (TCFD), waste management, and human rights policies. While this report is slated for publication in 2026, it has	No significant difference.

Evaluation items	Implementation status (Note 1)			The deviation and the reason for deviation from the Corporate Sustainability Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary (Note 2)	
			not yet undergone independent third-party assurance. Moving forward, we will assess the need to introduce external verification based on subsequent operational requirements.	
VI. If the Company has established its own sustainable development principles based on the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies", please explain the differences between its operations and the established principles: The Company has established the "Corporate Social Responsibility Best Practice Principles" (renamed as Sustainable Development Best Practice Principles), and there are no significant differences.				
VII. Other important information that helps to understand the implementation of sustainable development: (I) Environmental protection: The Company implements environmental protection in accordance with relevant laws and regulations and fulfills its environmental protection responsibilities. (II) Employee rights: Regular meetings are held to provide good communication channels for employees to fully reflect their opinions. (III) Safety and health: The Company attaches great importance to the occupational safety and health management of employees, with regular monthly health inspections and healthy competition scoring.				

(VI) The implementation of ethical corporate management and the deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the reasons:

Evaluation items	Operation status (Note 1)			Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies Deviation and reasons of deviation from the Principles
	Yes	No	Summary	
I. Establishing ethical corporate management policy and proposal (I) Does the Company have ethical corporate management policy approved by the Board of Directors, and does it clearly state the ethical corporate policy and practices in its regulations and external documents, as well as the commitment of the Board of Directors and management to actively implement the ethical corporate policy?	✓		(I) The Company has established the "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct", which have been approved by the Board of Directors and are actively implemented.	No significant difference.
(II) Has the Company established unethical conduct risk assessment mechanism to regularly analyze and assess business activities	✓		(II) The Company requires all employees not to violate the provisions of Article 7, Paragraph 2 of the "Ethical Corporate	No significant difference.

Evaluation items	Operation status (Note 1)			Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies Deviation and reasons of deviation from the Principles
	Yes	No	Summary	
within its business scope that carry a higher risk of unethical conduct, and has it formulated a plan to prevent unethical behavior based on the risk, and has it at least covered the preventive measures for each of the behaviors in Article 7, Paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies"? (III) Does the Company clearly define operating procedures, behavioral guidelines, disciplinary measures for violations, and complaint systems in its plan to prevent unethical behavior, and does it implement them and regularly review and revise the above-mentioned plan?	 ✓		Management Best Practice Principles for TWSE/TPEx Listed Companies" to prevent employees from sacrificing the interests of the Company for their own personal interests. (III) The Company regulates relevant matters in the "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" and actively implements them.	 No significant difference.
II. Ethical corporate management in practice (I) Does the Company evaluate the integrity records of its trading partners and clearly stipulate integrity clauses in the contracts it signs with its trading partners? (II) Does the Company have a dedicated (or part-time) unit under the Board of Directors to promote ethical corporate management, and does it regularly (at least once a year) report to the Board of Directors on its ethical corporate management policy and plan to prevent unethical behavior and the status of supervision of its implementation?	 ✓ ✓		 (I) The Company has an evaluation mechanism with its clients and suppliers. When entering into a contract, the rights and obligations of both parties are clearly stated. (II) A part-time unit to promote ethical corporate management has been established under the Board of Directors and reports to the Board of Directors regularly: 1. Establish a dedicated (part-time) unit under the Board of Directors to promote ethical corporate management: The Company promotes the promotion and implementation of ethical corporate management by the General Manager's Office, which is responsible for assisting the Board of Directors and management in formulating and supervising the implementation of ethical management policies and prevention plans to ensure the implementation of the Ethical Corporate Management Best Practice Principles. The dedicated unit reported its implementation status to the Board of Directors on March 14, 2026. 2. The Company has implemented integrity management policies and related implementation status in 2025 is as follows: A. Education and training: The Company regularly holds internal training sessions to convey the importance of ethical behavior and incorporates ethical corporate management into employee performance appraisals and human resource policies. B. Whistleblowing system and whistleblower protection: The Company has establish a	 No significant difference. No significant difference.

Evaluation items	Operation status (Note 1)			Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies Deviation and reasons of deviation from the Principles
	Yes	No	Summary	
			whistleblowing mailbox for employees and related personnel to report any improper employment practices, which will be handled by the Company's designated management department and audit office. No whistleblowing cases occurred in 2025 and no abnormal circumstances occurred. C. Regular audit and evaluation: Conduct risk assessments on all operating activities at all operating locations to achieve effective control and implementation. The audit unit will conduct independent audits to ensure the operation of the overall mechanism and jointly manage and prevent the occurrence of unethical behavior. Before establishing business relationships with others, the Company will also first evaluate the legitimacy, integrity policy, and history of dishonest behavior of agents, suppliers, customers, or other business partners to ensure that their business operations are fair and transparent and that they will not request, offer, or accept bribes. There was no corruption or anti-competitive behavior in 2025.	
(III) Does the Company have a policy to prevent conflicts of interest, provide appropriate channels for representation, and implement it?	✓		(III) The Company has human resources and audit departments that provide channels for whistleblowing and keep the identity and content of the whistleblower confidential. Those who have a relationship with their own interests in the Board of Directors' meeting proposals may state their opinions and answer questions and then recuse themselves from participating in the discussion and voting.	No significant difference.
(IV) Has the Company established an effective accounting system and internal control system to implement ethical business operations? Has the internal audit unit formulated relevant audit plans based on the results of the assessment of unethical behavior risks and used them to verify compliance with the plan to prevent unethical behavior, or has it entrusted CPAs to perform the audit?	✓		(IV) The Company has established an effective internal control system, relevant methods and accounting system for implementation. The internal audit unit performs various audit operations according to the audit plan and reports the implementation status to the Board of Directors.	No significant difference.
(V) Does the Company organize internal and external training on ethical management on a regular basis?	✓		(V) The Company promotes ethical corporate management principles in meetings from time to time, so that all employees can implement them.	No significant difference.
III. Operation of the Company's whistleblowing system (I) Does the Company have a specific whistleblowing and reward system, a convenient whistleblowing channel, and assigns	✓		(I) The Company has established a specific whistleblowing and reward system and has designated the audit unit as the	No significant difference.

Evaluation items	Operation status (Note 1)			Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies Deviation and reasons of deviation from the Principles
	Yes	No	Summary	
appropriate personnel to handle reports? (II) Does the Company have a standard operating procedure for investigating reports, follow-up measures to be taken after the investigation is completed, and related confidentiality mechanisms? (III) Does the Company take measures to protect whistleblowers from being improperly treated as a result of whistleblowing?	 ✓ ✓		dedicated personnel to accept reports. (II) The Company has implemented an audit system and procedures for many years. Confidentiality measures will be taken for both the whistleblower and the investigation process. (III) The Company will absolutely protect whistleblowers and they will not be subject to improper treatment due to their whistleblowing.	 No significant difference. No significant difference.
IV. Enhance information disclosure Does the Company disclose the content of its established ethical corporate management best practice principles and the effectiveness of its promotion on its website and the MOPS?	✓		The Company has disclosed its Ethical Corporate Management Best Practice Principles on the MOPS.	No significant difference.
V. If the Company has established its own ethical corporate management best practice principles based on the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies", please describe the differences between its operation and the established principles: The Company has established the "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct", and there are no significant differences.				
VI. Other important information that helps to understand the Company's ethical corporate operations: (such as the Company's review and revision of its established ethical corporate management best practice principles, etc.) (I) The Company complies with the Company Act, the Securities and Exchange Act, Business Entity Accounting Act, securities-related laws and other laws and regulations related to business conduct as the basis for implementing ethical business operations. (II) The Company's "Rules of Procedure for Board of Directors Meetings" stipulates a director's conflict of interest system. Directors who have a conflict of interest with themselves or with the legal person they represent, which may cause harm to the interests of the Company, shall not vote or participate in discussions. They shall recuse themselves from discussions and voting, and shall not exercise voting rights on behalf of other directors. (III) The Company has established "Regulations Governing the Handling and Prevention of Material Inside Information", which clearly stipulates that insiders and those who receive information based on their positions shall not disclose important information they know to others. (IV) The Company implements the concept of ethical management, abides by relevant laws and regulations and internal control systems, strictly prohibits unethical or illegal behavior, and has the audit unit performs necessary audits and regularly promotes the relevant standards of the ethical corporate management best practice principles to employees.				

(VII) Climate-related information

I. Implementation of climate-related information

Item	Implementation status
Describe the Board of Directors and management's oversight and governance of climate-related risks and opportunities.	The Board of Directors serves as the highest governance body for sustainability, regularly reviewing climate and ESG strategies. Overall ESG effectiveness is supervised by the Audit Committee, composed of all Independent Directors. ESG Committee Chaired by the Group General Manager and key executives, the ESG Committee approves climate policies, action plans, and capital expenditures, reporting regularly to the Board. In 2025 (Aug 23 & Dec 27), the ESG Committee Chairman reported to the Audit Committee and Board on annual ESG achievements, stakeholder communications, future outlook, and the GHG inventory/verification schedule to help the Board manage climate risks and opportunities. Management Execution The Environmental Sustainability Workgroup under the ESG Committee oversees plant-level environmental operations—including GHG inventory, energy, waste management, and green initiatives—supplying vital data for strategic decisions.
Describe how the identified climate risks and opportunities affect the business, strategy and finances (short, medium and long term).	Based on the TCFD framework, time horizons are defined as: Short-term (1–3 years), Medium-term (3–5 years), and Long-term (5–10 years). In 2025, the initial qualitative assessment of climate risks and opportunities was completed, categorized into transition risks, physical risks, and climate opportunities. Details regarding main findings, impact horizons, financial/business strategy impacts, and mitigation measures are summarized in the attached table.

Item	Implementation status
Describe the financial impact of extreme weather events and transition actions.	Financial impacts arising from extreme weather events and transition actions are detailed in the attached table.
Describe how the process of identifying, assessing and managing climate risks is integrated into the overall risk management system.	In accordance with TCFD recommendations, Hwasheng adopts a four-step cycle for climate risk identification and management, led by the **Environmental Sustainability Workgroup**, with evaluation results reported regularly to the ESG Committee and the Board of Directors: 1. **Data Collection:** Gathering global and domestic climate policy updates, peer and client ESG requirements, and historical extreme weather cases. 2. **Scope Definition:** Identifying **Transition Risks** (policy, market, technology, and reputation) and **Physical Risks** (acute and chronic). 3. **Impact Analysis:** Assessing materiality based on potential financial impacts and likelihood of occurrence. 4. **Mitigation & Goals:** Aligning response measures with annual carbon reduction targets and budget allocations.
If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and key financial impacts used should be described.	In 2025, primarily conducted qualitative assessments, with plans to introduce quantitative scenario analysis starting in 2026.
If there is a transition plan to address and manage climate-related risks, describe the content of the plan, and the indicators and targets used to identify and	E-lan focuses its carbon reduction strategy on Energy Efficiency Improvement and Energy Transition. Key actions include: 1. Energy Conservation: Target a 1% reduction in electricity consumption in 2026.

Item	Implementation status
manage physical and transition risks.	2. Equipment Electrification: Replace all diesel forklifts with electric forklifts to achieve 100% electrification of non-road mobile machinery on-site, cutting approximately 16.08 tCO_2e in Scope 1 emissions annually. Plan to switch to green electricity charging after 2026 to achieve zero Scope 2 emissions for these operations. 3. Renewable Energy: Evaluate available rooftop space across facilities, with plans to install distributed rooftop solar PV systems for self-consumption by 2027. 4. Refrigerant Management: Establish refrigerant replenishment logs, strengthen annual equipment seal inspections, and assess transitioning to low-GWP refrigerants (replacing R-410A with R-32). 5. Customer Carbon Disclosure & Supply Chain Engagement: Proactively provide carbon emissions data to support customers' Scope 3 inventories, securing Hwasheng's status as a qualified supplier in the EV supply chain.
If internal carbon pricing is used as a planning tool, the basis for price setting should be stated.	E-lan currently has not established an Internal Carbon Pricing (ICP) system. Following the introduction of quantitative scenario analysis in 2026, the company will evaluate implementing an ICP mechanism as needed to support low-carbon investments and decision-making.
If climate-related targets are set, information such as the activities covered, the scope of greenhouse gas emissions, the planning timeline, and the progress made in achieving them each year should be stated. If carbon offsets or renewable energy certificates (RECs) are used	Target Timeline: • Short-term (2026): Reduce electricity usage by 1%, maintaining or slightly decreasing Scope 1 & 2 emissions. • Medium-term (2030): Reduce total Scope 1 & 2 emissions by 10% compared to the 2025 baseline.

Item	Implementation status
to achieve the relevant targets, the source and quantity of carbon reduction credits or renewable energy certificates (RECs) to be exchanged should be stated.	• Renewable Energy Expansion: Install rooftop solar PV systems by 2027 to increase the share of renewable energy. Annual Progress & Governance: • 2025 serves as the GHG inventory baseline year. • Starting in 2026, inventory data and target achievements will be disclosed annually in the ESG Report, with progress tracked regularly by the ESG Committee.
Greenhouse Gas Inventory and Assurance (Table 1-1 and 1-2).	For details on greenhouse gas (GHG) inventory, assurance status, reduction targets, strategies, and concrete action plans, please refer to Sections 1-1 and 1-2 below.

Table 2.1 Transition Risks

Risk Event	Impact Horizon	Operational / Financial Impact	Mitigation & Action Plan
China Carbon Levy/Tax Policy (Carbon Emission Fees)	Mediumterm (3–5 yrs)	Current emissions total 2,620 tCO_2e/yr. If carbon fees expand to manufacturing, a levy of RMB 50/ton adds ~RMB 131K/yr; RMB 100/ton adds ~RMB 262K/yr.	Execute electricity reduction plans (1% power drop target for 2026) and fugitive emissions control. Establish 2025 inventory as the baseline for future reductions.
Increased Operating Costs from Rising Electricity Prices	Short-term (1–3 yrs)	Electricity comprises 91.5% of plant energy consumption, costing ~RMB 3.975M annually. A 10% rate hike increases costs by ~RMB 400K/yr; a 20% hike adds ~RMB 800K/yr.	Implement energy conservation measures; assess rooftop solar installation for 2027; establish monthly electricity monitoring mechanisms.

Customer Demands for Supply Chain Green Power & Carbon Disclosure	Short-term (1–3 yrs)	Key OEMs (e.g., NIO, GM) declared carbon neutrality targets, expecting Tier-1 suppliers to meet green power and disclosure thresholds. Failure risks order losses.	Completed 2025 initial GHG inventory to establish disclosure capacity; assess rooftop solar PV to raise renewable energy share; track client ESG requirements continuously.
Market Shift Toward LowCarbon Manufacturing	Mediumterm (3–5 yrs)	Automotive OEMs are accelerating EV transitions with stricter low-carbon requirements. Inability to adapt manufacturing processes risks losing EV supplier status.	Monitor low-carbon manufacturing standards; integrate lightweight materials and low-carbon processes into R&D; align closely with client engineering departments.
ESG Rating Pressures & Investor Attention	Mediumterm (3–5 yrs)	Stricter Taiwan ESG disclosure standards mean lack of GHG data or delayed actions could negatively impact ESG ratings and financing costs.	Disclose initial 2025 complete inventory in ESG report; establish a rolling annual reporting process; comply with ESG Committee disclosure requirements.

Table 2.2 Physical Risks

Risk Event	Impact Horizon	Operational / Financial Impact	Mitigation & Action Plan
Chronic: Rising Summer Temperatures due to Global Warming	Long-term (5–10 yrs)	Summer heat in Jiaxing Pinghu pushes July–Sept power use 27.9% above monthly averages. Warming increases cooling demand, electricity costs, and impacts staff efficiency.	Enhance HVAC energysaving management; evaluate building insulation upgrades; advance rooftop solar install; study highefficiency cooling equipment.

Acute: Temporary Work Stoppages from Typhoons/Heavy Rainfall	Short-term (1–3 yrs)	Climate-related stoppages averaged 1–2 days/yr over past 5 yrs, affecting delivery schedules. Severe rain exceeding drainage capacity risks flooding and equipment damage.	Established plant emergency response procedures; conduct regular drainage system inspections; build safety stock prior to typhoon season (June–Oct).
Chronic: Increased Supply Chain Logistics Costs from Extreme Weather	Mediumterm (3–5 yrs)	Upstream suppliers in flood/heat risk zones face delivery delays during extreme weather, raising safety stock requirements or spot-purchase premiums .	Conduct climate risk assessments for major suppliers; maintain safety stock for key raw materials; develop alternative suppliers to reduce single-source reliance.
Chronic: Higher Refrigerant Leakage & Refill Frequency from Sustained Heat	Long-term (5–10 yrs)	Fugitive refrigerant emissions hit 123.130 tCO_2e in 2025. Longer HVAC runtimes increase leak risks, maintenance costs, and GHG emissions.	Maintain refrigerant refill logs; strengthen annual equipment seal checks; evaluate low-GWP refrigerants (e.g., replacing R-410A with R32).

Table 2.3 Climate-related Opportunities

Opportunity Category	Impact Horizon	Climate-Related Opportunity	Action Plan
Resource Efficiency: Energy conservation to lower operating costs	Short-term (1–3 yrs)	Reduce power expenses and carbon emissions via energy-saving measures.	Sub-meter major powerconsuming machinery; LED lighting upgrade completed (est. 30–50% lighting power savings); target 1% electricity reduction for 2026 vs baseline.

Resource Efficiency: Rooftop solar PV to cut grid power costs	Mediumterm (3–5 yrs)	Replace purchased grid power with selfgenerated solar energy.	Complete solar PV feasibility study by 2025–2026, aiming for installation by 2027. Selfconsumption directly lowers utility costs, emissions, and supports client ESG alignment.
Products/Services: Enhanced ESG capability to boost supply chain competitiveness	Short-term (1–3 yrs)	Become a qualified supplier with transparent carbon reporting.	Complete GHG inventory and disclosure system; proactively provide carbon data to support customers' Scope 3 inventories, boosting client retention.
Markets: Maintaining EV OEM supplier status	Mediumterm (3–5 yrs)	Early carbon management deployment to secure nominations for new vehicle models.	EV OEMs (e.g., NIO) are accelerating supply chain carbon management. Early adoption of carbon disclosure and reduction positions Hwasheng for new model nominations and market share growth.
Resilience: Building climate resilience to strengthen client trust	Mediumterm (3–5 yrs)	Address client ESG audits with robust climate resilience management.	Disclose climate risk management progress regularly to meet expanding ESG vendor audit standards.

Section 1-1 Greenhouse Gas Inventory & Assurance Status

1-1-1 Greenhouse Gas Inventory Information

E-LAN established its GHG inventory mechanism referencing ISO 14064-1:2018 and the GHG Protocol (WRI/WBCSD), consolidating emissions from major production bases (China plants) using the operational control approach. The year 2025 serves as the baseline year for Hwasheng's initial GHG inventory; no inventory was conducted in 2024.

Emission Scope	2024 Emissions (tCO_2e)	2025 Emissions (tCO_2e)	(tCO_2e/百萬元 NTD) 2025 Intensity (tCO_2e / NTD Million)	Data Coverage Scope
Scope 1 (Direct Emissions)	Not inventoried	243.084	—	China plants (workshops, offices, warehouses, dorms)
Scope 2 (Energy Indirect)	Not inventoried	2,377.012	—	China plants (Purchased power: 2,343.662 + Purchased steam: 33.350)
Total Scope 1 + 2	Not inventoried	2,620.096	1.2688	China plants (Operational Control approach)
Scope 3 (Other Indirect)	Not inventoried	Not inventoried	—	Under planning (To be disclosed in future years)

Note 1: Scope 1 sources include stationary combustion (canteen natural gas: 33.346), mobile combustion (company vehicles: 44.598), and fugitive emissions (refrigerants, CO_2 extinguishers, septic tanks: 165.140). Scope 2 sources include purchased electricity (2,343.662) and purchased steam (33.350).

Note 2: Data coverage scope follows the TWSE/TPEx Sustainable Development Roadmap. Hwasheng set its boundary at main production facilities (China plants). The Taiwan parent company operates from leased business centers (emissions categorized under lessor's Scope 3). Leased offices handle utilities through landlords, with no Scope 1/2 data currently applicable.

Note 3: Inventory standards used: ISO 14064-1:2018 and GHG Protocol.

Note 4: Intensity is calculated using annual revenue in NTD Millions (2025 Revenue = NTD 2,065,319 thousand / ~NTD 2,065.319 Million). Combined Scope 1 + 2 intensity = . 2, 620.096 ÷ 2,065.319 = 1.2688 tCOe / NTD Million

1-1-2 Greenhouse Gas Assurance Information

E-LAN 2025 GHG inventory data has not been audited by a third-party organization (external verification is planned for 2026 to enhance data credibility). Per regulations, if third-party assurance is incomplete by the annual report publication date, a note stating "Complete assurance details will be disclosed in the ESG Report" is required. Hwasheng’s 2025 ESG Report is scheduled for release in August 2026, where updated verification status will be disclosed.

Assurance Scope	FY 2024	FY 2025
E-LAN China Plants (Scope 1 + 2)	Not inventoried	Not assured (Third-party assurance planned for 2026)

Section 1-2 GHG Reduction Targets, Strategies & Action Plans

Baseline Year & Data: 2025 is established as the baseline year. Based on the operational control approach for China plants, baseline emissions are: Scope 1: 243.084 tCO_2e, Scope 2: 2,377.012 tCO_2e (Total: 2,620.096 tCO_2e).

Reduction Targets:

Short-term (2026):Scope1< 243 tCOze, Scope 2 < 2, 354 tCOze, electricityconsumption down 1% vs 2025(< 4,372,834 kWh).

Medium/Long-term (2030): Combined Scope 1 + 2 emissibns reduced by 10% vs2025 baseline(< 2,358 tCOze).

Reduction Strategies & Specific Action Plans:

Equipment Electrification: Replace diesel forklifts with electric models for 100% electrification of non-road mobile machinery, cutting ~16.08 tCO_2e in Scope 1 emissions annually. Transition to green power charging post-2026 to zero out associated Scope 2 emissions.

Renewable Energy: Evaluate plant rooftop availability to install distributed solar PV systems by 2027 for self-consumption, increasing renewable energy usage.

Energy Conservation: LED lighting upgrade completed (est. 20-30% energysavings). implement HVAC management (shutting down during non-productionhours, temp > 26°C) and monthly power monitoring for core machinery (aircompressors, injection molders, curing ovens). Specific savings

metrics will followthe establishment of a lighting inventory log in 2026. Refrigerant Management: Maintain refrigerant refill logs, strengthen annual equipment seal checks, and evaluate switching to low-GWP refrigerants (e.g., R-32 replacing R-410A) to cut fugitive emissions. Client Carbon Disclosure & Supply Chain Engagement: Proactively share emission data to support clients' Scope 3 inventories, secure EV supply chain qualifications, and foster low-carbon supply chain partnerships.

(VII) If the Company has established a corporate governance best practice principles and related regulations, it should disclose the following inquiry methods:

The Company has established the "Corporate Governance Best Practice Principles" in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies". The relevant regulations can be found on the MOPS.

(VIII) Other important information that helps to understand the corporate governance operation of the Company:

Please refer to the MOPS at https://www.mops.twse.com.tw.

(IX) Implementation of Internal Control System

1. Statement of Internal Control

(PDF files)

2. If CPAs have been appointed to audit the internal control system, the CPAs' report shall be disclosed: Yes

(X) Important resolutions of the shareholders' meeting and the Board of Directors in the most recent year and up to the date of publication of the annual report:

1. Important resolutions of the shareholders' meeting

Meeting name	Date of meeting	Important resolutions
Shareholders' meeting	2025.6.20	1. Business report and consolidated financial statements for 2024. 2. Earnings distribution proposal for 2024. Implementation status: July 23, 2025 was set as the base date of distribution, and all the dividends were distributed on August 15, 2025 in accordance with the resolution of the shareholders' meeting. (Cash dividend of RMB 0.7524 per share)

2. Important resolutions of the Board of Directors

Date of meeting	Important resolutions
2025.1.3	1. The Company's 2025 business plan and budget. 2. The Company's compliance with the Cayman Islands Economic Substance Requirements and annual reporting and declaration matters. 3. Matters concerning the number of shares to be distributed to employees in the company's cash capital increase and new shares issuance before initial listing.
2025.3.8	Other important reporting matters: 1. Report on the operation of the Company's Ethical Corporate Management Best Practice Principles. 2. Report on the Company's intellectual property management plan. 3. Report on the Company's communication with stakeholders. 4. The 2024 self-evaluation report of the performance of directors, the Board of Directors and functional committees of the Company. 5. Financial reporting capability report. Discussion matters: 1. Business report and consolidated financial statements for 2024. 2. The Company's 2024 distribution of remuneration to employees and directors. 3. 2024 earnings distribution proposal. 4. The Company's 2024 internal control effectiveness evaluation and internal control system statement. 5. Assessment of the independence and suitability of the Company's CPAs in 2025 and appointment. 6. The Company provided a joint guarantee for the bank acceptance bill of RMB 10 million opened by its subsidiary E-LAN MOTOR ELECTRONIC (Pinghu) Co., Ltd. at Shanghai Branch of Cathay United Bank (China) Ltd. 7. The subsidiary Shining Victory International Holdings Co., Ltd. intends to increase its investment in E-LAN MOTOR ELECTRONIC (THAILAND) CO., LTD. (hereinafter referred to as "E-LAN THAILAND") by THB 100 million. 8. The subsidiary Hua Sheng International Holdings Co., Ltd., intends to increase the investment in E-LAN CAR COMPONENTS MEXICO by US$2 million. 9. Amendments to the "Remuneration System, Structure and Performance Evaluation of Directors and Managers", "Regulations Governing Remuneration to Directors" and "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies". 10. The Company's overdue accounts receivable and other receivables as of the end of December 2024 are not of the nature of capital loans. 11. Amendment to the Company's "Articles of Incorporation". 12. Date and related matters of the 2025 general shareholders' meeting.
2025.5.10	Other important reporting matters: 1. Report on the review of independent directors' qualifications during their term of office to ensure that they comply with relevant laws and regulations. 2. Financial reporting capability report. Discussion of the proposals: 1. The Company's consolidated financial statements for the first quarter of 2025. 2. The Company's overdue accounts receivable and other receivables as of the end of March 2025 are not of the nature of capital loans. 3. Review of the Company's Statement of Internal Control System.

Date of meeting	Important resolutions
2025.6.21	1. The Company to apply for a bank loan from Shanghai Commercial and Savings Bank with a loan amount of USD 4 million, and authorizes the chairman to sign the relevant contract and documents and handle all matters related to the bank loan. 2. Loaning of funds and credit line by the company to subsidiary E-LANMOTOR ELECTRONIC (THAILAND) CO.,LTD (hereinafter referred to as "E-LAN THAILAND") 3. Determination of the ex-dividend matters for 2025.
2025.8.23	Other important reporting matters: 1. Financial reporting capability report. 2. Greenhouse Gas Inventory and Verification Schedule Planning Report. Discussion matters: 1. The Company's consolidated financial statements for the first half of 2025. 2. The company provides a guarantee for its subsidiary E-LAN MOTOR ELECTRONIC (THAILAND) CO., LTD. (hereinafter referred to as "E-LAN THAILAND") for a financing amount of US$1 million from Cathay United Bank. 3. The company's case of changing the stock affairs agency. 4. The Company's overdue accounts receivable and other receivables as of the end of June 2025 are not of the nature of capital loans. 5. Renewal of liability insurance of the Company's directors.
2025.11.8	1. The Company's consolidated financial statements for the third quarter of 2025. 2. The company provides a guarantee for its subsidiary E-LAN MOTOR ELECTRONIC (THAILAND) CO., LTD. (hereinafter referred to as "E-LAN THAILAND") for a financing amount of US$2 million from Taishin International Bank. 3. The Company's overdue accounts receivable and other receivables as of the end of September 2025 are not of the nature of capital loans.
2025.12.27	Other important reporting matters: 1. Financial reporting capability report. 2. Greenhouse Gas Inventory and Verification Schedule Planning Report. 3. ESG Project Implementation Plan Report. Discussion matters: 1. The Company's 2026 business plan and budget. 2. The Company's 2026 audit plan. 3. Regular review and evaluation of the Company's "Regulations Governing the Remuneration System, Structure and Performance Evaluation of Directors and managers", "Regulations Governing the Remuneration of Directors", "Manager Salary and Remuneration Policy" and "Grade Salary Table" 4. The distribution of year-end bonus to managers for 2025. 5. The Company to apply for a bank loan from Bank SinoPac with a loan amount of RMB 20 million, and authorizes the chairman to sign the relevant contract and documents and handle all matters related to the bank loan. 6. The Company's compliance with the Cayman Islands Economic Substance Requirements and annual reporting and declaration matters.
2026.3.14	Other important reporting matters: 1. Report on the operation of the Company's Ethical Corporate Management Best Practice Principles. 2. Report on the Company's intellectual property management plan. 3. Report on the Company's communication with stakeholders. 4. The 2025 self-evaluation report of the performance of directors, the Board of Directors and functional committees of the Company. 5. Greenhouse Gas Inventory and Verification Schedule Planning Report. 6. ESG Project Implementation Plan Report. Discussion matters: 1. Business report and consolidated financial statements for 2025. 2. The Company's 2025 distribution of remuneration to employees and directors. 3. 2025 earnings distribution proposal. 4. The Company's overdue accounts receivable and other receivables as of the end of December 2025 are not of the nature of capital loans. 5. The Company's 2025 internal control effectiveness evaluation and internal control system statement. 6. Assessment of the independence and suitability of the Company's CPAs in 2026 and appointment. 7. Matters regarding the authorization of credit-related documents signed between our company and Taishin International Bank. 8. Matters regarding the authorization of account opening documents signed between our company and Cathay United Bank. 9. Matters related to the company's application for a bank loan line with Taipei Fubon Bank. 10. Matters Related to the Company's Application to China Trust Commercial Bank for a Short-Term Bank Loan Facility.

Date of meeting	Important resolutions
	11. Loaning of funds and credit line by the company to subsidiary E-LANMOTOR ELECTRONIC (THAILAND) CO.,LTD (hereinafter referred to as "E-LAN THAILAND"). 12. Amendment to the Company's "Articles of Incorporation". 13. Proposal for the comprehensive re-election of the company's board of directors. 14. Date and related matters of the 2026 general shareholders' meeting.
2026.4.25	1. Proposal for the Nomination of Directors and Independent Directors and the Review of Candidate Qualifications. 2. Proposal to lift the non-competition restriction on new directors and their representatives.

(XI) In the most recent year and up to the publication date of the annual report, the directors or supervisors had different opinions on important resolutions passed by the Board of Directors and there were records or written statements, the main contents were: None.

V. Information on CPA fees:

(I) The amount of audit and non-audit fees paid to the CPAs and his/her affiliated firm and related companies, as well as the content of non-audit services

Unit: NTD thousand

Name of CPA firm	Name of CPAs		CPA's audit period	Audit fees	Non-audit fees	Total	Notes
Deloitte Taiwan	Lu Yi-Chen	Hsieh Ming-Chung	2025.1.1-2025.12.31	4,250	651	4,901	—

Note: Non-audit service fees mainly include tax fees, submission guidance, certification and filing, etc.

(II) If the accounting firm is changed and the audit fees paid in the year of change are reduced compared to the audit fees in the year before the change, the amount of audit fees before and after the change and the reason should be disclosed: None.

(III) If the audit fees are reduced by more than 10% compared with the previous year, the amount, percentage and reason of the reduction in audit fees shall be disclosed: None.

VI. Replacement of CPAs: The Company did not replace its CPAs in the last two years and after the period.

VII. The Company's chairman, general manager, or manager responsible for financial or accounting affairs has worked for the firm to which the CPA belongs or its affiliated companies within the past year: None.

VIII. Changes in equity transfers and equity pledges by directors, supervisors, managers and shareholders holding more than 10% of the shares in the most recent year and up to the date of publication of the annual report: None.

IX. Information on the top ten shareholders in terms of shareholding ratio, and whether they are related persons, spouses, or relatives within the second degree of kinship:

Unit: Shares: April 14, 2026

NAME	SHARES HELD BY THE PERSON		SHARES HELD BY SPOUSE AND MINOR CHILDREN		TOTAL SHARES HELD IN THE NAME OF OTHERS		IF THE TOP TEN SHAREHOLDERS ARE RELATED PERSONS OR SPOUSES, OR RELATIVES WITHIN THE SECOND DEGREE OF KINSHIP, THEIR NAMES OR FULL NAMES AND RELATIONSHIP		NOTES
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name (or name)	Relationship	
AMMI DEVELOPMENT LIMITED Representative: Chang Hsiao-Yen	7,298,640	15.33%	—	—	—	—	Chen Keng-Sheng	Spouse	—
Eight Eagles Venture Inc. Representative: Chen Keng-Sheng	6,817,360	14.32%	—	—	—	—	Chen Keng-Sheng	Director, Eight Eagles Venture Inc.	—
							Chang Hsiao-Yen	Spouse	
Striking Returns Group Inc. Representative: Chen Keng-Sheng	6,000,000	12.61%	—	—	—	—	Chen Keng-Sheng	Director, Striking Returns Group Inc.	—
							Chang Hsiao-Yen	Spouse	
Chen Keng-Sheng	4,098,000	8.61%	—	—	12,817,360	26.93%	Eight Eagles Venture Inc.	Director, Eight Eagles Venture Inc.	—
							Striking Returns Group Inc.	Director, Striking Returns Group Inc.	
							Chang Hsiao-Yen	Spouse	
Glory Arc Worldwide Inc. Representative: Chen Hung-Chih	2,960,000	6.22%	—	—	—	—	Chen Hung-Chih	Director, Glory Arc Worldwide Inc.	—
Jao Kuo-Tsai	2,150,000	4.%	—	—	—	—	—	—	—
ABICO Asia Capital Corporation Representative: Hsieh Fa-Ta	1,823,000	3.83%	—	—	—	—	—	—	—
Chang Tsung-Jung	1,018,000	2.14%							
Chen Hung-Chih	1,009,000	2.12%	—	—	2,960,000	6.22%	Glory Arc Worldwide Inc.	Director, Glory Arc Worldwide Inc.	—
Liu Chia-Cheng	1,002,000	2.11%	—	—	—	—	—	—	—

X. The number of shares held by the Company, its directors, supervisors, managers and enterprises directly or indirectly controlled by the Company in the same invested enterprise shall be combined to calculate the consolidated shareholding ratio:

Unit: Shares; % ; December 31, 2024

REINVESTMENT BUSINESS (NOTE 1)	THE COMPANY'S INVESTMENT		DIRECTORS, SUPERVISORS, MANAGERS AND THOSE WHO DIRECTLY OR INDIRECTLY CONTROL THE BUSINESS INVESTMENTS		COMPREHENSIVE INVESTMENT	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
SHINING VICTORY INTERNATIONAL HOLDINGS CO., LTD.	1,000,000	100%	—	—	1,000,000	100%
E-LAN MOTOR ELECTRONIC (PINGHU) CO., LTD.	Note 2	100%	—	—	Note 2	100%
PINGHU AOKEWUDE YILAN AUTO PARTS MANUFACTURING CO., LTD.	Note 2	45.16%	—	—	Note 2	45.16%
E-LAN MOTOR ELECTRONIC (THAILAND) CO., LTD.	12,020,315	100%	—	—	12,020,315	100%
E-LAN CAR COMPONENTS MEXCIO	Note 2	100%	—	—	Note 2	100%
E-LAN HOLDING COMPANY	2,000,000	100%	—	—	2,000,000	100%
E-LAN CAR COMPONENTS (USA) INC.	2,000,000	100%	—	—	2,000,000	100%

NOTE 1: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD BY THE COMPANY.

NOTE 2: THE COMPANY IS A LIMITED LIABILITY COMPANY WITHOUT SHARES OR PAR VALUE.

Four. Financing status

I. Capital and shares

(I) Source of share capital

1. The formation of share capital

Unit: NTD thousand; Thousand shares

Year Month	Issuance price ($)	Authorized share capital		Paid-in capital		Notes		
		Number of shares (thousand shares)	Amount (NTD)	Number of shares (thousand shares)	Amount (NTD)	Source of share capital	Using property other than cash to pay for shares	Others
1997.01	HKD1	1,000	HKD1,000	1,000	HKD1,000	Establishment of share capital	-	-
On August 28, 2017, the Company converted its Hong Kong shareholders to Shining Victory Motor Electronic Co., Ltd.'s British Cayman Islands shareholders at a share conversion ratio of 40:1, with a par value of NT$10 per share and a total of 40,000,000 shares.								
2017.08	NTD10	100,000	1,000,000	40,000	400,000	Organizational restructuring	-	-
2017.09	NTD10	100,000	1,000,000	42,000	420,000	Capital increase in cash	-	-
2025.03	NTD10	100,000	1,000,000	47,600	476,000	Capital increase in cash		

2. Type of shares,

April 14, 2026

Type of shares	Authorized share capital			Notes
	Outstanding shares	Unissued shares	Total	
Registered common shares	47,600,000	52,400,000	100,000,000	TWSE listed stocks

3. Information related to the summary declaration system: None.

(II) List of major shareholders

April 14, 2026; Unit: Shares; %

Shares / Name of major shareholders	Number of shares held	Shareholding percentage
AMMI DEVELOPMENT LIMITED	7,298,640	15.33%
Eight Eagles Venture Inc.	6,817,360	14.32%
Striking Returns Group Inc.	6,000,000	12.61%
Chen Keng-Sheng	4,098,000	8.61%
Glory Arc Worldwide Inc	2,960,000	6.22%
Jao Kuo-Tsai	2,150,000	4.52%
ABICO Asia Capital Corporation	1,823,000	3.83%
Chang Tsung-Jung	1,018,000	2.14%
Chen Hung-Chih	1,009,000	2.12%
Liu Chia-Cheng	1,002,000	2.11%
Total	34,176,000	71.81%

(III) The Company's dividend policy and implementation

1. Dividend policy defined in the Articles of Incorporation

The Company is currently in a growth phase. Considering the Company's capital expenditure, future business expansion plans, financial planning and other plans for sustainable development needs, the Company's dividends/bonuses may be distributed to the Company's shareholders in the form of cash and/or shares.

During the listing period, unless otherwise provided for by the laws of the Cayman Islands, the TWSE/TPEx regulations or these Articles of Incorporation, if the Company makes a profit in the current year, it shall, upon the attendance of more than two-thirds of the directors and the resolution of more than half of the directors present, set aside 2% to 5% as employees' remuneration to be distributed to the employees in the form of shares and/or cash; and upon the attendance of more than two-thirds of the directors and the resolution of more than half of the directors present, it may set aside no more than 3% as directors' remuneration to be distributed to the directors. However, if the Company still has accumulated losses (including the amount of adjusted undistributed earnings), it shall reserve an amount to offset in advance and then allocate the remaining amount to employees and directors' remuneration in accordance with the above-mentioned proportion. The remuneration distribution to employees and directors shall be reported to the shareholders' meeting. Unless otherwise provided by the TWSE/TPEx regulations, directors' remuneration shall not be paid by issuing new shares. The "profit" referred to in this item refers to the pre-tax profit before deducting the distribution of employees' remuneration and directors' remuneration.

During the listing period, unless otherwise provided by the laws of the Cayman Islands, the TWSE/TPEx regulations or these Articles of Incorporation, or otherwise provided by the rights attached to the shares, if the Company has any surplus at the end of a fiscal year, after paying all relevant taxes in accordance with the law, offsetting losses (including losses of previous years and adjustments to retained earnings, if any), and making statutory surplus reserves in accordance with the TWSE/TPEx regulations (but this shall not apply if the total statutory surplus reserves have reached the total paid-in capital of the Company), and making special surplus reserves (if any), the remaining amount (including special surplus reserves after transfer) may be distributed as dividends/bonuses to shareholders in proportion to their shareholdings by ordinary resolution of the general meeting of shareholders, not less than thirty percent of the distributable surplus amount, plus the whole or part of the retained earnings of previous years (including adjustments to retained earnings) determined by ordinary resolution of the general meeting of the Company’s shareholders. The amount of cash dividends/bonuses shall not be less than fifty percent of the total amount of dividends/bonuses paid.

2. The dividend distribution proposed at this shareholders' meeting is as follows:

   The Company's 2025 earnings distribution plan was approved by the Board of Directors on March 14, 2026, and a cash dividend of RMB 0.6657 per share will be distributed to shareholders from the distributable profit. This plan is still awaiting the resolution of the shareholders' meeting.

(VII) Impact of the proposed free allotment of shares at this shareholders' meeting on the Company's operating performance and earnings per share: The Company has not issued any stock dividends, so there is no impact.

(VIII) Remuneration to employees, directors and supervisors:

1. The percentage or range of remuneration to employees, directors and supervisors as stated in the Articles of Incorporation: Please refer to the above description of "(VI) The Company's dividend policy and implementation status 1.”.
2. The basis for estimating the amount of remuneration for employees, directors and supervisors in the current period, the basis for calculating the number of shares for employee remuneration distributed in the form of stock, and the accounting treatment when the actual amount distributed differs from the estimated amount: None.
3. The Board of Directors' resolution on the distribution of remuneration:
   (1) Amount of remuneration to employees, directors and supervisors distributed in cash or in shares. If there is a difference from the annual estimated amount of expenses recognized, the difference, reason and treatment should be disclosed: On March 14, 2026, the Board of Directors of the Company approved a resolution to distribute cash remuneration of RMB 3,003,344.61 to employees, and did not intend to distribute directors' remuneration, which was no different from the annual estimated amount of expenses recognized.
   (2) The amount of employee remuneration distributed in the form of stock and its proportion to the total net profit after tax and total employee remuneration in the current period’s consolidated or parent company only financial statements: None.
4. The actual distribution of employee, director and supervisor remuneration in the previous year (including the number of distributed shares, amount and share price), and any difference from the

recognized employee, director and supervisor remuneration, and the difference, reason and handling status should be stated: The profit for 2024 was approved by the 2025 Board of Directors and shareholders' meeting, and employees' remuneration of RMB 3,183,153.96 was distributed.

(IX) Circumstances in which the Company repurchased its own shares: None.

II. Corporate bonds: None.

III. Preferred shares: None.

IV. Global depository receipts: None.

V. Employee stock options: None

VI. Issuance of new employee restricted shares: None.

VII. Merger and acquisition or acquiring other companies by issuance of new shares: None.

VIII. Implementation of capital utilization plan: None.

Five. Operation overview

I. Business content

(I) Scope of business

1. The main business of the Company

   The Company is professionally committed to the research and development, production and sales of automotive metal and plastic decorative parts, optoelectronic products and automotive electronics; the product system covers thousands of specifications, including interior ambient lighting series, LED optoelectronic series, interior and exterior decoration series and modified car series. At the same time, it can fully meet customers' demands for personalized design of automotive components.

2. Sales percentage of main products

Unit: NTD thousand

Items \ Year	2024		2025	
	Amount of operating revenue	Business proportion (%)	Amount of operating revenue	Business proportion (%)
Automotive LED interior parts	1,652,197	79.61	1,672,512	80.98
Automotive interior and exterior trim	362,718	17.48	325,576	15.76
Others	60,348	2.91	67,231	3.26
Total	2,075,263	100.00	2,065,319	100.00

3. The Company's current products (services):

   A. Metal surface treatment (aluminum anodizing, stainless steel surface brushing and etching), stamping, PCBA welding process for automobile threshold pedals, mainly used for inner threshold pedals and outer threshold pedals.

   B. Curved surface printing, LED color calibration process, anti-static dust-free assembly, mainly used in the application of optical type automotive interior decoration products and the application of daytime running lights and ground projection lamp products for exterior lighting products.

4. New products (services) planned to be developed:

   A. As electric vehicles become more popular, wireless chargers are becoming standard accessories in passenger cars.

   B. Provide various services related to early stage lighting simulation, design, development, test verification, etc. for automotive manufacturers.

C. By applying in-mold lamination (IMD, IML, etc.), translucent leather (fabric), laser engraving, PVD sputtering, two-color injection molding, etc., we have developed surface-emitting panels with different material effects, pushing the future automotive interior light sources towards more diverse and varied surface luminescence.

D. Combining traditional ambient lighting with capacitive touch, vibration response, dynamic light response and other intelligent interactive scenarios, ambient lighting brings customers a more novel experience.

F. By applying projection lenses or MLA technology, a high-brightness, large-area welcome mat lights can be developed to enhance the sense of ceremony and visual experience of using the car.

(II) Industry overview

1. Current status and development of the industry

Starting from the British invention of the steam engine and the internal combustion engine ignition device, to the advent of the first gasoline three-wheeled car invented by German’s Karl Benz in 1886, until today, more than a hundred years of technological evolution have passed. Automotive components have also undergone different changes and innovations with the different appearances and developments of automobiles in different stages, embodying human wisdom and ingenuity, and benefiting from the support of various industries such as petroleum, steel, aluminum, chemicals, plastics, mechanical equipment, electricity, road networks, electronic technology and finance, which have driven their development and become today's transportation tools with various types and specifications, widely used in various fields of social and economic life. With the development of current trends and fashions, the automotive industry must continue to innovate and breakthrough. Not only must the appearance design and performance show a different look from the past, but it must also combine popular fashion and casual style, diversified design needs, and environmental protection, electronic technology and lightweight requirements. Not only are the materials different from the past (the use of light metals such as magnesium alloys and titanium alloys to replace the past steel, materials and engineering plastics), but also the addition of information and electronic technology to traditional wiring or devices to create new applications, such as LED headlights, GPS navigation systems, anti-collision, automatic driving and other safety and intelligent designs, audio and video multimedia entertainment systems, wireless data communication systems, etc., which not only makes the projects of the automotive components industry more and more extensive, but also gradually makes automotive parts and accessories become a new high-tech industry, becoming the 4C industry (Car) after consumer electronics, computers, and communications, with unlimited potential for future development.

Since 1970, the number of cars in the world has doubled almost every 15 years. In 2016, global car sales reached 93.8564 million units, with a growth rate of 4.7%. In 2016, the sales volume exceeded 10 million vehicles in only two major markets, China and the United States. Among them, China firmly sits on the position of the world's largest automotive market, with a volume of 28.0282 million vehicles, or an increase of 13.7%; in 2017, sales of 28.8789 million vehicles were maintained, with the growth rate remaining above 3%; 28.0806 million vehicles in 2018 showed the first decline in sales in nearly 20 years. In 2019 and 2020, sales of 25.769 million and 25.311 million vehicles were maintained at a certain level, respectively. By 2021, the sales volume reached 26.275 million vehicles, and sales began to pick up significantly. Global new car sales in 2022 totaled 80.98 million units. In 2022, China's new car sales ranked first in the world. In 2023, global new car sales showed significant growth. According to reports from major institutions, global new car sales reached approximately 81.73 million units. Global automobile sales reached 89 million in 2024, a year-on-year increase of 2.1%. Global automobile sales reached 96.47 million in 2025, a year-on-year increase of 5%.

Due to the huge size of the China’s market, and given China's current national income, urbanization level, and car ownership levels, future new car sales plus the replacement of old cars will be able to support the stable growth momentum of China's automotive market in the future. It plays a leading role in the global automotive market and boosts the prosperity of the automotive parts industry. In the past, when planning for the automobile industry, one only needed to determine the type of vehicle and specific model to be developed, then launch the product, and finally determine the results by production and sales quantities. Now, the development areas have been broadened. We need to develop not only the traditional automotive industry, but also new energy vehicles, focus on innovation, and work on low-carbon, information-based, and intelligent automobiles. At the same time, we also need to develop the automotive service industry. The development model that simply pursues growth in vehicle production and sales is no longer feasible. Since 2015, Internet companies such as Li Auto, Xpeng, and NIO have launched a "new car movement". The impact of this cross-border development on the automotive industry cannot be underestimated. The automotive industry will undergo massive changes in the future. The traditional automotive industry needs to face up to the new situation and accelerate its pace of development. And new energy vehicles are becoming increasingly mature. In recent years, China's new energy vehicle industry has accelerated its development amid controversy, with sales of new energy vehicles in 2016, 2017 and 2018 reaching 507,000, 777,000 and 1.25 million, respectively; although the amount of sales in 2019 was 1.206 million, which was the first decline in ten years, sales in 2022 were strong, with cumulative retail sales of 5.674 million vehicles, a year-on-year net increase of 2.687 million vehicles. It even set a new historical high. In 2023, China's new energy vehicle sales reached 7.8 million units, a year-on-year increase of approximately 35%. In 2024, China's new energy vehicle sales reached 13 million units, a year-on-year increase of approximately 40%. In 2025, China's new energy vehicle sales reached 16.49 million units, a year-on-year increase of 28.2%. With both production and sales volumes exceeding 16 million units, domestic NEV sales accounted for over 50% of new car sales nationwide, maintaining the global top spot for the 11th consecutive year.

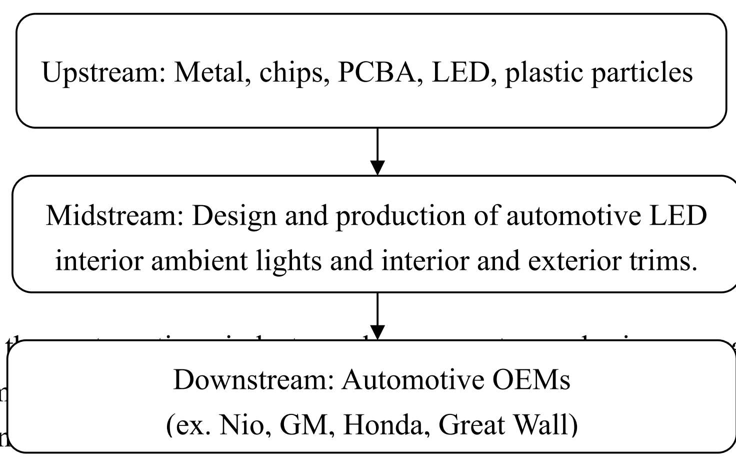
This growth is not only due to strong demand in the domestic market, but also the China government's continued support and encouraging policies for new energy vehicles. In addition, the innovation capabilities of China's automobile industry are constantly improving. The advancement of new energy vehicle technology and the reduction of costs have made these environmentally friendly models affordable to more consumers. In the future, sales of new energy vehicles in China are expected to continue to grow, and their impact on the global automotive market will become increasingly significant. The development of new energy vehicles still needs to solve many problems such as technology roadmap, product types and infrastructure construction. Although new energy vehicles have been accompanied by various controversies during their growth, it is undeniable that the general direction of developing new energy vehicles is correct. China's new energy vehicles are maturing and will shift from policy-driven to market-driven, and are expected to usher in sustained rapid growth.

2. Correlation between the upstream, midstream, and downstream industries

The automotive industry is an OEM supply system centered around car manufacturers, which consists of car manufacturers, Tier 1 manufacturers, Tier 2 manufacturers, and Tier 3 manufacturers from top to bottom. Among them, car manufacturers have the right to formulate the functions and specifications of components, and carry out vehicle assembly, key technology research and development, and manufacturing of some components; Tier 1 supply car manufacturers are responsible for the development and production of system or sub-system products; Tier 2 manufacturers are responsible for the production of module products to supply Tier 1 manufacturers; Tier 3 manufacturers are responsible for the production of automotive parts or components, forming a close supply relationship with each other. As the automotive industry enters the globalization stage, under the trend of global procurement, the relationship between automakers and component suppliers is no longer rigid. Component manufacturers may cooperate with multiple automakers. In addition, in order to reduce costs, many large automakers have gradually transferred the right to R&D and design to component manufacturers, allowing automotive component manufacturers to create higher added value space in their role in the industry value chain than before. In addition, in the OEM market, the appearance, functions and specifications of component products vary according to the needs of automotive manufacturers, so most of them are customized products and the probability of standardization is still low. However, in order to reduce costs, automotive manufacturers and large OEM manufacturers have to increase the proportion of outsourcing to cope with it. The automotive industry is a high-precision, technical and highly integrated comprehensive industry. The production and manufacturing process is very complicated and involves a wide range of areas. There are no less than a hundred related manufacturers and it requires the cooperation of various industries. There are a large number of automotive parts, and one car usually requires about 8,000 to 15,000 parts. The demand for automotive components comes from supplying automotive assemblers to sell new cars, and from after-sales repair service providers to replace parts. Parts can be divided into metal parts and non-metal parts based on their materials, including steel, non-ferrous metals, rubber, glass, asbestos, ceramics and fibers, etc. The industries they cover are very broad. The manufacturing methods of various components include casting, stamping, forging, powder metallurgy, machining and heat treatment. After passing the inspection, the completed components are sent to the central factory for assembly. Therefore, the automotive parts industry can drive the development of a country's basic industries and surrounding industries.

The Company is a professional design company and manufacturer of automotive LED interior smart ambient lights, metal and plastic interior and exterior trims. We are in the midstream position of automotive components. After the automotive manufacturer releases the design case of a new car model, the Company (Tier 1) obtains the design case and begins to design automotive LED interior ambient lights, metal and plastic interior and exterior trims, including integrated design such as etching and brushing surface treatment, optical, mechanism and electronic program development, etc., to design a unique interior intelligent light source and interior and exterior trims from scratch. After rigorous testing, third-party experiments and factory certification, they can be mass-produced and shipped. The products designed by the Company are shipped directly to the assembly line of the car factory (for example: GM, Toyota, Honda, Li Auto) or shipped to the next-level process automotive parts factory according to the needs of the car factory. After integration is completed, they are shipped to the automotive manufacturer (for example: Ford, Nio, Great Wall, etc.) to be assembled into a complete vehicle, and finally the automotive manufacturer will sell, repair, maintain and provide after-sales service for the complete vehicle.

Schematic diagram of the Company's industrial structure



Since [illegible] afety perform[illegible] key compon[illegible] fore, downstream automotive manufacturers also have strict certification mechanisms for component suppliers. This has also created a high entry threshold for the automotive component industry. Once a qualified supplier is selected, it is unlikely to change partners easily, thus forming a relatively closed supply chain relationship. The Company has been deeply rooted in mainland China for many years and has rich experience in product design and marketing, as well as good process and production management capabilities. Our customers are all automotive original equipment manufacturers. The Company has passed the ITAF 16949 international automotive quality system certification and has become one of the main suppliers in the China's automotive market.

3. Product development trends

   A. LED interior ambient fiber optic light is widely used

      Consumers are the final decision makers when purchasing cars. In addition to price considerations, quality, appearance, uniqueness of the product and whether it conforms to current trends may all affect consumers' decisions, especially when it comes to automotive parts. In the case of little difference in quality and price, whether the product is unique or popular among consumers, as well as the differences in preferences among consumers in different regions, will all affect the sales of cars. Since LED ambient light technology can be widely used in various car door panels, instrument panels, consoles and other locations to create ambient, it can improve the sense of space, style and cost-effectiveness of small cars, and enhance the beauty and practicality of car interiors, making high-end cars more luxurious, creating a pleasant visual effect, and greatly improving the value of cars. With the continuous development of the automotive industry, people's requirements for interior styles are getting higher and higher. As a new type of light, the use of ambient light in cars is increasing, which has attracted the attention of consumers and gradually become the new favorite of the market. The interior ambient light is the abbreviation of the flexible high-brightness light diffusing fiber LED ambient lamp. It is a decorative lighting, usually red, blue, green, etc. It is mainly used to make the car more gorgeous at night, set off the ambient inside the car, enhance sensory stimulation, improve the car driving experience, and enhance the grade of the entire vehicle. The main materials of the interior ambient light are LED (Light Emitting Diode), which is composed of light-emitting diodes, translucent panels and nano light guides.

      LED is a solid-state semiconductor device that can directly convert electricity into light. Its core part is a wafer composed of P-type semiconductor and N-type semiconductor. There is a transition layer between the P-type semiconductor and the N-type semiconductor, which is called a PN junction. In the PN junction of some semiconductor materials, when the injected minority carriers recombine with the majority carriers, the excess energy is released in the form of light, thereby directly converting electrical energy into light energy. When a reverse voltage is applied to the PN junction, it is difficult for minority carriers to be injected, so no light is emitted. The diode made based on the principle of injection electroluminescence is called a light-emitting diode, commonly known as LED. When it is in the forward working state (that is, a forward voltage is applied to both ends), when the current flows from the LED anode to the cathode, the semiconductor crystal emits light of different colors from ultraviolet to infrared. The intensity of the light is related to the current. This is the principle of LED luminescence. The wavelength of light, i.e. the color of light, is determined by the material forming the P-N junction. The interior ambient light can achieve a variety of color changes. This is because LED light sources can utilize the principle of the three primary colors of red, green and blue. Under the control of computer technology, the three colors have 256 levels of grayscale and can be mixed arbitrarily, which can produce 256*256*256=16,777,216 colors, forming a variety of combinations of different light colors and achieving a rich and colorful dynamic change effect. Interior ambient lighting has been widely used in European, American, Japanese and Chinese independent brand car companies.

B. Consumers attach importance to automotive auxiliary safety driving technology

Cars are an important element in the modern road transportation system. While the widespread use of vehicles has promoted the civilization and progress of human society, it has also brought a series of negative effects to mankind. Safe driving assistance has become an important option for consumers when buying cars. ADAS is an active safety technology that uses a variety of sensors installed on the vehicle to collect information about the vehicle's surroundings (perception) and identify, detect and track objects. It enables the driver to perceive potential dangers (cognition) as quickly as possible, thereby attracting attention and taking appropriate measures (operation). Based on the three aspects of perception, cognition and operation, and combined with the status of the vehicle, intelligent ambient reminders came into being under this demand. Traditional auxiliary reminders are mostly sound alarm reminders. Today, when chips are widely used in ambient lights, the sound and light combined with a multi-faceted auxiliary safety system gives the ambient lights more auxiliary safety functions beyond decoration.

The combined application technology of LIN&RGB&IC has a high threshold, but other domestic companies have few technical leaders and experience accumulation in this field, and lack relevant engineering and technical personnel. The Company has been deeply engaged in the field of intelligent interior ambient lighting for many years, and has a high-level scientific research team with outstanding talents from home and abroad as the core and professional engineering and technical personnel as the main body, 60% of whom have a master's degree or above, and the heads of optical, hardware and software technology development are all doctoral personnel with more than ten years of professional experience. It has complete system design capabilities from algorithm to high-frequency hardware, and owns a number of independent intellectual property rights.

4. Market competition

The automobile industry is a closed market with only a few manufacturers. All automotive components must undergo strict and lengthy testing and certification before they can be adopted by the original automobile manufacturer, so the quality is more guaranteed. Prior to this, the supplier still needs to be identified as one with development potential before internationally renowned car manufacturers are willing to provide the supplier with the required quality, reliability, product life and other specifications for product development and testing. The time and cost consumed by such a lengthy process cannot be underestimated, thus forming a certain degree of entry barrier.

The Company entered the automotive market in 1999. Our current customers include mainstream domestic and foreign automobile manufacturers such as GM, Ford, NIO, Li Auto, Xpeng, Toyota, Nissan, Honda, Hyundai, Kia, SAIC, GAC, Changan, Geely, Great Wall and Chery, etc. We have many years of supporting delivery experience and have good business relationships.

(III) Technology and R&D:

1. The technical level and R&D of the business

The main in-vehicle products of the Company include interior door trims, instrument panel ambient lights, door sill welcome pedals, door and rearview mirror floor lights, star tops, and music rhythm controller series.

The interior ambient light has realized and mass-produced intelligent active control products, replacing the original monochrome ambient light and creating a better driving ambient experience in the car.

The body exterior products include daytime running lights, SUV side steps, large body kit and other series. The Company has long been committed to the research and development of automotive parts, and continues to research new products and applications in automotive interiors and exteriors.

In addition to conventional assembly and production equipment processes, we also have production lines for printing, wire drawing, metal etching, oxidation, etc. We have established complete environmental protection facilities and systems, which have been approved by the government's environmental protection and other relevant departments. This has obvious advantages in the current market where environmental protection requirements are increasing day by day.

The Company has a research and development innovation team to conduct market research and develop innovative products based on potential market demand, so that they can be mass-produced and approved for relevant patents. Ensure that we can lead the market and increase the market share of innovative products.

Combined with film printing technology, we have developed surface-emitting panels with different material effects, pushing future automotive interior light sources towards more diverse and varied surface luminescence.

Customer product development is strictly carried out in accordance with the IATF16949 specifications of the automotive industry. The development of each product project follows five stages: market planning, design, design verification, manufacturing verification and quality assurance. Each project product is not only marketable, but also has the ability to be mass-produced to meet the requirements of product function and appearance consistency.

To meet the requirements of automobile factory customers. We have documented our development procedures and worked with professional software companies to develop a PLM electronic management system to enable timely and effective monitoring of each product development process and quality.

2. Research and development expenses incurred in the most recent year and up to the date of publication of the annual report

Unit: NTD thousand

Item/Year	2024	2025
R&D expenses	79,898	101,477
Operating revenue, net	2,075,263	2,065,319
R&D expenses as a percentage of net operating revenue (%)	3.85	4.91

Note: The financial information of Q1 2025 has been reviewed by the CPAs.

3. Technologies or products developed successfully in the last five years

Year	R&D results	Description of the main benefits
2021	By extending the ISELED new LED control method, we will find alternative devices to continue its control concept, and use ICLED to design products with equivalent functions, so as to improve the cost performance of products and realize mass production of originally conceptual materials, without reducing customers' willingness to use them due to the high cost of raw materials.	Currently, ICLED has been applied to dynamic interior ambient lighting scenarios and has been successfully mass-produced, truly realizing the dynamic effects of interior lighting and elevating interior lighting to another generation. The successful mass production of the project has prompted other customers to inquire about the use of the product, increasing customers' willingness to use the product and designing it into new project of products.
	While dynamic ambient lights are being put into mass production, light-emitting modules designed using even more miniaturized light-emitting elements are being developed. This miniature light-emitting element is called miniLED, which can transform the dynamic interior ambient light into realistic patterns or fonts and can be designed to meet more limited lighting space requirements.	The product range of miniLED is not only used for multi-color light sources in the car that were originally just luminous lines or surfaces, but also for dynamic patterns or text effects. In addition to the original ambient decoration effect, it can also realize the display of vehicle information.
2022	A system that uses BCM to control interior ambient lighting. Through the CAN bus, it can communicate with the body controller BCM or other controller ECU to achieve	Data sharing is achieved through the CAN bus, which facilitates the reception of lighting control instructions and enables effective control of ambient lighting. The internal ambient lighting can be

Year	R&D results	Description of the main benefits
	ambient lighting control. Ambient lighting has a significant positive impact on driving space perception, interior appeal, perceived safety, functionality, and perceived interior quality.	personalized to achieve a variety of ambient lighting effects.
	In order to cope with various wireless charging mobile phones on the market, we have upgraded the automotive-grade 20W wireless charger to an advanced version.	The charging performance meets the market demand for wireless charging performance of mobile phones. In terms of quality, this product can also be directly pushed into online pre-installation, effectively increasing the product wearing rate.
	The star top can be operated through the mobile phone application to present various brilliant and dazzling appearances according to mood.	The design concept of adding intelligent emotion to the star top pays more attention to the driver's emotions, thereby creating a warm and harmonious ambient in the car.
2023	The contrasting light curtain ambient light only requires light sources to be arranged at both ends to achieve a variety of color-changing lighting effects, greatly reducing the number of light sources to be arranged and reducing costs.	By adjusting the color of the light sources at both ends, different color segments can be presented on the entire light beam; by adjusting the brightness of the light colors of the different light sources at both ends, the position of the mixed color in the middle of the light beam material can be controlled, thereby achieving color segment movement and flashing light effects.
	Dynamic flow ambient light	ISELED integrates RGB LED, LED driver and advanced communication into a single package. Since each LED is individually addressed, the bandwidth is effectively utilized, and its high-density system can support up to 4096 LEDs.
	A2B in-vehicle audio bus controller	Compared with traditional automotive audio ECU, A2B automotive audio bus controller has the characteristics of high bandwidth and low latency. When enjoying a ride, sound-controlled rhythmic ambient lighting can also convey emotions through lighting. The rhythm of the music and the changes in

Year	R&D results	Description of the main benefits
		light and shadow echo each other, providing dual auditory and visual enjoyment and increasing the user's comfort during the ride.
2024	Crystal texture ambient light	Adopting innovative crystal-textured light-transmitting surface, the crystal clear texture shines with incomparable gorgeous light and makes it more luxurious. It decorates the exclusive cabin, spreads the essence of luxury and brilliant light to every corner of the cabin, and allows everyone inside to feel its elegance and passion.
	Touch control reading light	Roof control panel with touch-controlled reading lights, integrated microphone camera and switches.
	Mat slow moving light	By applying projection lenses or MLA technology, a high-brightness, large-area welcome mat light can be developed to enhance the sense of ceremony and visual experience of using the car.
2025	Illuminated grille lights	The grille lights use a ring-shaped light guide and high-power LEDs, featuring a breathing gradient effect. Combined with the headlights, they can create various scene modes, such as welcome and farewell modes, enhancing the customer's sensory experience.

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

1. Marketing strategy

A. Overview of short-term plan

(A) Strengthen the layout of the new energy vehicle market.

(B) Expand the North American market and actively strive to develop the Southeast Asian market.

(C) Based on the stable development of pedal business of Japanese customers, and grasp the direction of market development and increase the online conversion rate

B. Overview of medium and long-term plans

(A) Integrate the original optoelectronic technology with the external surface decoration technology (film, fabric, leather, real wood, etc.) to create a high value-added product assembly.

(B) Continue to provide high-quality products and after-sales services to gain customers' trust and maintain good relationships in the long term.

2. Production strategy

A. Overview of short-term plan

(A) Continuously optimize production processes and process rhythm to improve output efficiency.

(B) Strengthen tooling and mold design to improve product's production yield

(C) Accelerate the production automation.

B. Overview of medium and long-term plans

(A) Achieve the quality standards of world-class manufacturing factory.

(B) Establish a comprehensive central satellite system.

(C) Form strategic alliances with key component manufacturers.

3. Operations

A. Overview of short-term plan

(A) Open up internal and external communication channels and coordinate resources to ensure the smooth operation of each project.

(B) Take the initiative to work as a team.

(C) Focus on safety management and operational risks.

B. Overview of medium and long-term plans

(A) Adopt a focused business strategy.

(B) Each business unit is a flexible and strong operating organization that supports each other under the common resources and strategic leadership of the headquarters, forming a solid corporate group and establishing the management and sales capabilities of a multinational corporation.

4. Financial coordination

A. Overview of short-term plan

(A) Effective cost control.

(B) With a prudent attitude, we will flexibly use funds to minimize capital costs to benefit the Company's future development.

(C) Identify and evaluate new revenue opportunities and risks

B. Overview of medium and long-term plans

(A) Based on the principle of sound financial policy, we use financial management tools to create various added values.

II. Market and production and sales overview

(I) Market analysis

1. Analyze the sales (provision) of the Company's main products (services)

The Company's main customers are domestic joint venture brands and domestic independent brands in China, including supplying the three major Japanese automakers as well as Mazda, Subaru, BMW, Mercedes-Benz, etc. Therefore, the sales area is mainly in China, and some products are sold to America, Thailand and other places.

Unit: NTD thousand; %

Year / Region	2024		2025	
	Sales amount	Percentage	Sales amount	Percentage
Domestic sales	1,920,925	92.56%	1,900,767	92.03%
Export sales	154,338	7.44%	164,552	7.97%
Total	2,075,263	100.00%	2,065,319	100.00%

2. Market share

The Company is engaged in the design, manufacture and sales of LED interior and exterior smart lights, metal and plastic interior and exterior trims. The Company mainly sells interior smart ambient lights, reading lights, luggage compartment lights, footlights, projection lights, daytime running lights, charging indicator lights, door handle lights, welcome pedals, star top smart ambient roofs, sunroof tinting films and other products. Since there is no complete and objective market share statistics for LED interior and exterior smart lights and products for reference, it is impossible to accurately rank the Company's position and market share among its peers. However, in terms of the main sales targets, the Company's main customers are General Motors (global supplier), Ford Motor, Honda Motor and Toyota Motor of Japan, and Chinese automobile manufacturers such as NIO, Li Auto, Xpeng, Leapmotor, Chery Automobile, Great Wall Motors, and Geely Automobile. The Company's products and technologies are highly recognized by customers, and the Company has already occupied a considerable competitive position among its peers, making it a trusted and designated partner of many automobile manufacturers.

3. Future market supply and demand and growth

A. National income will further increase, and the automobile development plan will be laid out in the long term

The "Outline of the 14th Five-Year Plan for National Economic and Social Development of the People's Republic of China and the Long-Term Goals for 2035" (hereinafter referred to as the "Outline") was officially announced. As a grand blueprint for embarking on a new journey of building a modern socialist country in an all-round way and a common action program for the Chinese people of all ethnic groups, if the country is to achieve common prosperity, China will further reform and open up, and the national income will further increase steadily. “Outline Plan” is also a guiding light for the development of the automotive industry in the next five years. It should be said that since 1975, the automotive industry has been regarded as an important pillar industry in China. With the rapid development of the industry, its position in the national economy is becoming increasingly important. The five-year plans at each stage have played an important guiding role at key points in the development of China's automotive industry. The relevant policies related to automotive industry in the Outline mainly include:

1. The improvement of the core competitiveness of the manufacturing industry includes new energy vehicles and smart (connected) vehicle projects. It is proposed to break through key technologies such as high-safety power batteries, high-efficiency drive motors, and high-performance power systems for new energy vehicles, and accelerate the research and development of key components such as the basic technology platform, software, and hardware systems, wire-controlled chassis, and intelligent terminals for smart connected vehicles. 2. The development and expansion of strategic emerging industries includes building new pillars of the industrial system. It is proposed to focus on strategic emerging industries such as the new generation of new energy vehicles, accelerate the innovation and application of key core technologies, enhance the ability to guarantee factors, and cultivate and expand new momentum for industrial development. 3. Accelerating the green transformation of development methods includes vigorously developing the green economy. It is proposed to promote the electrification of urban public transportation and logistics distribution vehicles. The strict implementation of emission standards and green development means that some cars that do not meet the standards need to be eliminated and updated urgently. In addition, the continuous advancement of urbanization means that the rigid demand in the China’s automobile market is very strong.

B. Global demand for automobiles continues to increase

As far as the automobile market is concerned, global demand will continue to increase in the next few decades, and countries are also actively developing the automotive industry, and the position of the automotive industry is becoming increasingly important. The global automotive industry mainly consists of three major markets, namely Asia, the United States and Europe, all of which have huge consumer markets and large-scale production capabilities.

4. Competitive advantage

A. The channel advantage of many OEM supporting qualifications

The Company's current customer groups can be divided into four sectors: European and American automakers, Japanese and Korean automakers, domestic brands, and new car-manufacturing brands. The specific customers are:

a. European and American car companies: General Motors, Ford, BMW, Mercedes-Benz, Renault, and Citroen.

b. Japanese and Korean car companies: Toyota, Honda, Nissan, Mazda, Subaru, Mitsubishi, Hyundai, Kia, etc.

c. Domestic independent brands: Geely, Chery, Great Wall, BYD, GAC, BAIC, Changan, SAIC, etc.

d. New brands in car manufacturing: NIO, Li Auto, Xpeng, Leapmotor, etc.

B. Excellent LED lighting optical circuit design analogy and welding assembly technology

The Company has advanced ANSYS SPEOS optical analogy software, mainstream 3D structural modeling design software (CATIA, UG), a laboratory certified by China National Laboratory CNAS and General Motors GP10, an advanced dust-free 10,000 dustproof level anti-static assembly workshop, automated testing and assembly equipment, a complete modern factory from design to production, and a high-tech talent team for structural, optical and electronic hardware and software design and development.

C. Passed many international standard system certifications and international manufacturer quality certifications, established an independent training system.

In 2005, the Company passed the IAFT 16949 quality assurance certification, the international quality control system for the automotive industry. From product design, development, manufacturing, quality inspection to sales, we have relevant systems and operating standards to regulate all work. Our quality system has been audited by many international manufacturers and has been recognized for its performance. The Company passed the ISO14001 environmental management system certification in 2008, comprehensively optimized all aspects of management, met government legal requirements, obtained the "green pass" for international trade, and achieved energy conservation and consumption reduction, reduced environmental risks, and achieved sustainable business operations through reforming process equipment and optimizing costs. In 2023, the Company passed the ISO45001 occupational health and safety system certification, promoted the implementation of occupational health and safety laws and regulations, improved working conditions, improved the physical and mental health and safety and hygiene skills of workers, reduced cost input and improved work efficiency, generated direct and indirect economic benefits, and established a good corporate social image. In addition, the Company has a complete training system to cultivate technical, quality and management talents in the long term to meet future development needs.

D. Stable quality and price advantage

The automotive industry is a closed market dominated by a few manufacturers. The most basic requirement for entering the components supply chain is to pass the QS 9000 and IAFT 16949 international standard certification, which takes a long time and is cumbersome. With our own resources and excellent management team, the Company is one of the few automotive parts manufacturers that has obtained QS 9000 and IAFT 16949 certifications. We have implemented the factory 5S management system, and our product technology and quality are in the leading position in the industry. Our products have won the trust of major international customers and have a stable cooperative relationship. Therefore, stable quality products and competitive prices are the competitive niches of the Company.

E. The product market has high entry barriers, few competitors, and a solid market position.

Generally, the research and development time of automotive components is about half a year, but the verification time is often as long as three months to a year. If it is the first time to cooperate with a Tier 1 supplier, the time required from qualification review, verification to sample delivery can be as long as three years. For Tier 1 manufacturers, it takes considerable cost and time to maintain and monitor existing suppliers. Therefore, if they want to abandon existing suppliers and switch to other manufacturers' parts, in addition to the need to re-invest in certification time and costs, the impact of the change in parts on their final products is also immeasurable. Therefore, based on conservative psychology and dual considerations such as cost and risk, Tier 1 manufacturers usually do not easily change parts suppliers, so the possibility of manufacturers being replaced is relatively low. This is a special environment in the automotive industry, and it is also a barrier to entry for other manufacturers. Therefore, there are few competitors, but once they enter the market, they can maintain long-term business opportunities.

5. Favorable and unfavorable factors of development prospects and corresponding countermeasures

A. Favorable factors

(A) The orders of car manufacturers are planned production, while component suppliers have more stable and long-term orders.

The automotive industry is very strict in product quality certification, which requires tedious testing and certification. It takes about 3 to 5 years for a car manufacturer to find a suitable supplier and officially place an order. Therefore, once a component supplier enters the car manufacturer's supply chain, it will not easily transfer orders or terminate the contract. Car manufacturers adopt planned production and usually provide suppliers with estimated order quantities for several months or even up to a year as a basis for production scheduling. Actual production and shipment are carried out according to the car manufacturers' scheduled delivery plans. Therefore, the order volume of component suppliers is relatively stable and long-term.

(B) Major car manufacturers adopt global sourcing strategies to increase product sales opportunities

In recent years, oil prices have continued to rise, and material prices have continued to rise, which has seriously affected the survival of the automotive industry. In addition to actively seeking new energy vehicles, automotive manufacturers also need to further reduce the cost of manufacturing vehicles to increase the Company's profits. In addition, the global economic recession has caused the financial deterioration of Tier 1 component suppliers one after another. Therefore, major car manufacturers and Tier 1 component suppliers will adopt global procurement and outsourcing to reduce their procurement costs. In the future, global automobile production orders will be released in large quantities to other component manufacturers. The Company's products have considerable quality and price control capabilities and have been recognized by major manufacturers. There is still considerable room for future growth.

(C) Global car production bases shift to China, and China's growth accelerates

As the economy recovers, national fiscal revenue, government measures and the growth of Chinese people's financial resources will continue to support the stable growth rate of China's automotive market. Therefore, China's new energy vehicle market still has great potential for future growth. The market opportunities brought about by high sales volume will make China the most promising market for the automotive parts industry. In addition, in recent years, China has made major strategic adjustments to its foreign investment policies. The focus of utilizing foreign direct investment has begun to shift from focusing on quantity to focusing on improving quality and optimizing structure. From 3C to most automotive components and even finished products are manufactured in the mainland and then exported to all parts of the world. It is believed that after this strategic adjustment, the industrial structure will be fundamentally strengthened, which will attract more car manufacturers and related component manufacturers to the mainland China for processing and manufacturing. In conclusion, for companies that are actively expanding into China, the future demand for automotive components will be considerable.

B. Unfavorable factors and response measures

(A) Rising labor costs in China

The China's government began to implement the new Labor Contract Law on January 1, 1997, which has clear provisions on social insurance, training costs, vacation systems, reward and punishment norms, etc. Enterprises are also required to sign clear written labor contracts with employees. The relevant regulations have significantly increased the labor costs of enterprises. In recent years, the China's government has been committed to eliminating the urban-rural gap and strengthening the development of the mainland China. When the economic environment and employment conditions in the mainland China improved, considering the difference between wages and price levels, the number of workers willing to leave their hometowns and move to coastal cities decreased significantly, and labor shortages occurred. Coastal cities then introduced policies to increase wages and improve working conditions to attract workers. In addition, since 2010, China has exhibited a trend of local adjustments to minimum wage standards, and most of the adjustments have been above 15%. The ever-increasing salary income has also caused labor costs to continue to rise, which in turn has had a negative impact on corporate profits.

Response measures

a. In the future, we will sign internship agreements with schools, recruit workers through human resource dispatch agencies, and promote employee referrals to effectively reduce the impact of labor shortages in China.

b. The Company will replace some manual production with more semi-automated equipment, and continue to improve the existing production and operation processes, introduce advanced production equipment, so as to improve production efficiency and reduce manufacturing costs.

(B) Products must be in line with the price reduction policy of the car manufacturer

After each model goes into mass production, it will face competition from various brands of cars. In order to maintain their sales volume, car manufacturers will be under pressure to lower car sales prices. Therefore, car manufacturers will ask upstream suppliers to reduce the prices of components in order to transfer the cost pressure brought about by the price reduction. In this way, the gross profit of component manufacturers will be compressed.

Response measures

a. Improve process yield, improve production flow and promote measures to rationalize production costs, and expand sales in the global market to increase product volume and value, improve production economies of scale and reduce the proportion of fixed production costs.

b. Continue to improve existing technologies, introduce other decorative technologies, conduct vertical integration and horizontal expansion of technologies, and enhance the quality of corporate management, effectively improve corporate operating efficiency, and develop high value-added products to maintain overall gross profit margin.

c. The development and introduction of intelligent interior ambient lighting will improve product competitiveness and technical barriers, ensure the speed of product updates and guarantee the profit margin of the Company's products.

(II) Important uses and manufacturing processes of major products

1. Important uses of main products:

Main products	Important purpose
Automotive LED interior parts (Including luminous welcome pedal)	The first is driving safety. The ambient light can be adjusted to reduce the contrast between light and dark inside and outside the car, thereby reducing driving fatigue. Even when the car is in a dangerous mode with a fault, such as when there are pedestrians or vehicles passing by outside when the door is open, the ambient light can flash red to give a warning alarm. The second is spatial perception. When performing some functional needs, such as opening the car door, turning on the reading light, or even operating the functional buttons on the backlight on the steering wheel, the functional positioning of the car can be identified through the lights in the relevant areas. The ambient light can be used to visually expand the space inside the car, and at the same time illuminate the entire interior space, locate and perceive the entire space, and provide a sense of psychological security during driving. The third is brand perception. Through the integration of ambient lights and interior decoration, such as the leather in the front row and on both sides of the seats, a sense of refinement and luxury can be created through ambient lights, adding style to the car brand. The fourth is scene application, which is also the key core point of user experience. It meets the needs of users in different scenarios, whether it is stationary or running, even high-speed running or bumpy and pothole-ridden roads. It can be user-centric and focus on user concerns.
Automotive interior and exterior trim (Non-luminous products)	A combination of different metal surface treatment processes (anodizing, chemical etching, laser etching, vacuum plating, water plating, color ink printing, etc.) is used, and stamping, physical wire drawing, laser engraving and other forming processes are adopted to achieve different textures and colors on different materials such as aluminum and stainless steel. It is not only anti-collision, but the fashionable design also enhances the overall texture and top luxury of the car.

2. Production process of main products

Interior ambient lighting of car A

Take the illuminated welcome pedal as an example:

Cutting → Surface printing → Baking → Etching or brushing →

Stamping → Deburring → Forming → Cleaning →

Light sheet assembly → Light inspection → Glue packaging → Inspection →

Packaging

Take the smart ambient light as an example:

SMT → Automatic PCB routing → Automatic welding → Program burning →

Assembly → Assembly packaging → Lighting test → Packaging

interior and exterior parts of car B

Take aluminum pedals as an example:

Cutting → Stamping → Forming → Skimming and neutralizing →

Anode cleaning → Sealing and cleaning → Inspection → Packaging

Take stainless steel pedals as an example:

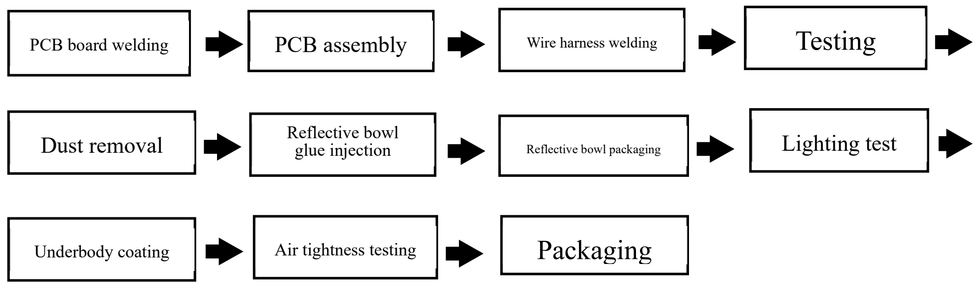
Cutting → Surface printing → Baking → Etching or brushing →

Stamping → Deburring → Forming → Glue →

Underbody coating → Cleaning and film replacement → Padding → Packaging

C LED products

Take daytime running lights as an example:



(III) Supply of main raw materials

The raw materials used in the Company's production are mainly divided into metal materials, electronic materials and plastic materials. Except for some special aluminum materials purchased from abroad, most of the other metal materials are purchased from China. Most of the electronic materials are brand materials specified by customers and purchased through qualified agents in China. Plastic materials are mainly designed by the Company and then produced by suppliers, and most of them are purchased from China. The remaining packaging materials and auxiliary materials are mostly purchased from China, and the supply situation is normal and reasonable. All relevant materials meet automotive-grade requirements and have passed product testing and vehicle verification to ensure that they meet the vehicle engineering technical specifications and relevant government laws and regulations.

(IV) List of major suppliers and customers:

1. The names of suppliers that have accounted for more than 10% of the total purchase amount in any of the past two years, their purchase amount and proportion, and explain the reasons for the increase or decrease: Unit: NTD thousand

Items	2024				2025				2026Q1			
	Name	Amount	Percentage of net purchase for the year (%)	Relationship with the issuer	Name	Amount	Percentage of net purchase for the year (%)	Relationship with the issuer	Name	Amount	Percentage of net purchase for the year (%)	Relationship with the issuer
1	Arrow Electronics	105,009	10.67	—	Arrow Electronics	120,389	12.13	—	Arrow Electronics	21,005	7.94	—
	Others	878,918	89.33	—	Others	872,201	87.87	—	Others	243,473	92.06	—
	Net purchase amount	983,927	100.00	—	Net purchase amount	992,590	100.00	—	Net purchase amount	264,478	100.00	—

Explanation of increase and decrease: There were no major abnormal situations with suppliers who accounted for more than 10% of the Company's total sales in the past two years.

2. Names of customers who have accounted for more than 10% of total sales in any of the past two years, their sales amount and proportion, and reasons for any increase or decrease: Unit: NTD thousand

Items	2024				2025				2026Q1			
	Name	Amount	Percentage of net sales for the year (%)	Relationship with the issuer	Name	Amount	Percentage of net sales for the year (%)	Relationship with the issuer	Name	Amount	Percentage of net sales for the year (%)	Relationship with the issuer
1	—	—	—	—	—	—	—	—	—	—	—	—
	Others	2,075,263	100.00	—	Others	2,065,319	100.00	—	Others	593,726	100.00	—
	Net sales	2,075,263	100.00	—	Net sales	2,065,319	100.00	—				

Explanation of increase and decrease: There were no major abnormal situations with customers who accounted for more than 10% of the Company's total sales in the past two years.

III. Information on employees in the most recent two years and up to the date of publication of the annual report

Unit: Persons

Year		2024	2025	May 12, 2026
Number of employees (persons)	Production personnel	280	285	284
	Sales personnel	39	35	32
	Management personnel	71	76	78
	R&D personnel	38	43	50
	Total	428	439	444
Average age (years)		35	35	36
Average years of service (years)		5.3	5.1	4.6
Educational background distribution ratio (%)	Ph.D.	—	—	—
	Master's degree	2.80	2.51	2.48
	College	41.36	41.69	45.50
	High school	14.49	15.49	14.19
	Below high school	41.36	40.32	37.83

IV. Information on environmental protection expenditure

Losses incurred due to environmental pollution in the most recent year and up to the date of publication of the annual report (including remuneration and environmental protection audit results for violations of environmental protection laws and regulations, which should specify the date of the penalty, the penalty number, the provisions of the violation, the content of the violation, and the content of the penalty), and disclose the estimated amount and corresponding measures that may occur at present and in the future. If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated should be explained: None.

V. Labor-management relations

(I) List the Company's employee welfare measures, further education, training, retirement system and its implementation, as well as labor-management agreements and various employee rights protection measures:

The Company and its subsidiaries have always attached great importance to employee welfare and talent training, and abide by labor-related laws and regulations to protect the rights of workers.

1. Employee benefits

The Company and its subsidiaries hold regular health checks every two years to ensure that every employee is in good health and can work effectively. The Company provides five social insurances and one housing fund, labor insurance, health insurance or other social insurance for employees, and purchases group commercial insurance for those who are not included in the social insurance system. It also provides employees with welfare subsidies for weddings, birthdays, childbirth, funerals, hospitalization, disability, annual travel, etc., and organizes various activities from time to time and distributes holiday gifts or gift certificates to all employees of the Company.

2. Employee training and education

The Company allocates a budget every year to conduct pre-employment training and on-the-job education for employees to enhance their professional skills, leadership and management capabilities, and career development. At the same time, it encourages employees to enrich themselves and participate in external training courses to adapt to the needs of the Company's business development.

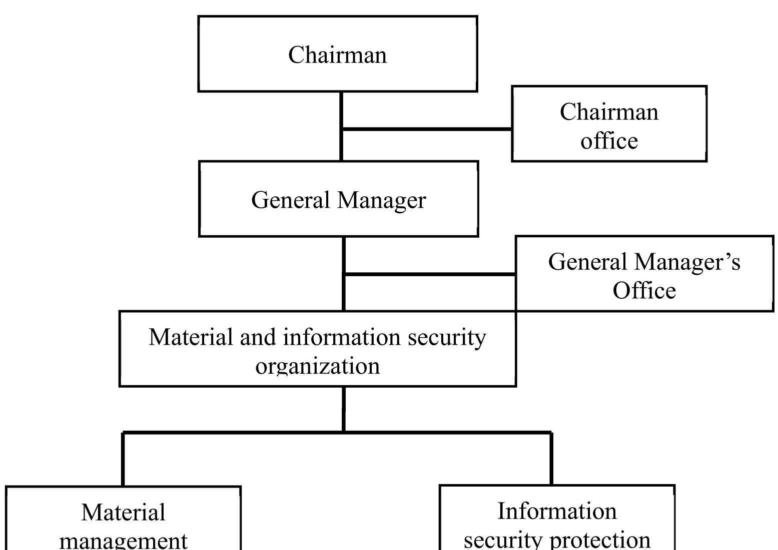
3. Retirement system and its implementation
   It is mainly handled in accordance with the labor-related laws and regulations of the place of operation, and a certain percentage of the total salary paid is allocated to the reserve fund and transferred to a special government account for safekeeping and payment. The reserve fund adopts a fixed contribution system.
4. Agreements between labor and management and various employee rights protection measures
   The labor-management policy of the Company and its subsidiaries is based on the principle of honest communication, and through the following actions, we work together to create a win-win situation for the Company and employees.
   A. Compliance with Labor Standards Act and related regulations to provide employees with the greatest protection.
   B. Employees have smooth and diverse communication channels, and their opinions can be fully expressed and responded to.
   C. When encountering the operating conditions and important measures of the Company and its subsidiaries, they are fully publicized in advance so that employees can understand them clearly and the Company can obtain their full support and cooperation.

(II) The losses incurred due to labor-management disputes in the most recent year and up to the date of publication of the annual report (including labor inspection results that violate the Labor Standards Act, which should list the date of the penalty, penalty number, violation of the law, violation of the law, and the content of the penalty), and disclose the estimated amount and response measures that may occur currently and in the future. If it is impossible to reasonably estimate, the fact that it cannot be reasonably estimated should be explained:
Since the establishment of the Company and its subsidiaries, the labor-management relationship has been extremely harmonious, and they have worked together for the Company's vision. Therefore, the Company has not suffered any losses due to labor-management disputes in recent years and as of the date of publication, and it is expected that there will be no damages due to labor-management disputes in the future.

VI. Information security management

(I) Describe the information security risk management framework, information security policies, specific management plans, and resources invested in information security management, etc.:

1. Information risk management framework



2. Information security policy
   The Company has established "Corporate Information Management System", "Information Rights Management Method", "Computerized Information System Processing Cycle" and "Information System Emergency Plan" to build multi-layer information security protection, introduce information security defense technology, strictly control the access to the Company's confidential assets, and prevent the leakage of important secrets.
3. Concrete management plans
   Internet security:
   A. Introduce advanced technology to perform computer scans and system and software updates.
   B. Strengthen network firewalls and network control to prevent computer viruses from spreading across machines and factories.

   Safety devices:
   A. Establish a virus scanning mechanism for machines entering the factory to prevent machines containing malicious software from entering the factory.
   B. Establish endpoint antivirus measures based on computer type to strengthen malware behavior detection.

   Security of application programs:
   Continue to strengthen application security control mechanisms and integrate development processes and platforms.

   Enhancement of information security protection technology:
   The Company develops advanced information protection tools to strengthen confidentiality and classification of files, data protection files, data encryption control and effective tracking of outgoing mail through data labelling.
   Education, training and promotion:
   A. Enhance employees' awareness of attacks via email and social media tools, and perform phishing email defense detection.
   B. Regularly organize employee identification drills to enhance employees' information security awareness.
4. Resources invested in information security management
   (1) Formulate the operating procedures for "Corporate Information Management System", "Information Rights Management Methods", "Computerized Information System Processing Cycle" and "Information System Emergency Response Plan".
   (2) Organize employee information security and protection education and training courses to enhance employees' information security awareness.
   (3) Detect and defend from phishing emails, and promote awareness of attacks via email and social media tools.
   (4) Check data access mechanisms to protect important industry information from modification, interruption, and damage.
   (5) Purchase appropriate anti-virus software and firewalls to strengthen the hardware defense system.

(II) List the losses, possible impacts and response measures incurred due to major information security incidents in the most recent year and up to the date of publication of the annual report. If it is impossible to reasonably estimate, the fact that it is impossible to reasonably estimate should be explained: None.

VII. Major contracts

The supply and marketing contracts, technical cooperation contracts, engineering contracts, long-term loan contracts and other important contracts that are still valid and expired in the most recent year and may affect the interests of shareholders:

(I) The Company

May 12, 2026

Contractual nature	Party	Date of contract start and end	Main contents	Restrictive clauses
Loan Agreement	SCSB	2025.6.20 ~ 2030.6.30	Short- and medium-term loans	None
Loan Agreement	CTBC Bank	2026.4.1 ~ 2027.2.28	Short-term credit loan	None

(II) E-LAN MOTOR ELECTRONIC (THAILAND) CO., LTD.

May 12, 2026

Contractual nature	Party	Date of contract start and end	Main contents	Restrictive clauses
Lease contract	THE FINE INTERTRADE CO., LTD.	2023.07.01 ~ 2026.06.30	Factory lease	None

(III) E-LAN MOTOR ELECTRONIC(Pinghu) Co., Ltd.

May 12, 2026

Contractual nature	Party	Date of contract start and end	Main contents	Restrictive clauses
Sales contract	Yanfeng Automotive Interior Systems Co., Ltd.	2016.01.01 to now	Long-term supply	None
Sales contract	Honda Automotive Products (Guangdong) Co., Ltd.	2011.09.25 to now	Long-term supply	None
Purchase contract	Kunshan Coneson Electronic Technology Co., Ltd.	2017.05.09 to now	Long-term purchase	None
Purchase contract	Xiamen Fengxinda Industry and Trade Co., Ltd.	2018.11.08 to now	Long-term purchase	None
Purchase contract	Ningbo Mingyu Auto Parts Co., Ltd.	2018.06.21 to now	Long-term purchase	None
Purchase contract	Shanghai Yingtai Electronics Co., Ltd.	2017.05.08 to now	Long-term purchase	None
Loan contract	Industrial and Commercial Bank of China	2025.06.12~2026.06.30	Short-term credit loans	None
Loan contract	China Merchants Bank	2025.01.15~2028.01.14	Short- and medium-term loans	None
Loan contract	Fubon Bank (China)	2025.11.19~2028.11.30	Short- and medium-term loans	None
Loan contract	Ningbo Bank	2026.03.24~2027.03.24	Short-term credit loans	None
Loan contract	Bank of Jiaxing	2025.12.25~2026.12.25	Short-term credit loans	None
Loan contract	Cathay United Bank	2026.04.03~2027.04.03	Short-term credit loans	None
Loan contract	China Construction Bank	2025.09.28~2027.04.03	Short- and medium-term loans	None
Loan contract	Agricultural Bank of China	2025.05.22~2026.05.22	Short-term credit loans	None

Contractual nature	Party	Date of contract start and end	Main contents	Restrictive clauses
Lease contract	Pinghu Aokewude Yilan Auto Parts Manufacturing Co., Ltd.	2024.01.01~2026.12.31	Factory rental	None
Lease contract	Ningbo Dujinhui Environmental Protection Co., Ltd.	2024.03.01~2027.02.28	Factory lease	None
Lease contract	Chang Hsiao-Yen	2025.01.01~2027.12.31	Office rental	None

(IV) E-LAN CAR COMPONENTS (USA) INC.

May 12, 2026

Contractual nature	Party	Date of contract start and end	Main contents	Restrictive clauses
Agency contract	B.C EVANS& ASSOCIATES	2018.05.24 to now	Sales agent in North America	None
Agency contract	International Marketing Alliance,Ltd	2022.01.28 to now	Sales agent in North America	None
Agency contract	CAJP SERVICES LLC	2026.01.23~2026.12.31	Sales agent in North America	None
Agency contract	Marlowe Global Business Solutions Ltd.	2025.02.01~2025.12.31 (the contract will be extended to 2026.12.31 unless otherwise notified in writing)	Sales agent in North America	None
Agency contract	Solis Candela, LLC	2026.01.15~2027.01.15	Sales agent in North America	None
Lease contract	JOHN R, LLC	2021.06.01~2027.6.30	Office rental	None
Lease contract	International Warehouse Services, Inc.	2012.05.01 to now	Warehouse rental	None

Six. Review and analysis of financial position and financial performance and risk issues

I. Financial position

The main reasons and impact of major changes in assets, liabilities and equity in the most recent two years. If the impact is significant, the future response plan should be explained:

Unit: NTD thousand; %

Year / Items	2024	2025	Difference	
			Amount	%
Current assets	2,053,636	2,384,081	330,445	16.09
Property, plant and equipment	250,071	364,897	114,826	45.92
Intangible assets	8,454	4,812	(3,642)	(43.08)
Other assets	285,957	273,048	(12,909)	(4.51)
Total assets	2,598,118	3,026,838	428,720	16.50
Current liabilities	1,337,431	1,336,121	(1,310)	(0.10)
Non-current liabilities	26,833	29,339	2,506	9.34
Total liabilities	1,364,264	1,365,460	1,196	0.09
Share capital	420,000	476,000	56,000	13.33
Capital reserve	236,863	492,853	255,990	108.08
Retained earnings	578,265	695,749	117,484	20.32
Other equity	(1,274)	(3,224)	(1,950)	153.06
Non-controlling interests	—	—	—	—
Total equity	1,233,854	1,661,378	427,524	34.65

The main reasons for significant changes in assets, liabilities, and equity over the past two years (changes of more than 20% compared to the previous period and amounts exceeding NT$10 million) are as follows:

1. Increase in current assets: Mainly due to cash capital increases.
2. Increase in property, plant, and equipment: Mainly due to the purchase of land and the renovation and modification of plants.
3. Increase in retained earnings: Mainly due to the growth in revenue scale in 2025, resulting in a substantial increase in profits.

II. Financial performance

The main reasons for the significant changes in operating revenue, operating net profit and pre-tax net profit in the most recent two years, as well as the expected sales volume and its basis, the possible impact on the Company's future financial operations and the corresponding plan:

(I) Adoption of International Financial Reporting Standards (Consolidated)

Unit: NTD thousand; %

Items \ Year	2024	2025	Difference	
			Amount	%
Operating revenue	2,075,263	2,065,319	(9,944)	(0.48)
Operating costs	1,395,287	1,430,635	35,348	2.53
Operating gross profit	679,976	634,684	(45,292)	(6.66)
Operating expenses	361,372	345,540	(15,832)	(4.38)
Net operating profit	318,604	289,144	(29,460)	(9.25)
Non-operating income and expenses	35,852	16,861	(18,991)	(52.97)
Net profit before tax	354,456	306,005	(48,541)	(13.67)
Income tax expense	84,669	58,427	26,242	(30.99)
Net profit for the period	269,787	247,578	(22,209)	(8.23)
Other comprehensive income	36,100	(1,950)	(34,150)	(105.40)
Total comprehensive income	305,887	245,628	(60,259)	(19.70)
Explanation of the major changes in operating revenue, net operating profit and net profit before tax in the most recent two years (changes between the previous and subsequent periods exceeding 20% and the amount of change exceeding NT$10 million): 1. Increase in gross operating profit, operating expenses, net operating profit (loss), net profit (loss) before tax, net profit (loss) for the current period and total comprehensive profit and loss: Mainly due to the stable growth of revenue in 2025, which was offset by exchange rate fluctuations, leading to an overall decrease. 2. Other comprehensive income: Mainly due to exchange differences in currency translation.				

(II) Expected sales volume and its basis, possible impact on the Company's future financial operations and response plans

The Company and its subsidiaries expect steady growth in sales. In addition to continuously increasing investment in product innovation and technological research and development, the Company also continues to deepen the research and development of core smart car technologies and product layout, build a more resilient global supply system, and strengthen cost control and product technology advantages. In terms of financial structure, dynamic adjustments will be made based on actual sales progress to ensure the Company's financial stability, meet future business growth needs, and achieve optimal operating performance.

III. Cash flows

(I) Analysis of changes in cash flow in the most recent year

Unit: NTD thousand

Items \ Year	2024	2025	Increase/decrease ratio (%)
Net cash inflow (outflow) from operating activities	373,911	190,737	(96.03)
Net cash inflow (outflow) from investing activities	(111,024)	(82,415)	(34.71)
Net cash inflow (outflow) from financing activities	7,884	145,889	94.60

Analysis of changes in the percentage of increase or decrease:

(1) Operating activities: The main reason is the net change in profits and net changes in assets and liabilities related to operating activities.

(2) Investing activities: The main reason is the purchase of real estate, plant and equipment in 2025, as well as the reduction of margin accounts and reserve accounts (restricted assets) from the opening of bank drafts.

(3) Financing activities: This is mainly due to the cash capital increase in 2025.

(II) Improvement plan for insufficient liquidity: The Company's operating profit has stabilized, and the cash inflow generated was sufficient to support investment and financing activities, and there was no liquidity shortage.

(III) Analysis of cash flows for the next year (2026)

Unit: NTD thousand

Beginning balance of cash	Net cash flow from operating activities for the year	Net cash flow from investing and financing activities for the year	Estimated cash surplus (deficit) amount	Remedies for expected cash deficit	
				Investment plan	Wealth management plan
650,149	279,925	(146,618)	752,990	—	—

1. Analysis of cash flow changes in the next year:

(1) Operating activities: It is the expected profit from the Company's operating revenue in the coming year.

(2) Investment activities: Mainly due to injection of capital into overseas subsidiaries to build factories.

(3) Financing activities: Mainly distribution of cash dividends.

IV. Impact of major capital expenditures in recent years on financial operations: None.

V. Recent annual investment policy, main reasons for profit or loss, improvement plan and investment plan for the coming year:

1. Reinvestment policy:

The Company's investment policy is based on sustainable operation and operational growth considerations. In accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" established by the competent authority, the "Regulations Governing the Acquisition and Disposal of Assets" is established as the basis for the Company's investment business to grasp the relevant business and financial position. In addition, in order to enhance the supervision and management of the invested companies, the Company has established monitoring and management methods for subsidiaries in the internal control system, and formulated relevant regulations for their information disclosure, finance, business, inventory and financial management, in order to maximize the effectiveness of the Company's investment.

2. The main reasons for the profit or loss of the investment in the most recent year and the improvement plan:

Unit: NTD thousand

Reinvestment items	Profit (loss) recognized in 2025	Main reasons for profit or loss	Improvement plan
Shining Victory International Holdings Co., Ltd. (including Hong Kong Shining Victory International Holdings Co., Ltd. Taiwan Branch)	282,987	Recognized the investment gain under the equity method of E-LAN MOTOR ELECTRONIC (Pinghu) Co., Ltd.	Not applicable
E-LAN MOTOR ELECTRONIC (Pinghu) Co., Ltd.	283,990	Due to steady growth of sales	Not applicable
E-LAN MOTOR ELECTRONIC (THAILAND) CO., LTD.	22,826	Due to the recovery of sales	Not applicable
ELAN CAR COMPONENTS MEXICO	(4,861)	Newly established, not yet reaching economic scale in the early stage	Actively develop business and expand the Mexican market
Pinghu Aokewude Yilan Auto Parts Manufacturing Co., Ltd.	16,884	Due to steady growth of sales	Not applicable
E-LAN HOLDING COMPANY	7,962	Recognized the investment gain under the equity method of E-LAN CAR COMPONENTS (USA) INC.	Not applicable
E-LAN CAR COMPONENTS (USA) INC.	7,954	Affected by the increase in US-China trade tariffs	Not applicable

3. Investment plan for the next year:

To expand our global footprint and increase market share, the Company has established an investment enterprise, "ELAN CAR COMPONENTS MEXICO," in Mexico for factory construction. Furthermore, we have commenced production capacity deployment at E-LAN MOTOR ELECTRONIC (THAILAND) CO., LTD., aiming to achieve cost savings and enhance corporate profitability.

VI. Analysis and assessment of risk issues in the most recent year and up to the date of publication of the annual report:

(I) The impact of interest rate, exchange rate changes, and inflation on the Company's profits and losses and future response measures:

1. Change in interest rate

The interest expenses of the Company and its subsidiaries are due to bank loans and partial discounting of notes receivable, with net amounts of $8,147 thousand and $5,474 thousand in 2024 and 2025, respectively, accounting for 0.39% and 0.27% of the net operating revenue in each year, respectively, indicating that changes in interest rates had no significant impact on the Company's operations. In addition to continuing to closely monitor changes and trends in various interest rates and maintaining good relationships with banks to obtain more favorable interest rates, the Company also timely assesses the interest rate risks that may be encountered by all interest-bearing liabilities and adjusts the capital structure to avoid interest rate risks that may arise from various liabilities.

2. Change in exchange rate

The Company and its subsidiaries mainly receive sales proceeds in RMB and USD, and the Company and its subsidiaries mainly pay for materials in RMB. Therefore, the functional currencies of the Company and its subsidiaries are RMB, Thai Baht and USD. In addition, the bank financing currency of the Company and its subsidiaries is mainly RMB. The net exchange gains in 2024 and 2025 were $(4,313) thousand and $(6,810) thousand, respectively, accounting for (0.21%) and (0.33%) of the net operating revenue in each year, respectively, and the impact on the Company's profit and loss was still limited. In order to reduce the impact of exchange rate fluctuations, the Company closely monitors exchange rate trends and strengthens its revenue and expenditure budget, in part by balancing its revenue and expenditure positions through foreign currency assets and liabilities.

3. Inflation

Inflation has a simultaneous offsetting effect on the receipts and payments incurred from the Company's sales and trading, and has not yet affected the Company's profits. We will also implement budget systems and internal controls to effectively control operating costs and expenses within a reasonable range.

(II) Policies for high-risk, high-leverage investments, loaning of funds to others, endorsements and guarantees, and derivatives trading, the main reasons for profit or loss, and future response measures:

1. The Company and its subsidiaries focus on their core businesses and their financial policies are based on the principle of prudence and conservatism. They do not engage in high-risk, high-leverage investment transactions.
2. The Company has established the "Procedures for Acquisition or Disposal of Assets", "Operational Procedures for Loaning Funds to Others", "Operational Procedures for Endorsements/Guarantees" and "Procedures For Financial Derivatives Transactions" and other procedures as the basis for compliance, and they were approved by the shareholders' meeting. Due to operational needs, the Company and its mainland subsidiary E-LAN MOTOR ELECTRONIC(Pinghu) Co., Ltd. respectively loaned USD 1,757,800 and THB 65,000,000, as well as endorsements of RMB 10,000,000 and THB 3,000,000 with the approval of the Board of Directors. The above transactions were handled in accordance with relevant operating procedures and offset in the consolidated financial statements.

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

1. R&D plans in the future

In order to take the lead in technological innovation and high-end quality, the Company has been deeply engaged in the development of automotive interior decoration and high-tech control methods, actively expanding its competitive territory in the industry. In the current year's R&D plan, we will focus on diversified interior decoration projects, such as high-end intelligent color-changing ambient lights, interior panels with rich color changes, and exquisite and complex metal texture trims. In addition, the interactive experience in the car will be enriched by advanced gesture and touch controllers, thereby enhancing the user's driving experience.

In response to the market demand for highly integrated technology, the Company has developed innovative water effect ambient lights using ISELED technology. This design of lines and surface light sources not only provides unlimited styling possibilities, but also expands the flexibility of structural design. The application of this technology enables us to achieve more diverse and dynamic light effects presentations in interior spaces.

As electric vehicles become increasingly popular, wireless charging technology has become a standard. Therefore, the Company has also followed the trend and developed a 15W high-power wireless charger suitable for passenger cars to meet the market demand for high-efficiency wireless charging solutions.

Using IMD and IML technologies, unique surface-emitting panels can be created in a limited space. These panels not only have a variety of material effects, but also promote the development of future automotive interior lighting in a more varied and comprehensive direction.

In terms of exterior design, the Company continues to innovate and expand its product line, covering multi-function daytime running lights, sports electric side pedals for SUVs, solar luminous side pedals and color projection welcome lights. In addition, we have launched the second generation of multi-color invisible wireless pedals, which further enrich our product diversity.

For interior lighting and decoration, the Company has launched color-changing luminous car sunroofs with unique lighting and decorative effects. This design uses adjustable brightness and color of the light bar to create different in-vehicle ambients, thereby enhancing the comfort and pleasure of night driving. In addition, the crystal-textured ambient light, through its multi-faceted shape and prism refraction of colorful lights, not only creates a three-dimensional visual effect but also adds a refined and lasting charm to the luxurious ambient in the car.

The crystal-textured ambient light uses a multi-faceted shape to create a more three-dimensional effect. The colorful light inside is refracted by the prism and is very eye-catching. The luxurious ambient in the car is perfectly set off by the crystal shift knob. The crystal-textured ambient lighting decorates the interior ambience, making the cabin full of driving passion even more refined and timeless.

The welcome mat light is a design feature that enhances the sense of ritual and visual experience of car use. It is commonly seen in mid-to-high-end models or models that focus on technology. The current installation volume is gradually increasing. With the upgrading of interactive technology, the mat light may be combined with AR navigation (such as indicating the location of charging ports) and automatic driving (marking pedestrian safety zones) and other functions, extending from "decorative" to "functional".

2. Estimated R&D expenses

The estimated R&D expenditure for this year is approximately $100,845 thousand (approximately 4.58% of annual turnover). However, it will be adjusted according to market and strategic needs, with additional purchases of R&D related equipment and machinery and recruitment of personnel with R&D experience to enhance R&D capabilities.

(IV) The impact of major domestic and international policy and legal changes on the Company's finance and business and the corresponding measures:

The Company is registered in the British Cayman Islands and its main operations are in the United States and Mainland China. The British Cayman Islands is mainly for holding company and has no substantial economic activities. The Company and its subsidiaries execute all businesses in accordance with important domestic and international policies and laws, and pay attention to important domestic and international policy development trends and legal changes at any time. If there are any changes, they will consult lawyers, accountants and other relevant persons, or entrust them to evaluate and plan response measures, so as to respond to changes in the market environment in a timely manner and take appropriate response measures. In the most recent year and up to the date of publication of the annual report, the Company and its subsidiaries have not had any significant impact on their financial operations due to major domestic or international policy and legal changes.

(V) The impact of technological changes (including information security risks) and industry changes on the Company's finance and business and the corresponding measures:

The Company and its subsidiaries mainly produce automotive interior ambient lights and automotive interior and exterior accessories. In addition to being suitable for general automobiles, they are also used in future electric vehicles. In the most recent year and up to the date of publication of the annual report, technological changes and industrial changes have not had a significant impact on the Company's financial and operation.

In addition, the Company regularly conducts education, training and drills to enhance employees' awareness of information security on social tools, and appropriately purchases enhanced hardware defense systems to strengthen the effectiveness of confidentiality and classification of files, data protection and data encryption control through data labeling.

(VI) The impact of corporate image change on corporate crisis management and countermeasures

The Company and its subsidiaries have always adhered to the principles of professionalism, integrity and prudent operation, and attach importance to corporate image and risk control. There has been no major change in corporate image that has resulted in corporate crisis management.

(VII) The expected benefits, possible risks and countermeasures of the merger and acquisition

In the most recent year and up to the date of publication of the annual report, the Company has not conducted any merger or acquisition.

(VIII) Expected benefits, possible risks and countermeasures of factory expansion

The Company and its subsidiaries have stable operations. In order to meet the needs of customers, future new product development and in-process manufacturing, the Company will evaluate the use of existing production lines, plan automation and key process production lines, increase operational capacity and effectively protect the interests of shareholders.

In addition, the Company is actively planning to establish factories in Taiwan and Thailand in order to eliminate tariff costs in US-China trade war and increase the Group's profits.

(IX) Risks and countermeasures due to concentrated purchases or sales

1. Sales:

The main customers of the Company and its subsidiaries are automobile manufacturers, including American, Japanese and Chinese brands. The Company is also actively developing European automobile brand customers. As of the date of publication of the annual report in 2025, there was no situation where a single customer accounted for more than 10% of sales.

2. Purchase:

The Company's main raw materials are injection molded light beams, chips, PCB assemblies and LED bulbs. In order to reduce the risk of centralized procurement and ensure the supply of raw materials, the Company purchases raw materials from multiple suppliers. As of the date of publication of the annual report in 2025, there was no situation where more than 20% of the goods were purchased from a single supplier.

In conclusion, the Company does not have any risk of sales and purchase concentration.

(X) The impact, risks and corresponding measures of large-scale transfer or replacement of equity by directors, supervisors or major shareholders holding more than 10% of the shares on the Company:

In the most recent year and up to the date of publication of the annual report, the Company did not have any large-scale transfer or replacement of equity.

(XI) Impacts, risks and countermeasures of changes in management rights on the Company:

In the most recent year and up to the date of publication of the annual report, there have been no changes in the Company's management rights that have affected the Company's operations.

(XII) Litigation or non-litigation events:

1. The Company shall disclose the facts in dispute, the amount in dispute, the commencement date of the litigation, the main parties involved in the litigation, and the current status of the litigation, non-litigation, or administrative disputes that have been decided or are currently under investigation in the most recent year and as of the date of publication of the annual report, if the results may have a significant impact on shareholders' equity or securities prices:

   In the most recent year and up to the date of publication of the annual report, the Company has no litigation, non-litigation or administrative disputes that have been determined or are currently under investigation, the results of which may have a significant impact on shareholders' equity or securities prices.

2. The Company's directors, supervisors, managers, actual persons in charge, major shareholders holding more than 10% of the shares, and affiliated companies, any litigation, non-litigation, or administrative disputes that have been decided or are currently under investigation in the most recent year and as of the publication date of

the annual report, the results of which may have a significant impact on the Company's shareholder rights or securities prices:

In the most recent year and up to the date of publication of the annual report, the directors, managers, substantive person in charge, major shareholders holding more than 10% of the shares and subsidiaries of the Company had no litigation, non-litigation or administrative disputes that had been determined or were currently under judgment, the outcome of which could have a significant impact on the shareholders' equity or securities prices of the Company.

(XIII) Information security risk assessment and countermeasures:

In order to effectively control information security, the Company has established the "Corporate Information Management System", "System Authority Management Method", "Computerized Information System Processing Cycle" and "Information System Emergency Plan". In addition to the use and storage of hardware and software equipment and the update and prevention of anti-virus software, we also strengthen the access control of data, update the publicity of fraudulent letters from time to time, and strive to raise the awareness of information security throughout the Company to ensure the sustainable operation of the enterprise and its existing social responsibility.

(XIV) Other important risks and countermeasures: None.

VII. Other important matters: None.

Seven. Special notes

I. Information on affiliates:

(I) Report on the consolidated business of affiliates:

1. Organization chart of affiliates: Please refer to 2. Company profile.
2. Basic information of affiliates

December 31, 2025; Unit: NTD

Enterprise name	Date of establishment	Address	Paid-in capital	Main business or production items
Shining Victory International Holdings Co., Ltd.	2008.6.20	Unit 2, LG1, Mirror Tower, 61 Mody Road, Tsim Sha Tsui, Kowloon, Hong Kong	HKD1,000,000	Investment
E-LAN MOTOR ELECTRONIC (Pinghu) Co., Ltd.	2003.6.16	No. 1199, Xinxing 2nd Road, Economic Development Zone, Pinghu City, Zhejiang Province, China	USD8,520,000	Production and sales of automotive LED interior parts, automotive interior and exterior trims and other automotive electronic parts
E-LAN MOTOR ELECTRONIC (THAILAND) CO., LTD.	2020.2.28	1417, Bangpakok Subdistrict, Rabura District, Bangkok	THB120,203,154	Sales of automotive electronic components
ELAN CAR COMPONENTS MEXICO	2022.12.14	Avenida México 586, Latinoamericana, Saltillo, Coahuila De Zaragoza, 25270, Mexico	USD2,290,000	Sales of automotive electronic components
E-LAN HOLDING COMPANY	2015.9.11	1209 Orange Street, Wilminqton, New Castle, DE 19801, USA	USD2,000,000	Investment
E-LAN CAR COMPONENTS (USA) INC.	2015.2.19	1895 Crooks Road, Suite 200, Troy, MI 48084, USA	USD2,000,000	Sales of automotive electronic components

3. Information on shareholders who are presumed to have a controlling and subordinate relationship: None.
4. Industries covered by the overall affiliated companies' business operations: The Company and its overall affiliated companies' business operations cover the production and sales of automotive electronic parts and components.

5. Information on directors, supervisors and managers of affiliated companies:

December 31, 2025; Unit: Shares

Enterprise name	Job title	Name or Representative	Shareholding	
			Number of shares	Shareholding Percentage
Shining Victory International Holdings Co., Ltd.	Director	Chen Keng-Sheng	1,000,000	100%
	Director	Chang Hsiao-Yen		
E-LAN MOTOR ELECTRONIC(Pinghu) Co., Ltd.	Director	Chen Keng-Sheng	Note 1	100%
	Secretary of Director	Chang Hsiao-Yen		
	General Manager	Shih Chien-Chun		
	Supervisor	Chieh Te-Chang		
E-LAN MOTOR ELECTRONIC (THAILAND) CO., LTD.	Director	Chen Keng-Sheng	15,000,000 (Note 2)	100%
	Director	Chang Hsiao-Yen		
	Director	Chu Chung-Ping		
	Director	Chen Hung-Chih		
ELAN CAR COMPONENTS MEXICO	Director	Chen Hung-Chih	Note 1	100%
E-LAN HOLDING COMPANY	Director	Chang Hsiao-Yen	2,000,000	100%
E-LAN CAR COMPONENTS (USA) INC.	Director	Chang Hsiao-Yen	2,000,000	100%

Note 1: The company is a limited liability company without shares or par value.

Note 2: The company's registered capital was THB 150,000 thousand, with a par value of THB 10 per share, totaling 15,000 thousand shares.

6. Operation of affiliates:

December 31, 2025; Unit: NTD thousand

Enterprise name	Capital amount	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit	Current profit or loss	Earnings (loss) per share (NTD)
Shining Victory International Holdings Co., Ltd.	4,038	1,632,506	33,665	1,598,841	—	(5,097)	285,845	285.85
E-LAN MOTROE ELECTRONIC(Pinghu) Co., Ltd.	243,885	2,610,059	1,204,771	1,405,288	1,929,851	274,416	278,448	Note 1
E-LAN MOTOR ELECTRONIC (THAILAND) CO., LTD.	120,432	262,042	218,374	43,668	118,572	33,974	29,233	1.91
ELAN CAR COMPONENTS MEXICO	71,975	65,993	12,826	53,167	29,170	(4,728)	(4,980)	Note 2
E-LAN HOLDING COMPANY	62,860	21,267	587	20,680	—	0	7,903	3.95
E-LAN CAR COMPONENTS (USA) INC.	62,860	76,706	104,769	(28,063)	124,007	11,403	7,896	3.95

Note 1: The company is a limited liability company without shares or par value.

Note 2: The amount is converted into NTD thousand based on the end-of-period exchange rate on December 31, 2025.

(II) Consolidated financial statements of affiliated companies:

The companies that should be included in the preparation of the consolidated financial statements of affiliated enterprises in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" for 2025 are the same as the companies that should be included in the preparation of the parent-subsidiary consolidated financial statements in accordance with International Accounting Standard No. 10. The relevant information that should be disclosed in the consolidated financial statements of affiliated enterprises has been disclosed in the above-mentioned parent-subsidiary consolidated financial statements. Therefore, the consolidated financial statements of affiliated enterprises will no longer be prepared separately.

(III) Affiliation report: Not applicable.

II. Private placement of securities in the most recent year and up to the publication date of the annual report: None.

III. In the most recent year and up to the date of publication of the annual report, if any event occurred that had a significant impact on shareholders' equity or securities prices as defined in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act: None.

IV. Other supplementary information: None.

V. Explanation of major differences from Taiwan's provisions on the protection of shareholders' rights and interests:

The Company has amended its Articles of Incorporation in accordance with the important matters regarding the protection of shareholders' rights and interests listed in the "Checklist of Shareholders' Rights Protection Measures at Foreign Issuer's Domicile" amended by the Taiwan Stock Exchange Corporation on May 2, 2024,. In addition, with respect to the additional items listed in the "Checklist of Shareholders' Rights Protection Measures at Foreign Issuer's Domicile" (hereinafter referred to as the "Checklist of Shareholders' Rights Protection Measures") amended by the Taiwan Stock Exchange Corporation on February 4, 2026, the Company will complete the amendment of its Articles of Incorporation at this year's general meeting of shareholders in accordance with the instructions of the announcement to meet its regulatory requirements. However, since the laws of the British Cayman Islands (hereinafter referred to as the "Cayman Islands") are not necessarily consistent with the laws of Taiwan, the differences between the Company's Articles of Incorporation and the contents specified in the Checklist of Shareholders' Rights Protection Measures are explained in the following table, including the reasons, differences and impacts on the rights and interests of Taiwan's shareholders:

Important matters regarding shareholders' rights protection	"Company Act" or "Securities and Exchange Act" related laws and regulations	The Articles of Incorporation and the reasons for the difference
1. The formation and change of the Company's capital		
1. The Company may not cancel its shares unless the capital is reduced pursuant to a resolution of a shareholders' meeting; capital reduction shall be in proportion to the shares held by the shareholders. 2. When the Company reduces its capital, it may return share capital with property other than cash; the property to be returned and the amount to be used as offset shall be subject to a resolution of the shareholders' meeting and the consent of the shareholder receiving the property. 3. The value of the property and the amount of offset referred to in the preceding paragraph shall be submitted by	Article 168 of the Company Act	Articles 14 to 18 of the Cayman Islands Companies Law set out strict procedural and substantive regulations for company capital reduction, and the relevant regulations are mandatory and cannot be changed by the Articles of Incorporation. There are considerable differences between these and the regulatory requirements for company capital reduction in the Checklist of Shareholders' Rights Protection Measures. To avoid doubts, Article 14 of the Company's Articles of Incorporation is enacted to provide that the Company's capital reduction shall be carried out in accordance with the procedures and conditions stipulated in the laws of the Cayman Islands and TWSE/TPEx listed companies regulations. As for the regulatory requirements of the Checklist of Shareholders' Rights Protection Measures for the Company's capital reduction, they are stipulated in Article 24(1) of the Company's Articles of Incorporation, which is replaced by the repurchase of shares in proportion to the shareholders' shareholdings.

the Board of Directors to CPAs of the Republic of China for review and certification prior to the shareholders' meeting.		
If the Company adopts par value shares, they may not be converted into no-par value shares; if it adopts no-par value shares, they may not be converted into par value shares.	Paragraph 5 and Paragraph 6, Article 156-1 of the Company Act	As regulated in Article 8(1) of the Cayman Islands Companies Law, a Cayman Islands exempted company which adopts no-par value shares cannot, in practice, be converted into par value shares, and vice versa. As an exempted company, the regulatory requirements in the leftmost column are not applicable to the Company because all the issued shares of the Company are par value shares. In order to avoid doubts, the Company has taken into account the purpose of the shareholders' protection checklist and, in accordance with the Company's current status, has provided in Article 7(5) of the Company's Articles of Incorporation that "the Company shall not issue no-par value shares or convert par value shares into no-par value shares".
2. Procedures for convening shareholders' meetings and methods of resolutions		
Definition of "Special Resolution": It means a resolution approved at a shareholders' meeting attended by shareholders representing more than two-thirds of the total number of issued shares of the Company and approved by a majority of the voting rights of the shareholders present. If the total number of shares held by the attending shareholders is less than the above-mentioned quota, the meeting may be carried out with the attendance of shareholders representing more than half of the total number of issued shares and the consent of more than two-thirds of the voting rights of the attending shareholders.	Articles 185, 277, 159, 240 and 316 of the Company Act; Article 29 of the Business Mergers and Acquisitions Act	According to Articles 39(1) and 2(1) of the Company's Articles of Incorporation, a special resolution is a resolution passed by more than two-thirds of the voting rights of shareholders present at a general meeting of shareholders representing more than half of the total number of the Company's issued and outstanding voting rights, so as to comply with the attendance and voting rights requirements of the Cayman Islands Companies Law and Taiwan's Company Act for general meetings of shareholders of public companies.
1. The Company shall hold a physical shareholders' meeting within the territory of the Republic of China. If a physical shareholders' meeting is held outside the Republic of China, it must be reported to the Taipei Exchange for	Article 173, Paragraphs 1 and 2 of the Company Act	1. The first half of Article 31 of the Company's Articles of Incorporation provides that: "During the listing period, the Company shall convene physical shareholders' meetings within the territory of the Republic of China". , there is no need to separately regulate the approval or reporting procedures for convening physical shareholders' meetings outside the Republic of China. However, the Company will entrust a professional stock agency in the Republic of China to handle shareholders' voting and other related matters.

approval within two days after the Board of Directors resolves or the shareholders obtain the convening permission from the competent authority. When a company holds a shareholders' meeting outside the Republic of China, it should entrust a professional stock affairs agency within the Republic of China to handle shareholders' voting matters. 2. Any shareholder who holds 3% or more of the total issued shares for more than one year may, in writing, state the proposed matters and reasons and request the Board of Directors to convene an extraordinary shareholders' meeting. If the Board of Directors does not notify the convening of a meeting within fifteen days after the request is made, the shareholders may, with the approval of the competent authority, convene the meeting on their own.		2. As the Company is incorporated under the Cayman Islands Companies Law and there is no competent authority in the Cayman Islands to review whether shareholders may convene a shareholders' meeting on their own initiative, Article 32(1) of the Company's Articles of Incorporation provides that "Any shareholder who holds 3% or more of the total number of issued shares for a continuous period of one year or more may request the Board of Directors to convene an extraordinary shareholders' meeting by stating in writing the reason for the meeting and the reasons for the meeting. If the Board of Directors does not notify the convening of a shareholders' meeting within fifteen days after receiving the request, the shareholder making the request may convene a shareholders' meeting on his/her own". , approval by the competent authority is not required.
Shareholders who exercise their voting rights in writing or electronically shall be deemed to be present in person at the shareholders' meeting.	Article 177-1 of the Company Act	If a shareholder exercises his voting rights in writing or electronically, he shall be deemed to have appointed the chairperson of the shareholders' meeting as his proxy in the Cayman Islands. The second half of Article 57 of the Company's Articles of Incorporation provides that "If a shareholder exercises his voting rights in writing or electronically, he shall be deemed to have appointed the chairperson of the shareholders' meeting as his proxy to exercise his voting rights in accordance with the contents of the written or electronic document. However, the chairperson of the shareholders' meeting shall not have the right to vote on matters not discussed or stated in such contents, extraordinary motions or amendments to the original proposals. To avoid any doubts, when shareholders exercise their voting rights in the above manner, they shall be deemed to have abstained from voting on the extraordinary motions and amendments to the original proposals of that shareholders' meeting". Therefore, there is no significant difference between the actual operation of

		this Article and the provisions of the laws of the Republic of China. However, the interpretation is that the chairperson of the shareholders' meeting is the proxy of those shareholders who vote in writing or electronically, in order to comply with the requirements of the Cayman Islands law that shareholders' meeting resolutions must be exercised by participating shareholders in person or by proxy on the spot at the same time.
The company shall complete the transmission of the shareholders' meeting procedure manual and other meeting-related materials in electronic format 30 days prior to the shareholders' meeting.	Article 6 of the Regulations Governing Content and Compliance Requirements for Shareholders' Meeting Agenda Handbooks of Public Companies	The Company will complete the amendment of its Articles of Association at this year's Annual General Meeting in accordance with the requirements of the Shareholders' Rights Protection Checklist, so as to incorporate the requirements of the leftmost column.
1. The Articles of Incorporation of the Company may specify that earnings distribution or loss allowance shall be made after the end of each quarter or half of the fiscal year. 2. The proposal for earnings distribution or loss compensation for the first three quarters or first half of the fiscal year of the Company shall be submitted to the Audit Committee for review together with the business report and financial statements, and then submitted to the Board of Directors for resolution. 3. When the Company distributes earnings in accordance with the preceding paragraph, it shall first estimate and retain payable taxes, offset losses in accordance with the law, and set aside statutory surplus reserves. However, this limitation does not apply when the statutory surplus reserve has reached the paid-in capital. 4. When the Company distributes earnings by	Article 228-1 of the Company Act	According to Article 100(3) of the Company's Articles of Incorporation, the Company adopts an annual profit distribution system and does not adopt a profit distribution or loss allowance system at the end of each quarter or half year. Therefore, the regulatory requirements in the leftmost column do not apply to the Company.

issuing new shares in accordance with the provisions of the second paragraph, shareholders representing more than two-thirds of the total number of issued shares shall be present and the distribution shall be approved by a majority of the voting rights of the shareholders present. If the total number of shares held by the attending shareholders is less than the aforementioned quota, the meeting may be carried out with the attendance of shareholders representing more than half of the total number of issued shares and the consent of more than two-thirds of the voting rights of the attending shareholders. Cash distribution shall be subject to the resolution of the Board of Directors. 5. When the Company distributes earnings or offset losses in accordance with the preceding four paragraphs, it shall do so based on financial statements audited or reviewed by CPAs.		
3. The authorities and responsibilities of the directors		
The remuneration of directors, if not stipulated in the Articles of Incorporation, shall be determined by the shareholders' meeting and shall not be ratified later.	1. Paragraph 1, Article 196 of the Company Act	In accordance with the letter No. 09302030870 dated March 8, 2004 from the Ministry of Economic Affairs of the Republic of China, the Company has stipulated in Article 70 of the Company's Articles of Incorporation that the Board of Directors is authorized to make the determination based on the normal industry standards and the degree of participation in operations. The Company has also established a Remuneration Committee to be responsible for the performance evaluation of directors and managers and the determination of remuneration and other related matters.
The notice to each shareholder shall be given thirty days in advance for the convening of an	Articles 172 of the Company Act	Article 34, Paragraph 1 of the Company's Articles of Association stipulates that during the listing period, notice must be given to all shareholders thirty days in advance for the convening of an annual general

ordinary shareholders' meeting; the notice to each shareholder shall be given fifteen days in advance for the convening of an extraordinary shareholders' meeting.		meeting and fifteen days in advance for the convening of an extraordinary general meeting. However, the Company's Articles of Association also take into account Section 26-2 of the Securities and Exchange Act, incorporating a provision requiring shareholders holding less than 1,000 shares to be notified by public announcement. Therefore, the Company will amend its Articles of Association at this year's annual general meeting in accordance with the requirements of the shareholder protection checklist, deleting the provision requiring shareholders holding less than 1,000 shares to be notified by public announcement.

Appendix 1. Most recent annual financial statements

1

Shining Victory Motor Electronic Co., Ltd. and its subsidiaries

Consolidated Financial Statements for the Years Ended

December 31, 2025 and 2024

Address: The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands

Telephone: 0573-85078999

Independent Auditors' Report

To Shining Victory Motor Electronic Co., Ltd.

Opinions

The Consolidated Statement of Financial Position of Shining Victory Motor Electronic Co., Ltd. and its subsidiaries (Shining Victory Group) as of December 31, 2025 and December 31, 2024, along with the consolidated statements of comprehensive income, changes in equity, and cash flows for the years ended December 31, 2025, and 2024, as well as the notes to the consolidated financial statements (including a summary of significant accounting policies), have been audited and completed by our certified public accountants.

In our opinion, the aforementioned consolidated financial statements fairly present, in all material respects, the consolidated financial position of Shining Victory Group as of December 31, 2025 and December 31, 2024, as well as its consolidated financial performance and cash flows for the years ended December 31, 2025, and 2024, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), interpretations, and interpretative announcements recognized and promulgated by the Financial Supervisory Commission.

Basis of the audit opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Auditing Standards. Our responsibility under these standards is further explained in the section of responsibility for the audit of the consolidated financial statements. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that sufficient and appropriate audit evidence has been obtained in order to serve as the basis for presenting the audit opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the Group for 2025. These matters were addressed in our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not express a separate opinion on these matters.

Key audit matters of the Group's consolidated financial statements for 2025 are stated as follows:

Revenue recognition

Based on the importance and the recognition of significant audit risk on sales revenue under the auditing standards, the revenue from sales to specific targets meeting specific standards is listed as a key audit matter. Please refer to note 4 (13) to the consolidated financial statements for relevant accounting policies.

The main audit procedures for the above-mentioned matters by the accountant are as follows:

1. Understanding and testing whether the design and implementation of related internal control are effective.
2. Obtain samples of sales revenue from specific sales targets, check customer orders, shipping documents, and accounts receivable to test the authenticity of the transaction.

Responsibilities of the management and the governing body for the consolidated financial statements

The responsibility of the management is to prepare the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and to maintain the necessary internal control related to the preparation of the consolidated financial statements to ensure that the consolidated financial statements are free from material misstatement due to fraud or error.

In preparing the consolidated financial statements, the management is responsible for assessing the ability of the Group to continue as a going concern, disclosing relevant matters, and using the going concern basis of accounting, unless the management either intends to liquidate the Group or to cease operations, or has no other realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the financial reporting process of the Group.

Responsibilities of CPAs to audit the consolidated financial statements

The purpose of our audit of the consolidated financial statements is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement when it exists in the consolidated financial statements. The deceptive presentation may arise from fraud or error. If the individual amount or the total amount in the deceptive presentation can reasonably be expected to affect the economic decision made by the user of the consolidated financial statements, the deceptive presentation is considered material.

When we audit the financial statements in accordance with the auditing standards, we exercise professional judgment and professional skepticism. We also perform the following tasks:

1. Identify and assess the risk of material misstatement arising from fraud or error in the consolidated financial statements; design and execute appropriate countermeasures for the risks assessed; and obtain sufficient and appropriate audit evidence to serve as the basis for the audit opinion. The risk of material misstatement arising from fraud is higher than that arising from error because it may involve collusion, forgery, intentional omissions, misstatement, or the override of internal control.
2. The Company obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Assess the appropriateness of the accounting policies adopted by the management, and the reasonableness of the accounting estimates and related disclosures.
4. Conclude the appropriateness of the management's adoption of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we believe that there is a major uncertainty of such event or circumstance, we must remind the user of the consolidated financial statements to pay attention to relevant disclosures in the consolidated financial statements in our auditor's report, or, if such disclosure is inadequate, we must modify our opinion. Our conclusion is based on the audit evidence obtained as of the date of the audit report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Assess the overall presentation, structure and content of the consolidated financial statements (including the disclosures), and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities within the Group in order to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group's audit, and we are responsible for forming the Group's audit opinion.

The matters communicated between us and the governing body include the planned scope and time of the audit and significant audit findings (including any significant deficiencies in internal control identified during the audit).

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the Group for 2025 and are therefore the key audit matters. We describe these matters in our auditor's report unless the law or regulation does not allow us to disclose such matters, or under extremely rare circumstances we determine that it is not possible to communicate such matters in our report because the adverse impact is reasonably expected to be greater than the public interest.

Deloitte Taiwan

CPA LU, I-CHEN

CPA HSIEH, MING-CHUNG

Approval reference number of Financial Supervisory Commission
Jin-Guan-Zheng-Shen-Zi No. 1080321204

Approval reference number of Financial Supervisory Commission
Jin-Guan-Zheng-Shen-Zi No. 1000028068

March 30, 2026

Shining Victory Motor Electronic Co., Ltd. and its subsidiaries

Consolidated Balance Sheets

December 31, 2025 and 2024

In Thousands of New Taiwan Dollars

Code	Assets	December 31, 2025 Amount	%	December 31, 2024 Amount	%
	Current assets				
1100	Cash and cash equivalents (Note 6)	$ 650,149	22	$ 405,852	16
1140	Contract assets - current (Note 19)	2,841	-	2,190	-
1150	Notes receivable (Note 7 and 27)	305,381	10	397,272	15
1170	Trade receivables from unrelated parties (Note 7 and 19)	864,578	29	716,190	27
1180	Trade receivables from related parties (Notes 7, 19 and 27)	14,448	-	15,044	1
1200	Other receivables (Notes 7 and 27)	83,089	3	51,330	2
130X	Inventories (Note 8)	339,462	11	301,887	12
1419	Prepayments (Note 14 and 27)	41,471	1	23,272	1
1476	Other financial assets - current (Notes 14 and 28)	64,462	2	114,990	4
1479	Other current assets - others (Note 14)	18,200	1	25,609	1
11XX	Total current assets	2,384,081	79	2,053,636	79
	Non-current assets				
1550	Investments accounted for using the equity method (Note 10)	172,688	6	174,881	7
1600	Property, plant and equipment (Note 11)	364,897	12	250,071	10
1755	Right-of-use assets (Note 12)	16,071	1	17,178	1
1760	Investment property (Note 13)	33,749	1	35,855	1
1780	Other intangible assets	4,812	-	8,454	-
1840	Deferred tax assets (Note 21)	30,565	1	34,083	1
1915	Prepayment for equipment purchase	7,778	-	17,596	1
1920	Refundable deposits	2,539	-	1,276	-
1932	Long-term receivables (Note 7)	9,658	-	5,088	-
15XX	Total non-current assets	642,757	21	544,482	21
1XXX	TOTAL	$ 3,026,838	100	$ 2,598,118	100
Code	Liabilities and equity				
	Current liabilities				
2100	Short-term borrowings (Notes 15 and 28)	$ 191,080	6	$ 227,079	9
2130	Contract liabilities - current (Note 19)	15,631	-	25,182	1
2150	Notes payable to unrelated parties (Note 16)	214,748	7	254,746	10
2160	Notes payable to related parties (Note 16 and 27)	17,759	1	12,315	-
2170	Trade payables to unrelated parties (Note 16)	531,844	18	428,370	17
2180	Trade payables to related parties (Notes 16 and 27)	58,369	2	91,873	4
2219	Other payables (Note 17)	279,840	9	264,624	10
2230	Current tax liabilities (Note 21)	23,723	1	29,871	1
2280	Lease liabilities - current (Notes 12 and 27)	1,829	-	1,640	-
2300	Other current liabilities	1,298	-	1,731	-
21XX	Total current liabilities	1,336,121	44	1,337,431	52
	Non-current liabilities				
2570	Deferred tax liabilities (Note 21)	27,774	1	24,280	1
2580	Lease liabilities - non-current (Notes 12 and 27)	699	-	1,690	-
2645	guarantee deposits received (Note 27)	866	-	863	-
25XX	Total non-current liabilities	29,339	1	26,833	1
2XXX	Total liabilities	1,365,460	45	1,364,264	53
	Equity attributable to owners of the Company (Note 18)				
3110	Ordinary shares	476,000	16	420,000	16
3210	Capital surplus	492,853	16	236,863	9
	Retained earnings				
3310	Legal reserve	72,208	2	47,314	2
3320	Special reserve	1,274	-	37,374	1
3350	Unappropriated earnings	622,267	21	493,577	19
3300	Total retained earnings	695,749	23	578,265	22
3410	Other equities - Exchange difference arising from translation of the financial statements of foreign operations	(3,224)	-	(1,274)	-
31XX	Total equity attributable to owners of the Company	1,661,378	55	1,233,854	47
3XXX	Total equity	1,661,378	55	1,233,854	47
	TOTAL	$ 3,026,838	100	$ 2,598,118	100

The accompanying notes are an integral part of the consolidated financial statements.

Shining Victory Motor Electronic Co., Ltd. and its subsidiaries

Consolidated Statement of Comprehensive Income

For the years ended December 31, 2025 and 2024

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

		2025		2024	
Code		Amount	%	Amount	%
	Operating revenue (Notes 19, 27, and 32)				
4110	Sales	$ 2,065,319	100	$ 2,075,263	100
	Operating costs (Notes 8 and 20)				
5110	Cost of goods sold	(1,430,635)	(69)	(1,395,287)	(67)
5900	Operating gross profit	634,684	31	679,976	33
	Operating expenses (Notes 20 and 27)				
6100	Selling and marketing expenses	(102,904)	(5)	(105,250)	(5)
6200	General and administrative expenses	(120,966)	(6)	(162,034)	(8)
6300	Research and development expenses	(101,477)	(5)	(79,898)	(4)
6450	Expected credit gain (Note 7)	(20,193)	(1)	(14,190)	(1)
6000	Total operating expenses	(345,540)	(17)	(361,372)	(18)
6900	Operating net profit	289,144	14	318,604	15
	Other operating income and expenses (Notes 20 and 27)				
7100	Interest income	3,370	-	2,525	-
7010	Other income	20,966	1	30,712	1
7020	Other gains and losses	(18,795)	(1)	(20,527)	(1)
7050	Financial cost	(5,564)	-	(8,380)	-
7060	Share of profit or loss of affiliated companies accounted for using the equity method	16,884	1	31,522	2
7000	Total non-operating income and expenses	16,861	1	35,852	2

(continued)

(continued)

Code		2025		2024	
		Amount	%	Amount	%
7900	Profit before income tax from continuing operations	$ 306,005	15	$ 354,456	17
7950	Income tax expense (Note 21)	(58,427)	(3)	(84,669)	(4)
8200	Net profit for the year	247,578	12	269,787	13
	Other comprehensive income				
8310	Items that will not be reclassified subsequently to profit or loss				
8341	Exchange differences on translation to the presentation currency	(5,035)	-	6,204	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of the financial statements of foreign operations	3,085	-	29,896	2
8300	Other comprehensive income for the year	(1,950)	-	36,100	2
8500	Total comprehensive income for the year	$ 245,628	12	$ 305,887	15
	Earnings per share (Note 22)				
9710	Basic	$ 5.32		$ 6.42	
9810	Diluted	$ 5.31		$ 6.39	

The accompanying notes are an integral part of the consolidated financial statements.

Shining Victory Motor Electronic Co., Ltd. and its subsidiaries

Consolidated Statement of Changes in Equity

For the years ended December 31, 2025 and 2024

In Thousands of New Taiwan Dollars

		Common stock capital			Retained earnings			Other equity	
Code		Share Capital (thousand shares)	Amount	Capital Surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Total equity
A1	Balance at January 1, 2024	42,000	$ 420,000	$ 236,863	$ 33,301	$ 24,502	$ 289,968	($ 37,374)	$ 967,260
	2023 Appropriation and Distribution of Earnings								
B1	Earnings reserve	-	-	-	14,013	-	(14,013)	-	-
B3	Special reserve	-	-	-	-	12,872	(12,872)	-	-
B5	Cash dividends to shareholders	-	-	-	-	-	(39,293)	-	(39,293)
D1	Net profit for the year ended December 31, 2024	-	-	-	-	-	269,787	-	269,787
D3	Other comprehensive income/(loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	-	-	36,100	36,100
D5	Total comprehensive income/(loss) for the year ended December 31, 2024	-	-	-	-	-	269,787	36,100	305,887
Z1	Balance at December 31, 2024	42,000	420,000	236,863	47,314	37,374	493,577	(1,274)	1,233,854
	2024Appropriation and Distribution of Earnings								
B1	Earnings reserve	-	-	-	24,894	-	(24,894)	-	-
B17	Reversal of special reserve	-	-	-	-	(36,100)	36,100	-	-
B5	Cash dividends to shareholders	-	-	-	-	-	(130,066)	-	(130,066)
D1	Net profit for the year ended December 31, 2025	-	-	-	-	-	247,578	-	247,578
D3	Other comprehensive income/(loss) for the year ended December 31, 2025, net of income tax	-	-	-	-	-	-	(1,950)	(1,950)
D5	Total comprehensive income/(loss) for the year ended December 31, 2025	-	-	-	-	-	247,578	(1,950)	245,628
C7	Changes in ownership interests in associates	-	-	-	-	-	(28)		(28)
E1	Capital increase	5,600	56,000	255,990	-	-	-	-	311,990
Z1	Balance at December 31, 2025	47,600	$ 476,000	$ 492,853	$ 72,208	$ 1,274	$ 622,267	($ 3,224)	$ 1,661,378

The accompanying notes are an integral part of the consolidated financial statements.

Shining Victory Motor Electronic Co., Ltd. and its subsidiaries

Consolidated statement of cash flows

For the years ended December 31, 2025 and 2024

In Thousands of New Taiwan Dollars

Code		2025	2024
	Cash flow from operating activities		
A10000	Income before income tax	$ 306,005	$ 354,456
A20010	Items of incomes and expenses:		
A20100	Depreciation expense	50,476	48,475
A20200	Amortization expenses	5,238	5,117
A20300	Expected credit loss recognized on trade receivables	20,193	14,190
A20900	Financial cost	5,564	8,380
A21200	Interest income	(3,370)	(2,525)
A22300	Share of profit or loss of affiliated companies accounted for using the equity method	(16,884)	(31,522)
A22500	Loss from disposal of property, plant and equipment	3,899	3,521
A23700	Inventory devaluation and obsolescence losses	14,405	13,091
A30000	Net changes in operating assets and liabilities		
A31125	Contract assets	(651)	1,496
A31130	Notes receivable	91,891	(142,295)
A31150	Accounts receivable	(168,152)	85,009
A31180	Other receivables	(31,759)	1,250
A31200	Inventories	(50,888)	(20,250)
A31230	Advance payment	(18,199)	(8,203)
A31240	Other current assets	7,408	8,791
A32125	Contract liabilities	(9,551)	13,121
A32130	Notes payable	(34,554)	42,431
A32150	Accounts payable	69,970	41,390
A32180	Other payables	11,813	27,489
A32230	Other current liabilities	(433)	44
A32250	Deferred income	-	(4,327)
A33000	Cash generated from operations	252,421	459,129
A33300	Interest paid	(4,121)	(8,147)
A33500	Income tax paid	(57,563)	(77,071)
AAAA	Net cash generated from/(used in) operating activities	190,737	373,911
	Cash flow from investing activities		
B00050	Disposal of financial assets at amortized cost	-	$ 6,000

(continued)

(continued)

Code		2025	2024
B02700	Purchase of property, plant and equipment	(142,460)	(74,376)
B02800	Proceeds from disposal of property, plant and equipment	172	445
B03700	Increase in refundable deposits	(1,187)	(16)
B03800	Decrease in refundable deposits	64	954
B04100	Long-term receivables	(4,570)	-
B04500	Purchase of intangible assets	(1,698)	(1,725)
B06000	Long-term receivables	-	1,013
B06500	Increase in other financial assets	-	(45,025)
B06600	Other financial assets	49,182	-
B07100	Increase in prepayment for equipment purchase	(4,551)	(22,928)
B07600	Dividends received from affiliated companies	19,263	22,109
B07500	Interest received	3,370	2,525
BBBB	Net cash generated from/(used in) investing activities	(82,415)	(111,024)
	Cash flow from financing activities		
C00100	Increase in short-term borrowings	152,876	283,746
C00200	Decrease in short-term borrowings	(187,037)	(232,798)
C04020	Repayment of the principal of the lease	(1,874)	(3,771)
C04500	Payment of dividends to the Company's shareholders	(130,066)	(39,293)
C04600	Capital increase	311,990	-
CCCC	Net cash generated from/(used in) financing activities	145,889	7,884
DDDD	Effect of exchange rate changes on cash and cash equivalents	(9,914)	11,395
EEEE	Net increase in cash and cash equivalents	244,297	282,166
E00100	Cash and cash equivalents at the beginning of year	405,852	123,686
E00200	Cash and cash equivalents at the end of year	$ 650,149	$ 405,852

The notes attached hereto form an integral part of the consolidated financial statements.

Shining Victory Motor Electronic Co., Ltd. and its subsidiaries
Notes to the consolidated financial statements
For the years ended December 31, 2025 and 2024
(Expressed in NT$ 1,000, unless otherwise specified)

I. Company history

Shining Victory Motor Electronic Co., Ltd. (the Company) was incorporated in the British Cayman Islands on April 10, 2017, mainly for the reorganization of the structure for the application for listing on the Taiwan Stock Exchange. On August 28, 2017, the Company reorganized and acquired 40% of the shares of Shining Victory International Holdings Co., Ltd. at a share exchange ratio of 40:1. After the share exchange, the Company became the holding company of Shining Victory International Holdings Co., Ltd. and its subsidiaries. The principal business of the Company and its subsidiaries (hereinafter referred to as the "consolidated company") is manufacturing and selling automotive LED interior lighting, interior and exterior decoration, and LED automotive lamps, among other automotive parts.

The Company's shares have been listed on TWSE since March 2025.

The Company's functional currency is RMB. As the Company is listed on the Taipei Exchange, in order to increase the comparison and consistency of the financial statements, the consolidated financial statements are presented in NT$.

II. The date when the financial reports were authorized for issue and the process involved in authorizing the financial reports for issue

The consolidated financial statements were approved by the Board of Directors on March 14, 2026.

III. Application of new and amended standards and explanations

(I) The first-time adoption of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (hereinafter referred to as the "FSC")

Amendments to IAS 21 "Lack of Exchangeability"

The initial application of the Amendments to IAS 21 "Lack of Exchangeability" did not have a material impact on the Group's accounting policies.

(II) The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

New/ Revised/ Amended standards and interpretations	Effective date announced by IASB
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
IFRS 17 "Insurance Contracts" (including the 2020 and 2021 amendments to IFRS 17)	January 1, 2023

Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"

1. The amendments to the application guidance of classification of financial assets

   The amendments mainly amend the requirements for the classification of financial assets, including:

   (1) If a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if,

   ● In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and

   ● In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.

   (2) To clarify that a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.

   (3) To clarify that the characteristics of contractually linked instruments include a prioritization of payments to the holders of financial assets using multiple contractually linked instruments (tranches) established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of cash shortfalls from the underlying pool between the tranches.

2. The amendments to the application guidance of derecognition of financial liabilities

The amendments mainly stipulate that a financial liability is derecognized on the settlement date. However, when settling a financial liability in cash using an electronic payment system, the Group can choose to derecognize the financial liability before the settlement date if, and only if, the Group has initiated a payment instruction that resulted in:

(1) The Group having no practical ability to withdraw, stop or cancel the payment instruction;
(2) The Group having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
(3) The settlement risk associated with the electronic payment system being insignificant.

An entity shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of other standards and interpretations will not have a material impact on the Group's financial position and financial performance.

(III) New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New/ Revised/ Amended standards and interpretations	Effective date announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be determined by IASB
IFRS 18 "Presentation and Disclosures in Financial Statements"	January 1, 2027 (Note 2)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (including the 2025 amendments to IFRS 19)	January 1, 2027
Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"	January 1, 2027

Note 1: Unless otherwise specified, the above new/ revised/ amended standards or interpretations are effective in the annual reporting periods beginning after the respective dates.

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

IFRS 18 "Presentation and Disclosures in Financial Statements" and consequential amendments

IFRS 18 will supersede IAS 1" Presentation of Financial Statements". The main changes comprise:

1. To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Group shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.
2. The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
3. Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as 'other' only if it cannot find a more informative label.
4. Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial 12 statements management's view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

In addition, the following consequential amendments have been made to IAS 7 "Statement of Cash Flows":

1. The Group shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.
2. Interest and dividends received by the Group shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Group has a specific main operating activity, it shall determine how to classify dividends received, interest received

and interest paid in the statement of cash flows by referring to how it classifies dividend income, interest income and interest expense in the statement of profit or loss. The total of each of these cash flows shall be classified in a single category in the statement of cash flows.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

IV. Summary of significant accounting policies

(I) Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC.

(II) Basis of preparation

The consolidated financial statements are prepared on the historical cost basis.

Level 1 to Level 3 fair value measurements are classified into the following categories based on the degree of observation and importance of the relevant inputs:

1. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
2. Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).
3. Level 3 inputs are unobservable inputs for assets or liabilities.

(III) Criteria for assets and liabilities into current and non-current.

Current assets include:

1. Assets held primarily for trading;
2. Assets expected to be realized within 12 months after the Statement of Financial Position date; and
3. Cash and cash equivalents (excluding those that are restricted from being exchanged or used to settle a liability for at least 12 months after the Statement of Financial Position date)

Current liabilities include:

1. Liabilities held primarily for trading;
2. Liabilities due within 12 months after the Statement of Financial Position date (even if a long-term refinements or rescheduling to the payment terms have been completed after the Statement of Financial Position date but before the reporting date), and

3. Liabilities that do not have substantial rights to defer the settlement period to at least 12 months after the Statement of Financial Position date

Assets or liabilities that are not classified as current are classified as non-current.

(IV) Basis of merger

The consolidated financial statements include the financial statements of the Company and the entities controlled by the Company (subsidiaries). The financial statements of the subsidiaries have been adjusted to make their accounting policies consistent with the accounting policies of the consolidated company. In preparing the consolidated financial statements, transactions, account balances, income and expenses between the entities have been eliminated in full. The total comprehensive income of the subsidiary is attributed to the owners of the Company and non-controlling interests, even if the non-controlling interests have a loss balance.

Please refer to Note 9 and Tables 4 and 5 for details of subsidiaries, shareholding ratios, and business items.

(V) Foreign currency

When preparing the financial statements of each entity, the transactions conducted in a currency other than the functional currency of the entity (foreign currency) is converted into the functional currency in accordance with the exchange rate on the transaction date.

The monetary items in foreign currencies are converted at the closing exchange rate on each Statement of Financial Position date. Exchange differences arising from settlement of monetary items or translating monetary items are recognized in profit or loss in the period in which they arise.

The non-monetary item in foreign currency measured at historical cost is converted at the exchange rate on the transaction date and will not be converted again.

When preparing the consolidated financial statements, the assets and liabilities of the Company and its foreign operations (including subsidiaries and affiliates that are operating in different countries or using currencies other than the Company's) are converted into NT$ at the exchange rates prevailing at the Statement of Financial Position date. The income and expense items are converted at the average exchange rate in the current period, and the exchange differences arising therefor are booked in other comprehensive income (and attributable to the Company's shareholders and non-controlling equity respectively). The exchange difference arising from the conversion of the functional currency to the presentation currency is not reclassified as profit or loss subsequently.

(VI) Inventory

Inventory includes raw materials, supplies, finished goods, work-in-progress, and merchandise. Inventory is measured at the lower of cost or net realizable value. When comparing cost and net realizable value, except for the same category inventory, it is based on individual items. The net realizable value refers to the estimated selling price in normal situations less the estimated cost of completion and the estimated cost needed to complete the sale. The cost of inventory is calculated by the weighted average method.

(VII) Investment in associates

An affiliate is an enterprise over which the consolidated company has significant influence but is not a subsidiary nor a joint venture.

The consolidated company adopts the equity method to account for its investments in associates.

Under the equity method, an investment in an associate is initially recognized at cost and the carrying amount is increased or decreased on the date of acquisition based on the consolidated company's share of the associate's profit and loss and other comprehensive income and profit distribution. In addition, the consolidated company's changes in the equity of the affiliated enterprise are recognized based on the ownership percentage.

When the consolidated company assesses impairment, it treats the entire book value of the investment (including goodwill) as a single asset and tests for impairment by comparing it with recoverable amount and book value. The impairment loss recognized is not allocated to any asset forming part of the book value of the investment, including goodwill. Any reversal of impairment loss is recognized within the range of subsequent increase in the recoverable amount of the investment.

The profit or loss from the upstream, downstream and lateral transactions between the consolidated company and its affiliates is recognized in the consolidated financial statements only to the extent that it does not affect the consolidated company's interests in the affiliates.

(VIII) Real property, plant and equipment

Property, plant and equipment are recognized at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment.

The property, plant and equipment under construction is recognized at cost net of accumulated impairment losses. Cost includes professional service expense and borrowing costs that meet the capitalization criteria. These assets are classified into the appropriate category of property, plant and equipment when they are completed and are expected to be used, and are depreciated accordingly.

Depreciation is recognized using the straight-line method. Each part of a property, plant and equipment item that is significant to the total cost of the item is depreciated separately. The estimated useful lives, residual values and depreciation method are audited at the end of each reporting period, with any changes in estimates accounted for prospectively.

When de-recognizing property, plant and equipment, the difference between the net proceeds from the disposal and the carrying amount of the asset is recognized in profit or loss.

(IX) Investment property

Investment property refers to property held to earn rental or for capital appreciation or both (including right-of-use assets that meet the definition of investment property). Investment property includes land held for future use that has not yet been determined.

The investment property owned by the Company is initially measured at cost (including transaction cost), and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

The investment property acquired from the lease is initially measured at cost (including the initial measurement amount of the lease liability, the lease payment paid before the commencement date, and the original direct cost), and subsequently measured at cost less accumulated depreciation and accumulated impairment losses, and the re-measurement of the lease liability is adjusted.

All investment properties are depreciated on a straight-line basis.

When investment property is derecognized, the difference between the net proceeds from the disposal and the carrying amount of the asset is recognized in profit or loss.

(X) Intangible assets

1. Acquired separately

The intangible assets acquired separately with finite useful lives are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment losses. The intangible assets are amortized on a straight-line basis over the useful lives. The consolidated company reviews the estimated useful lives, residual values, and amortization methods at the end of each year, and applies the effect of changes in accounting estimates prospectively.

2. De-recognizing

When de-recognizing intangible assets, the difference between the net proceeds from the disposal and the carrying amount of the asset is recognized in the current profit or loss.

(XI) Impairment of property, plant and equipment, right-of-use assets, investment property and intangible assets (excluding goodwill)

The consolidated company assesses whether there is any indication that the property, plant and equipment, right-of-use assets, investment property and intangible assets (excluding goodwill) may have been impaired on each Statement of Financial Position date. If there is any sign of impairment, the recoverable amount of the asset is estimated. If the recoverable amount of an individual asset cannot be estimated, the consolidated company estimates the recoverable amount of the cash-generating unit to which the asset belongs. The assets are allocated to the individual cash-generating unit on a reasonable and consistent basis.

The recoverable amount is the higher of fair value less cost of sale and the value in use. If the recoverable amount of an individual asset or cash-generating unit is lower than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, and the impairment loss is recognized in profit or loss.

When the impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised recoverable amount, provided that the increased carrying amount shall not exceed the carrying amount (less amortization or depreciation) of the asset or cash-generating unit, which was not recognized as impairment loss in prior years. The reversal of impairment loss is recognized in profit or loss.

(XII) Financial instruments

When the consolidated company becomes a party to the terms and conditions of the instrument, the financial assets and financial liabilities are recognized in the consolidated balance sheet.

When the financial assets and financial liabilities are initially recognized, if the financial assets or financial liabilities are not measured at fair value through profit or loss, they are measured at fair value plus the transaction cost directly attributable to the acquisition or issuance of financial assets or financial liabilities. The transaction cost directly attributable to the acquisition or issuance of financial assets or financial liabilities at fair value through profit or loss is recognized immediately in profit or loss.

1. Financial assets

Common transactions involving financial assets are recognized and derecognized on the transaction date.

(1) Measurement type

The types of financial assets held by the consolidated company are financial assets measured at amortized cost.

<u>Financial assets at amortized cost</u>

If the consolidated company's financial assets meet the following two conditions, they are classified as financial assets measured at amortized cost:

A. Held under a certain business model, of which the objective is to hold financial assets in order to collect contractual cash flows; and

B. The cash flows on the date of the contract are solely for the payment of the principal and interest on the outstanding principal amount.

After initial recognition, financial assets measured at amortized cost (including cash and cash equivalents, notes receivable, accounts receivable, other receivables, other financial assets - current and refundable deposits) are measured at the amortized cost of the total carrying amount determined by the effective interest method less any impairment loss. Any foreign currency exchange differences are recognized in profit or loss.

Except under the following two circumstances, interest income is calculated by multiplying the effective interest rate by the total carrying amount of the financial asset:

A. For the credit-impaired financial assets purchased or originated, interest income is calculated by multiplying the effective interest rate after credit adjustment by the amortized cost of the financial assets.

B. For financial assets that are not purchased or originated credit-impaired but subsequently become credit impaired, interest income is calculated by multiplying the effective interest rate from the next reporting period after the credit impairment by the amortized cost of the financial assets.

Financial assets with credit impairment refer to the issuer or debtor's major financial difficulty, default, the debtor's likely bankruptcy or other financial restructuring, or the active market for the financial assets disappeared due to financial difficulties.

Cash equivalents include time deposits that are highly liquid, convertible into fixed amounts of cash at any time with little risk of value changes within three months from the date of acquisition, and are used to meet short-term cash commitments.

(2) Impairment of financial assets and contract assets

The consolidated company assesses the impairment loss of financial assets and contract assets measured at amortized cost based on the expected credit loss on each Statement of Financial Position date.

Accounts receivable and contract assets are recognized for loss allowance based on the lifetime expected credit losses. Other financial assets are first assessed for whether the credit risk has increased significantly since the initial recognition. If it does not increase significantly, the allowance for loss is recognized based on the 12-month expected credit loss; if it has increased significantly, the allowance for loss is recognized based on the lifetime expected credit loss.

The expected credit loss is the weighted average credit loss based on the risk of default. The 12-month expected credit loss represents the expected credit loss arising from the default of the financial instrument within 12 months after the reporting date, and the expected credit loss arising from the default of the financial instrument within the expected duration represents the expected credit loss arising from the default of the financial instrument within the expected duration.

The impairment loss of all financial assets is reduced to the book value through the allowance account.

(3) Derecognizing financial assets

The consolidated company only de-recognizes financial assets when the contractual rights to the cash flow of financial assets expire or when the financial assets are transferred and almost all the risks and rewards of the asset ownership are transferred to other enterprises.

When the financial assets measured at amortized cost are derecognized as a whole, the difference between the book value and the consideration received is recognized in profit or loss.

2. Equity instruments

The debt and equity instruments issued by the consolidated company are classified as financial liabilities or equity based on the substance of the contractual agreements and the definition of financial liabilities and equity instruments.

The equity instruments issued by the consolidated company are recognized at the amount of the consideration for the acquisition less the direct issue cost.

The Company's own equity instruments are recognized and deducted from the equity account. The purchase, sale, issuance or cancellation of the Company's own equity instruments is not recognized in profit or loss.

3. Financial liabilities

(1) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

(2) Exclusion of financial liabilities

When de-recognizing financial liabilities, the difference between the book value and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(XIII) Revenue recognition

After the consolidated company identifies the performance obligation in the customer contract, the transaction price is allocated to each performance obligation, and the revenue is recognized when each performance obligation is fulfilled.

1. Sales income from products

The revenue from sales of products is derived from the sales of automotive parts and components. When the merchandise is delivered to the designated location of the customer or the customer submits the invoice and transfers the control of the ownership, the customer has the right to set the price and use the merchandise and is mainly responsible for the resale of the merchandise and bears the risk of obsolescence, at which the consolidated company recognizes the revenue and accounts receivable at that point in time. The expected payments to be collected from sales of products are recognized as contract liabilities before the products arrive.

2. Service income

Service revenue is generated from mold design services, product development and testing services purchased by the Company.

The consolidated company does not acquire control over the equipment before it is transferred to the customer for the service of the equipment purchased by the customer. In addition, the consolidated company does not promise to purchase the equipment before the customer orders, so there is no inventory risk. The consolidated company provides equipment procurement services as an agent and recognizes the net amount revenue when the control of the equipment is transferred to the customer after the customer accepts the equipment and there is no subsequent obligation.

With the product development and testing services provided by the consolidated company, customers can simultaneously acquire and consume the performance benefits. The relevant revenue is recognized when the labor service is provided, and the consolidated company is based on the progress of completion of the measurement. According to the contract, the payment is made in the progress of development. Therefore, the consolidated company recognizes contract assets when providing services, and reclassifies it to accounts receivable when the progress of development is completed.

(XIV) Leasing

The consolidated company assesses whether the contract is a lease (or including a lease) on the date it is entered into.

For contracts that include lease and non-lease components, the consolidated company allocates the consideration in the contracts based on the relative stand-alone prices and treats them separately.

1. The consolidated company is the lessor

When the lease terms are classified as a financial lease when the terms of the lease transfer substantially all the risks and rewards attached to the ownership of the assets to the lessee. All other leases are classified as operating leases.

When the consolidated company subleases its right-of-use assets, the right-of-use assets (not the underlying assets) are used to determine the classification of the sublease. However, if the main lease is a short-term lease for which the recognition exemption applies to the consolidated company, the sublease is classified as an operating lease.

Under operating lease, the lease payments after deducting the lease incentives are recognized as income over the period of the lease in accordance with the straight-line method. The initial direct cost incurred for the acquisition of operating lease is added to the book value of the underlying asset and recognized as expense on a straight-line basis over the lease term.

2. The consolidated company is the lessee

Except for the lease payments for low-value target assets and short-term leases that are entitled to recognition exemption, lease payments are recognized as expenses on a straight-line basis over the lease term. Lease payments for other leases are recognized as right-of-use assets and lease liabilities on the start date of the lease.

The right-of-use assets are initially measured at cost (including the initial measurement amount of lease liabilities, the lease payments made before the commencement of the lease less the lease incentives received, the original direct cost, and the estimated cost of restoring the underlying assets), and subsequently measured at cost less accumulated depreciation and accumulated impairment losses, and the re-measured lease liabilities are adjusted.

Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated on a straight-line basis from the start of the lease to the end of the service life or the end of the lease term, whichever comes first.

The lease liability is measured at the present value of the original lease payment (including fixed payments) If the lease implied interest rate is easily defined, the lease payment is discounted using the said interest rate. If the interest rate is not easily defined, the lessee's incremental borrowing rate of interest shall be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, and interest expenses are amortized over the lease term. If changes in the lease term result in changes in future lease payments, the consolidated company will remeasure the lease liabilities and adjust the right-of-use assets accordingly. However, if the book value of the right-of-use assets has been reduced to zero, the remaining remeasured amount is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

Variable rents that are not determined by the index or rate in the lease agreement are recognized as expenses in the period in which they occur.

(XV) Borrowing cost

The loan cost directly attributable to the acquisition, construction, or production of qualifying assets is one part of the cost of the asset, and is only recognized when the asset is substantially ready for the intended use or sale.

If a specific loan meets the criteria for a temporary investment before the capital expenditure occurs, the investment revenue earned from the temporary investment is deducted from the borrowing cost that meets the capitalization criteria.

Except for the above, all other borrowing costs are recognized as gains and losses in the period in which they occur.

(XVI) Government grants

The government subsidies may be recognized only when the consolidated company is reasonably certain to comply with the conditions attached to the government subsidies and the subsidies may be received.

Government subsidies related to revenue are recognized in other income on a systematic basis over the period in which the related costs intended to be compensated are recognized as expenses by the consolidated company. Government subsidies whose primary condition is that the consolidated company should purchase, construct, or otherwise acquire non-current assets are recognized as deferred income and reclassified to profit or loss on a reasonable and systematic basis over the useful life of the related assets.

Government subsidies are recognized in profit or loss in the period in which they become collectible if they are intended to compensate for expenses or losses already incurred or to provide immediate financial support to the consolidated company and have no future related costs.

(XVII) Employee benefits

1. Short-term employee benefits

Short-term employee benefit-related liabilities are measured by the non-cash amount expected to be paid in exchange for employee services.

2. Post-employment benefits

The pension of the defined contribution plan is recognized as expenses for the amount of pension contributed by the employee during the service period.

(XVIII) Income tax

Income tax expense is the sum of current income tax and deferred income tax.

1. Income tax for the current period

The consolidated company determines the current income (loss) in accordance with the laws and regulations in each jurisdiction area for income tax filings, and calculates the income tax payable (recoverable) accordingly.

The adjustment of the income tax payable in previous years is recognized as the current income tax.

2. Deferred income tax

Deferred income tax is calculated based on the temporary difference between the book value of assets and liabilities and the tax basis for calculating taxable income.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized when it is probable that taxable profits will be available against which those deductible temporary differences or loss carryforwards can be utilized.

The taxable temporary differences related to the investment in subsidiaries are recognized as deferred income tax liabilities, except that the consolidated company is able to control the time point for the temporary differences to be reversed and the temporary differences are very likely not to be reversed in the foreseeable future. The deductible temporary differences related to said investments are recognized as deferred income tax assets only if it is probable that sufficient taxable income will be available to realize the temporary differences, and they are expected to be reversed in the foreseeable future.

The book value of deferred income tax assets is reexamined on each Statement of Financial Position date, and the book value is reduced if it is no longer probable that there will be sufficient taxable income to recover all or part of the assets. Assets that are not originally recognized as deferred income tax assets are also reexamined on each Statement of Financial Position date, and the carrying amount is increased if it is probable that future taxable income will allow all or part of the assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rate that is expected to apply to the liabilities or the assets in the period in which they realized, based on tax rates and tax laws that have been enacted or substantively enacted by the Statement of Financial Position date. The measurement of deferred income tax liabilities and assets reflects the tax consequences that would follow from the manner in which the consolidated company expects, at the Statement of Financial Position date, to recover or settle the carrying amount of its assets and liabilities.

3. Current and deferred income tax

The current and deferred income tax are recognized in profit or loss, except for items recognized in other comprehensive income or directly in equity, which are recognized in other comprehensive income or directly in equity.

If the current income tax or deferred income tax is generated from the business combination, the income tax effect is included in the accounting process of the business combination.

V. Key sources of uncertainty over significant accounting judgments, assumptions, and estimation

When the consolidated company adopts accounting policies, the management is required to make judgments, estimates and assumptions about relevant information that is not readily accessible from other sources based on historical experience and other relevant factors. The actual results may be different from the estimates.

Significant accounting judgments

No such matter.

Key Sources of Uncertainty over Judgments, Assumptions, and Estimation

Estimation of Revenue recognition

When the consolidated company transfers its products or services to customers in exchange for consideration, it only considers the ability and intention of the customer to pay the consideration, and the amount of consideration may be less than the price stated in the contract.

The estimation is based on the estimation of the most probable amount by the management with reference to the past experience and the current situation, which may affect the calculation of income. (See Note 19 "Revenue" for details).

VI. Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash on hand	$ 3,329	$ 2,001
Demand deposits	556,896	359,067
Cash equivalents (investment with the original maturity date of less than 3 months)		
Time deposits	89,924	44,784
	$ 650,149	$ 405,852

VII. Notes, accounts, other receivables, and long-term receivables

	December 31, 2025	December 31, 2024
Notes receivable		
At amortized cost		
Total carrying amount - non-related parties	$ 295,011	$ 388,092
Total book value - related parties	10,370	9,180
Less: Allowance for Losses	-	-
	$ 397,272	$ 397,272
Accounts receivable		
At amortized cost		
Total carrying amount - non-related parties	$ 894,147	$ 747,121
Total book value - related parties	14,448	15,044
Less: Allowance for Losses	(29,569)	(30,931)
	$ 879,026	$ 731,234

(continued)

(continued)

	December 31, 2025	December 31, 2024
Other receivables		
At amortized cost		
Total book value	$ 83,089	$ 51,330
Less: Allowance for Losses	-	-
	$ 83,089	$ 51,330
Long-term receivables		
At amortized cost		
Total book value	$ 9,658	$ 5,088
Less: Allowance for Losses	-	-
	$ 9,658	$ 5,088

(I) Notes receivable

The allowance for loss of notes receivable measured by the consolidated company based on the allowance matrix is as follows:

December 31, 2025

	Not past due	Overdue for 1 to 90 days	Overdue for 91 - 120 days	Overdue for 121 to 240 days	Overdue for 241 to 365 days	Overdue for more than 365 days	Total
Expected credit loss rate	0%	0%	0%	0%	0%	0%	
Total book value	$ 305,381	$ -	$ -	$ -	$ -	$ -	$ 305,381
Allowance for losses (expected credit losses throughout the duration)	-	-	-	-	-	-	-
Cost after amortization	$ 305,381	$ -	$ -	$ -	$ -	$ -	$ 305,381

December 31, 2024

	Not past due	Overdue for 1 to 90 days	Overdue for 91 - 120 days	Overdue for 121 to 240 days	Overdue for 241 to 365 days	Overdue for more than 365 days	Total
Expected credit loss rate	0%	0%	0%	0%	0%	0%	
Total book value	$ 397,272	$ -	$ -	$ -	$ -	$ -	$ 397,272
Allowance for losses (expected credit losses throughout the duration)	-	-	-	-	-	-	-
Cost after amortization	$ 397,272	$ -	$ -	$ -	$ -	$ -	$ 397,272

The consolidated company had no overdue and unrecognized notes receivable on the Statement of Financial Position date. Considering that there was no default history, the expected credit impairment loss rate was set at 0%. For the amount of notes receivable discount and endorsement transferred to the supplier, please refer to 26.

(II) Accounts receivable

The consolidated company's average credit period for merchandise sales is 60 to 90 days, and no interest is accrued on accounts receivable. The policy adopted by the consolidated company is to use other publicly available financial information and historical transaction records to rate its major customers, to continue to monitor credit risk and the credit ratings of its counterparties, and to diversify the total transaction amount to different customers with qualified credit ratings, and to manage the credit limits and credit risk exposure of the counterparties through internal decision-making authority.

In order to mitigate credit risk, the consolidated company's management has assigned a dedicated team to be responsible for the determination of credit limits, credit approval and other monitoring procedures to ensure that appropriate actions have been taken in the recovery of overdue accounts receivable. In addition, the consolidated company reviews the recoverable amount of accounts receivable on the Statement of Financial Position date to ensure that appropriate impairment losses have been recorded for uncollectible accounts receivable. In this regard, the management believes that the consolidated company's credit risk has been significantly reduced.

The consolidated company recognizes the loss allowance for accounts receivable based on the expected credit loss throughout the duration. The expected credit loss of the duration is calculated with the provision matrix, which takes into account the past default records of the customer, the current financial situation, the economic condition of the industry, and the GDP forecast and industrial outlook. As the consolidated company's historical experience in credit losses shows that there is no significant difference in the loss patterns of different customer groups, the allowance for losses is determined based on the aging of accounts receivable.

If there is evidence that the counterparty is facing serious financial difficulties and the consolidated company cannot reasonably expect to recover the amount, such as the counterparty is in liquidation or the debt age of the debt is over 365 days, the consolidated company will directly write off the relevant accounts receivable, but will continue to try to collect the receivable. The recovered amount is recognized in profit or loss.

The allowance for loss of accounts receivable measured by the consolidated company based on the provision matrix is as follows:

December 31, 2025

	Not past due	Overdue for 1 to 90 days	Overdue for 91 - 120 days	Overdue for 121 to 240 days	Overdue for 241 to 365 days	Overdue for more than 365 days	Total
Expected credit loss rate	0% - 0.26%	0%~9.65%	0%~17.74%	0%~46.71%	0%~91.30%	100%	
Total book value	$ 674,866	$ 191,128	$ 5,689	$ 17,690	$ 12,019	$ 7,203	$ 908,595
Allowance for losses (expected credit losses throughout the duration)	(1,682)	(5,250)	(1,004)	(6,507)	(7,923)	(7,203)	(29,569)
Cost after amortization	$ 673,184	$ 185,878	$ 4,685	$ 11,183	$ 4,096	$ -	$ 879,026

December 31, 2024

	Not past due	Overdue for 1 to 90 days	Overdue for 91 - 120 days	Overdue for 121 to 240 days	Overdue for 241 to 365 days	Overdue for more than 365 days	Total
Expected credit loss rate	0% - 0.21%	0%~8.78%	0%~16.25%	0%~48%	0%~91.3%	100%	
Total book value	$ 610,735	$ 89,639	$ 2,699	$ 23,550	$ 34,970	$ 572	$ 762,165
Allowance for losses (expected credit losses throughout the duration)	(1,229)	(1,402)	(438)	(2,281)	(25,009)	(572)	(30,931)
Cost after amortization	$ 609,506	$ 88,237	$ 2,261	$ 21,269	$ 9,961	$ -	$ 731,234

The above aging analysis is based on the overdue date.

The changes in the allowance for loss of accounts receivable are as follows:

	2025	2024
Beginning balance	$ 30,931	$ 28,697
Add: Impairment Loss Recognized for the Year	20,193	14,313
Less: Actual Write-offs for the Year	(21,722)	(14,864)
Foreign currency exchange difference	167	2,785
Closing balance	$ 29,569	$ 30,931

(III) Other receivables

Other receivables from unrelated parties are mainly collected from customers for mold payments, testing and sample fees.

The changes in the allowance for loss of other receivables are as follows:

	2025	2024
Beginning balance	$ -	$ 120
Less: Actual Write-offs for the Year	-	-
Less: Reversal of Impairment Loss for the Year	-	(123)
Foreign currency exchange difference	-	3
Closing balance	$ -	$ -

(IV) Long-term receivables

Long-term receivables are mainly collected from customers for long-term receivables.

The aging analysis of long-term receivables is as follows:

December 31, 2025

	Not past due	Overdue for 1 to 90 days	Overdue for 91 - 120 days	Overdue for 121 to 240 days	Overdue for 241 to 365 days	Overdue for more than 365 days	Total
Expected credit loss rate	0%	0%	0%	0%	0%	0%	
Total book value	$ 9,658	$ -	$ -	$ -	$ -	$ -	$ 9,658
Allowance for losses (expected credit losses throughout the duration)	-	-	-	-	-	-	-
Cost after amortization	$ 9,658	$ -	$ -	$ -	$ -	$ -	$ 9,658

December 31, 2024

	Not past due	Overdue for 1 to 90 days	Overdue for 91 - 120 days	Overdue for 121 to 240 days	Overdue for 241 to 365 days	Overdue for more than 365 days	Total
Expected credit loss rate	0%	0%	0%	0%	0%	0%	
Total book value	$ 5,088	$ -	$ -	$ -	$ -	$ -	$ 5,088
Allowance for losses (expected credit losses throughout the duration)	-	-	-	-	-	-	-
Cost after amortization	$ 5,088	$ -	$ -	$ -	$ -	$ -	$ 5,088

VIII. Inventory

	December 31, 2025	December 31, 2024
Merchandise inventory	$ 20,192	$ 27,772
Finished goods	210,624	183,373
Work in process	58,062	60,676
Raw materials	50,584	30,066
	$ 339,462	$ 301,887

The nature of the cost of goods sold is as follows:

	2025	2024
Cost of inventory sold	$ 1,416,230	$ 1,382,196
Inventory valuation loss	14,405	13,091
	$ 1,430,635	$ 1,395,287

IX. Subsidiaries

(I) Subsidiaries included in the consolidated financial statements

The entities included in the consolidated financial statements are as follows:

Name of the investment company	Subsidiary name	Business nature	Percentage of ownership held December 31, 2025	Percentage of ownership held December 31, 2024	Description
Shining Victory Motor Electronic Co., Ltd.	Shining Victory International Holdings Co., Ltd.	Holding company	100%	100%	
Shining Victory International Holdings Co., Ltd.	E-LAN MOTOR ELECTRONIC (Pinghu) CO., LTD.	Production and sales of auto and motorcycle molds, design and manufacture of jigs, assembly of automotive electronic components, and production of automotive electronics components.	100%	100%	
Shining Victory International Holdings Co., Ltd.	E-LAN MOTOR ELECTRONICS (THAIWAN) CO., LTD	Production and sales of auto and motorcycle molds, design and manufacture of jigs, assembly of automotive electronic components, and production of automotive electronics components.	100%	100%	
Shining Victory International Holdings Co., Ltd.	E-LAN CAR PARTS MEXICO	Production and sales of auto and motorcycle molds, design and manufacture of jigs, assembly of automotive electronic components, and production of automotive electronics components.	100%	100%	
E-LAN MOTOR ELECTRONIC (Pinghu) CO., LTD.	E-LAN HOLDING COMPANY	Holding company	100%	100%	
E-LAN HOLDING COMPANY	E-LAN CAR COMPONENTS (USA) INC.	Automobile electronic components and sales	100%	100%	

(II) Subsidiaries not included in the consolidated financial statements: None.

X. Investments accounted for using the equity method

Investment in associates

	December 31, 2025	December 31, 2024
Affiliated enterprise with materiality Pinghu Oakwood E-LAN Motor Parts Manufacturing Co., Ltd. (hereinafter referred to as Oakwood E-LAN)	$ 172,668	$ 174,881

Affiliated enterprise with materiality

Company name	Business nature	Main business place	Percentage of ownership and voting rights held	
			December 31, 2025	December 31, 2024
Oakwood E-LAN	Motor vehicle parts manufacturing	Pinghu, Zhejiang	45.16%	45.16%

The consolidated company adopted the equity method to measure the above-mentioned associates.

The following summarized financial information is based on the financial statements of the affiliated enterprise under the IFRS accounting standards, and has reflected the adjustments made when the equity method is adopted.

Oakwood E-LAN

	December 31, 2025	December 31, 2024
Current assets	$ 584,614	$ 652,036
Non-current assets	54,795	61,326
Current liabilities	(249,900)	(319,362)
Non-current liabilities	-	-
Total equity	$ 389,509	$ 394,000
Shareholding ratio of the consolidated company	45.16%	45.16%
The equity vested in the consolidated company	$ 175,902	$ 177,930
Unrealized gains or losses on downstream transactions	(3,186)	(3,049)
Changes in ownership interests in associates	(28)	(-)
Book value of investment	$ 174,881	$ 174,881
Operating revenue	$ 484,927	$ 712,806
Net income of the current year	$ 37,659	$ 70,166
Total comprehensive income	$ 37,659	$ 70,166
Dividends received from the acquisition of Oakwood E-LAN	$ 19,263	$ 22,109

Investments accounted for using the equity method and the consolidated company's share of profits and losses and other comprehensive income are calculated based on financial statements that have been audited by CPAs.

XI. Property, plant and equipment

	Land	Building construction	Machinery and equipment	Transportation equipment	Mold equipment	Other equipment	Lease improvement	Real estate under construction	Total
Amounts received									
Balance on January 1, 2025	$ -	$ 241,026	$ 158,825	$ 19,226	$ 19,127	$ 95,128	$ 6,074	$ 11,193	$ 550,599
Add	50,968	-	18,994	3,516	12,464	10,028	-	48,540	144,510
Disposal	-	-	(3,590)	(491)	(86)	(8,349)	-	-	(12,516)
Reclassified	-	24,127	12,014	-	-	751	-	(24,127)	12,765
Net exchange difference	3,548	1,670	1,924	275	423	499	(35)	2,117	10,421
Balance on December 31, 2025	$ 54,516	$ 266,823	$ 188,167	$ 22,526	$ 31,928	$ 98,057	$ 6,039	$ 37,723	$ 705,779
Accumulated depreciation									
Balance on January 1, 2025	$ -	$ 123,204	$ 83,819	$ 7,553	$ 9,942	$ 72,963	$ 3,047	$ -	$ 300,528
Depreciation expense	-	12,741	12,776	3,246	5,415	10,702	1,299	-	46,179
Disposal	-	-	(2,886)	(535)	(86)	(4,938)	-	-	(8,445)
Net exchange difference	-	977	691	130	256	574	(8)	-	2,620
Balance on December 31, 2025	$ -	$ 136,922	$ 94,400	$ 10,394	$ 15,527	$ 79,301	$ 4,338	$ -	$ 340,882
Net Amount on December 31, 2025	$ 54,516	$ 129,901	$ 93,767	$ 12,132	$ 16,401	$ 18,756	$ 1,701	$ 37,723	$ 364,897
Amounts received									
Balance on January 1, 2024	$ -	$ 204,773	$ 146,733	$ 12,335	$ 11,448	$ 79,526	$ 6,664	$ -	$ 461,479
Add	-	-	7,262	2,474	7,405	15,042	150	40,931	73,264
Disposal	-	(975)	(4,774)	(320)	(131)	(3,983)	(2,269)	-	(12,452)
Reclassified	-	30,109	4,337	4,259	-	1,647	1,179	(29,978)	11,553
Net exchange difference	-	7,119	5,267	478	405	2,896	350	240	16,755
Balance on December 31, 2024	$ -	$ 241,026	$ 158,825	$ 19,226	$ 19,127	$ 95,128	$ 6,074	$ 11,193	$ 550,599
Accumulated depreciation									
Balance on January 1, 2024	$ -	$ 104,689	$ 72,414	$ 5,546	$ 7,463	$ 63,547	$ 3,806	$ -	$ 257,465
Depreciation expense	-	15,237	11,635	2,112	2,242	9,717	1,361	-	42,304
Disposal	-	(456)	(2,837)	(320)	(31)	(2,573)	(2,269)	-	(8,486)
Net exchange difference	-	3,734	2,607	215	268	2,272	149	-	9,245
Balance on December 31, 2024	$ -	$ 123,204	$ 83,819	$ 7,553	$ 9,942	$ 72,963	$ 3,047	$ -	$ 300,528
Net Amount on December 31, 2024	$ -	$ 117,822	$ 75,006	$ 11,673	$ 9,185	$ 22,165	$ 3,027	$ 11,193	$ 250,071

The consolidated company's property, plant and equipment are depreciated on a straight-line basis based on the following useful lives:

Building construction	5 to 20 years
Machinery and equipment	10 years
Transportation equipment	5 to 7 years
Mold equipment	3 years
Other equipment	2 to 10 years
Lease improvement	5 years

XII. Lease agreement

(I) Right-of-use assets

	December 31, 2025	December 31, 2024
Book value of right-of-use assets		
Land	$ 13,626	$ 13,966
Building construction	2,445	3,212
	$ 16,071	$ 17,178

	2025	2024
Increase in right-of-use assets	$ 1,017	$ 2,192

Depreciation expense of right-of-use assets		
Land	$ 383	$ 392
Building construction	1,748	3,551
	$ 2,131	$ 3,943

(II) Lease liabilities

	December 31, 2025	December 31, 2024
Book value of lease liabilities		
Flow	$ 1,829	$ 1,640
Non-current	$ 699	$ 1,690

The discount rate range of lease liabilities is as follows:

	December 31, 2025	December 31, 2024
Building construction	1.65%~6.75%	1.65%~6.75%

(III) Major lease activities and terms

The consolidated company leases certain land and buildings for plant and office use for a period of 3 to 48 years.

(IV) Other lease information

	2025	2024
Short-term lease expense	$ 3,467	$ 1,944
Lease expense of low-value assets	$ 90	$ 91
Total cash (outflow) from lease	($ 5,521)	($ 6,039)

The consolidated company has elected to apply the recognition exemption to leases of buildings that qualify as short-term leases and certain office equipment that qualify as low-value asset leases, and thus did not recognize said leases in right-of-use assets and lease liabilities.

XIII. Investment property

	Finished investment property	Right-of-use assets	Total
Amounts received			
Balance on January 1, 2025	$ 39,222	$ 11,531	$ 50,753
Net exchange difference	157	46	203
Balance on December 31, 2025	$ 39,379	$ 11,577	$ 50,956
Accumulated depreciation			
Balance on January 1, 2025	$ 12,649	$ 2,249	$ 14,898
Depreciation expense	1,944	222	2,166
Net exchange difference	125	18	143
Balance on December 31, 2025	$ 14,718	$ 2,489	$ 17,207
Net amount on December 31, 2025	$ 24,661	$ 9,088	$ 33,749
Amounts received			
Balance on January 1, 2024	$ 37,899	$ 11,142	$ 49,041
Net exchange difference	1,323	389	1,712
Balance on December 31, 2024	$ 39,222	$ 11,531	$ 50,753
Accumulated depreciation			
Balance on January 1, 2024	$ 10,281	$ 1,950	$ 12,231
Depreciation expense	1,999	229	2,228
Net exchange difference	369	70	439
Balance on December 31, 2024	$ 12,649	$ 2,249	$ 14,898
Net amount on December 31, 2024	$ 26,573	$ 9,282	$ 35,855

The right-of-use assets in the investment property are the land use rights in China subleased by the consolidated company to the investment affiliate in the form of operating leases.

The lease term for the investment property leased is 3 years. At the end of the lease term, the lessee has the priority right to lease the investment property. When the lessee exercises the right to renew the lease, it is agreed that the rent will be adjusted according to the market rent. The lessee does not have the preferential right to acquire investment property at the end of the lease term.

Investment property is depreciated on a straight-line basis over the estimated useful lives as shown below:

Main structure	20 years
Land use Rights	48 years

The fair value of investment property is not evaluated by an independent appraiser, but only by the management of the consolidated company using the evaluation model commonly used by market participants. The evaluation is based on the market evidence of the transaction prices of similar properties, and the fair value of the evaluation income is as follows:

	December 31, 2025	December 31, 2024
Fair value	$ 207,948	$ 172,596

XIV. Other Assets

	December 31, 2025	December 31, 2024
Flow		
Advance payment		
Advance sales receipts	$ 12,326	$ 10,898
Tax credit	8,706	4,653
Prepaid expenses	20,439	7,721
	$ 41,471	$ 23,272
Temporary payment (I)	$ 18,200	$ 25,609
Other financial assets - current (II)	$ 64,462	$ 114,990

(I) The temporary payment is mainly the temporary payment of mold.

(II) Other financial assets are mainly restricted deposits for the purpose of use. For information on the pledge, please refer to Note 28.

XV. Borrowings

Short-term borrowings

	December 31, 2025	December 31, 2024
Unsecured loans		
- Credit facility loans	$ 191,080	$ 212,701
Secured borrowings (Note 28)		
- Bank loans	-	14,378
	$ 191,080	$ 227,079

The interest rate of bank revolving loans ranged from 2.35% to 2.85% and 2.65% to 4% per annum as of December 31, 2025 and 2024, respectively. For information on the relevant pledge, please refer to Note 28.

XVI. Trade payables and notes

The average payment term of the consolidated company is approximately 30 to 90 days. The consolidated company has established a financial risk management policy to ensure that all payables are paid within the pre-agreed credit terms.

XVII. Other liabilities

	December 31, 2025	December 31, 2024
Flow		
Other payables		
Salaries and bonuses payable	$ 49,949	$ 58,440
Employee remuneration payable	13,503	14,254
Equipment payable	4,556	2,506
Sales tax payable	12,098	13,425
Insurance premiums payable	100,138	89,949
Taxes payable	6,742	6,013
Testing payable	10,468	3,553
Mold payable	20,995	5,685
Claims payable	16,260	37,947
Others	45,131	32,852
	$ 279,840	$ 264,624

XVIII. Rights and interests

(I) Common stock capital

Shares

	December 31, 2025	December 31, 2024
Rating of shares (thousand shares)	100,000	100,000
Authorized capital stock	$ 1,000,000	$ 1,000,000
Number of issued and fully paid shares (thousand shares)	47,600	42,000
Issued capital stock	$ 476,000	$ 420,000

On December 7, 2024, the Board of Directors of the Consolidated Company resolved to issue 5,600 thousand new shares for a cash capital increase prior to initial public listing, with a par value of NT$10 per share. The record date for aforementioned capital increase was set for March 11, 2025. The issuance prices included a weighted average auction price of NT$60.76 per share and a public offering price of NT$50.00 per share. Total net proceeds of NT$311,990 thousand were raised after deducting issuance costs. This capital increase application was approved and became effective by the TWSE on January 3, 2025. Post-capital increase, the paid-in capital amounted to NT$476,000 thousand.

(II) Capital reserve

	December 31, 2025	December 31, 2024
For loss make-up, payment in cash or capitalization as stock (1)		
Premium from issuance of shares	$ 492,572	$ 236,582
For loss make-up only		
Exercise of rights	281	281
	$ 492,853	$ 236,863

1. Such capital reserve can be used to offset a deficit, and can be distributed in cash or capitalized as stock when the Company has no deficit. However, the capital reserve can only be capitalized as stock at a certain percentage of the paid-in capital each year.

(III) Retained earnings and dividend policy

According to the Articles of Incorporation on profit distribution policy, if there is a surplus in the annual financial statements, after deducting all applicable taxes and covering accumulated losses, a legal reserve shall be allocated. However, if the legal reserve has already reached the company's capital amount, this requirement shall no longer apply. The special reserve is appropriated. If there is still a balance, the Board of Directors may propose the appropriation of the balance, together with the undistributed earnings of previous years, as dividends and bonuses to shareholders, and submit the appropriation to the general shareholders' meeting for approval by an ordinary resolution. For the basis of estimation and actual distribution of remuneration to employees and directors, please refer to Note 20(7) for employees' and directors' remuneration.

In accordance with the Articles of Incorporation of the Company, the Company shall distribute no less than 30% of the distributable earnings of the current period as dividends or bonuses to shareholders in accordance with the Cayman Company Act and the Applicable Listing Rules, after taking into account the financial, business and operating factors. The dividends to shareholders are paid in two ways: stock dividends and cash dividends. Cash dividends shall not be less than 50% of the total dividends.

The Company's 2024 and 2023 earnings distribution plans are as follows:

	2024	2023
Legal reserve	$ 24,894	$ 14,013
(Reversal) of special reserve	($ 36,100)	$ 12,872
Cash dividends	$ 130,066	$ 39,293
Cash dividend per share (NT$)	$ 2.73	$ 0.94

On June 20, 2025, the Company's shareholders' meeting resolved to distribute cash dividends of RMB 31,600 thousand to the public, with a dividend of RMB 0.66 per share. The actual cash dividends distributed were equivalent to NT$ 130,066 thousand, and the dividends per share were equivalent to NT$ 2.73. On June 12, 2024, the Company's shareholders' meeting resolved to distribute cash dividends of RMB 8,820 thousand to the public, with a dividend of RMB 0.21 per share. The actual cash dividends distributed were equivalent to NT$ 39,293 thousand, and the dividends per share were equivalent to NT$ 0.94.

The Board of Directors' meeting on March 14, 2026 resolved the 2025 earnings distribution proposal as follows:

	Proposal for distribution of earnings
Earnings reserve	$ 26,067
Special reserve	$ 1,950
Cash dividends	$ 146,618
Cash dividend per share (NT$)	$ 3.08

The Company's Board of Directors resolved the 2025 earnings distribution on March 14, 2026. The Company distributed cash dividends of RMB 31,689 thousand, equivalent to NT$ 146,618 thousand, to shareholders at a dividend of RMB 0.66 per share, equivalent to NT$ 3.08 per share.

The 2025 earnings distribution proposal is pending the resolution of the shareholders' meeting scheduled to be held on June 12, 2026.

XIX. Revenue

	2025	2024
Revenue from commodities	$ 1,932,989	$ 1,913,133
Service income	132,330	162,130
Accounting and Statistics	$ 2,065,319	$ 2,075,263

(I) Description of customer contracts

1. Sales income from products

The revenue from sales of products is derived from the sales of automotive parts and components. When the merchandise is delivered to the designated location of the customer or the customer submits the order, the consolidated company will have the merchandise delivered to the customer, and after transferring the ownership and control, the customer will provide the invoice and the consolidated company will have it checked. At that time, the customer has the right to set the price and use the merchandise and is mainly responsible for the resale of the merchandise and bears the risk of obsolescence. At that time, the consolidated company recognizes the revenue and accounts receivable.

2. Service income

Service revenue is the service provided to customers for purchasing equipment. Before the consolidated company transfers the mold to the customer, the consolidated company does not acquire control over the equipment. In addition, before the customer orders, the consolidated company does not promise to purchase the equipment, so there is no inventory risk. The consolidated company provides equipment procurement services as an agent and recognizes the net amount revenue when the control of the equipment is transferred to the customer after acceptance and the Company has no subsequent obligation.

With the product development and testing services provided by the consolidated company, customers can simultaneously acquire and consume the performance benefits. The relevant revenue is recognized when the labor service is provided, and the consolidated company is based on the progress of completion of the measurement. According to the contract, the payment is made in the progress of development. Therefore, the consolidated company recognizes contract assets when providing services, and reclassifies it to accounts receivable when the progress of development is completed.

(II) Contract balance

	December 31, 2025	December 31, 2024	January 1, 2024
Trade receivables (Note 7)	$ 879,026	$ 731,234	$ 833,341
Contract assets			
Service income	$ 2,841	$ 2,190	$ 3,686
Contract liabilities			
Sales of products	$ 15,631	$ 25,182	$ 12,061

XX. Net profit for the period

(I) Other income

	2025	2024
Rent income	$ 9,194	$ 9,450
Government grants income (Note 23)	10,564	15,793
Others	1,208	5,469
	$ 20,966	$ 30,712

(II) Other gains and losses

	2025	2024
Loss from disposal of property, plant and equipment	($ 3,899)	($ 3,521)
Net foreign currency exchange loss	(6,810)	(4,313)
Others	(8,086)	(12,693)
	($ 18,795)	($ 20,527)

(III) Financial cost

	2025	2024
Other interest expenses	$ 5,474	$ 8,147
Interest on lease liabilities	90	233
	$ 5,564	$ 8,380

(IV) Depreciation and amortization

	2025	2024
The depreciation expenses are summarized by function.		
Operating cost	$ 32,198	$ 34,454
Operating expenses	18,278	14,021
	$ 50,476	$ 48,475

Amortization expenses are summarized by function		
Operating cost	$ 95	$ 348
Operating expenses	5,143	4,769
	$ 5,238	$ 5,117

(V) Direct operating expenses of investment property

	2025	2024
Generation of rental income	$ 2,166	$ 2,228

(VI) Employee benefit expenses

	2025	2024
Short-term employee benefits	$ 365,782	$ 397,824
Post-employment benefits	21,496	20,429
Total employee benefit expenses	$ 387,278	$ 418,253
Summarized by function		
Operating cost	$ 232,836	$ 224,242
Operating expenses	154,442	194,011
	$ 387,278	$ 418,253

(VII) Remuneration to employees and directors

According to the Articles of Incorporation, the Company appropriates 2% - 5% and no more than 3% of the pre-tax income before the distribution of employees' and directors' remuneration for the year as remuneration to employees and directors, respectively.

The Articles of Incorporation of the Company provides that the remuneration to the employees shall be paid in the form of shares or in cash. The estimated remuneration to employees and directors for 2025 and 2024 were approved by the Board of Directors on March 14, 2026 and March 8, 2025, respectively, as follows:

Estimation ratio

	2025	2024
Employee remuneration	5%	5%
Directors remuneration	-	-

Amount

	2025	2024
Employee remuneration	$ 13,503	$ 14,254
Directors remuneration	$ -	$ -

If there is still a change in the amount after the annual consolidated financial statements are approved and released, it will be treated as a change in the total estimate and will be adjusted and accounted for in the following year.

There is no difference between the actual amount of employees' compensation and remuneration of directors and supervisors paid and the amount recognized in the consolidated financial statements for 2024 and 2023.

For information on the remuneration of employees and directors resolved by the Board of Directors of the Company, please visit the MOPS website of the Taiwan Stock Exchange.

XXI. Tax income

(I) Income tax recognized in profit or loss

The main components of the income tax expenses are as follows:

	2025	2024
Income tax for the current period		
Occurred in the current year	$ 37,213	$ 64,166
Adjustments for prior years	4,830	14,868
	42,043	79,034
Deferred income tax		
Occurred in the current year	16,384	5,635
Income tax expense recognized in profit or loss	$ 58,427	$ 84,669

The reconciliation between the accounting income and the income tax expense is as follows:

	2025	2024
net income before tax	$ 306,005	$ 354,456
Income tax expense calculated based on statutory tax rate for net income before tax	$ 48,200	$ 67,938
Non-deductible expenses for tax purposes	4,844	4,244
Deferred income tax effect from earnings of subsidiaries	12,992	17,575
Tax-free income	(14,446)	(14,139)
Unrecognized deductible temporary difference	2,007	(5,817)
The adjustment of the income tax expense in prior years in the current year	4,830	14,868
Income tax expense recognized in profit or loss	$ 58,427	$ 84,669

1. E-LAN MOTOR ELECTRONIC (Pinghu) CO., LTD. was recognized by the tax authorities as a high-tech enterprise in 2024, and the income tax was estimated at 15% with an effective period of 3 years.

2. The tax rate for the transfer of earnings from subsidiaries in China to China is estimated to be 10% based on the statutory tax rate for the transfer of earnings from China to China by the Company, Shining Victory International Holdings Co., Ltd.

(II) Income tax liabilities

	December 31, 2025	December 31, 2024
Income tax payable	$ 23,723	$ 29,871

(III) Deferred income tax assets and liabilities

Changes in deferred income tax assets and liabilities are as follows:

2025

	Beginning balance	Recognized in profit or loss	Exchange difference	Paid in the current period	Closing balance
Deferred income tax assets					
Temporary difference					
Inventory valuation loss	$ 8,627	$ 1	$ 34	$ -	$ 8,662
Expected credit impairment	4,640	(213)	8	-	4,435
Temporary difference in sales	9,362	(4,591)	(169)	-	4,602
Employee benefit reserve	9,389	1,411	101	-	10,901
Others	2,065	(105)	5	-	1,965
	$ 34,083	($ 3,497)	($ 21)	$ -	$ 30,565

	Beginning balance	Recognized in profit or loss	Exchange difference	Paid in the current period	Closing balance
Deferred income tax liabilities					
Temporary difference					
Tax paid on the remittance of earnings	($ 19,321)	($ 12,887)	($ 224)	$ 9,637	($ 22,795)
Tax difference of mold equipment	(4,959)	-	(20)	-	(4,979)
Others	-	-	-	-	-
	($ 24,280)	($ 12,887)	($ 244)	$ 9,637	($ 27,774)

2024

	Beginning balance	Recognized in profit or loss	Exchange difference	Paid in the current period	Closing balance
Deferred income tax assets					
Temporary difference					
Inventory valuation loss	$ 8,909	($ 592)	$ 310	$ -	$ 8,627
Tax difference on property, plant and equipment	261	(271)	10	-	-
Expected credit impairment	4,263	228	149	-	4,640
Temporary difference in sales	5,571	3,606	185	-	9,362
Employee benefit reserve	6,407	2,765	217	-	9,389
Others	5,416	(3,547)	196	-	2,065
	$ 30,827	$ 2,189	$ 1,067	$ -	$ 34,083

(continued)

(continued)

	Beginning balance	Recognized in profit or loss	Exchange difference	Paid in the current period	Closing balance
Deferred income tax liabilities					
Temporary difference					
Tax paid on the remittance of earnings	($ 14,863)	($ 17,195)	($ 508)	$ 13,245	($ 19,321)
Tax difference of mold equipment	(11,652)	7,117	(424)	-	(4,959)
Others	(2,171)	2,254	(83)	-	-
	($ 28,686)	($ 7,824)	($ 1,015)	$ 13,245	($ 24,280)

(IV) Status of income tax

Except for the Company, which is exempted from income tax, all other companies have completed their income tax returns in accordance with the local government's deadlines.

XXII. Earnings per Share

Unit: NT$ per share

	2025	2024
Basic earnings per share	$ 5.32	$ 6.42
Diluted earnings per share	$ 5.31	$ 6.39

The net income and the weighted average number of ordinary shares used to calculate the earnings per share are as follows:

Net income of the current year

	2025	2024
Net income used to calculate basic earnings per share	$ 247,578	$ 269,787

Shares

Unit: thousand shares

	2025	2024
Weighted average number of ordinary shares used in the computation of basic earnings per share	46,541	42,000
Impact of potentially dilutive ordinary shares: employee remuneration	100	238
Weighted average number of ordinary shares used in the computation of diluted earnings per share	46,641	42,238

If the consolidated company may elect to distribute employee remuneration in stock or in cash, when calculating the diluted earnings per share, it is assumed that employee remuneration will be distributed in the form of stock, and the potential ordinary shares with diluting effect are included in the calculation of the weighted average number of outstanding shares to calculate the diluted earnings per share. In the computation of diluted earnings per share before the number of shares to be distributed to employees as remuneration is resolved in the following year, the dilution effect of such potential ordinary shares is also considered.

XXIII. Government grants

In 2025, the consolidated company received NT$ 1,301 thousand of technological innovation subsidies, NT$ 7,862 thousand of value-added tax subsidies, and NT$ 1,401 thousand of other project subsidies, which were recognized in the statement of comprehensive income under other non-operating income.

In 2024, the consolidated company received NT$ 622 thousand of technological innovation subsidies, NT$ 8,758 thousand of value-added tax subsidies, NT$ 4,801 thousand of fiscal subsidies, NT$ 674 thousand of research and development subsidies, and NT$ 938 thousand of other project subsidies, which were recognized in the statement of comprehensive income under other non-operating income.

XXIV. Cash flow information

The consolidated company's investment activities and financing activities for the non-cash transactions in 2025 and 2024 are as follows:

(I) Non-cash transaction

1. The consolidated company acquired real estate, property, plant and equipment for a total of NT$ 144,510 thousand in 2025, which increase equipment payables by NT$ 2,050 thousand. The total cash paid for the acquisition of property, plant and equipment was NT$ 142,460 thousand (see Note 11).
2. The consolidated company acquired real property, plant and equipment for a total of NT$ 73,264 thousand in 2024, which reduced the payable equipment purchase by NT$ 1,112 thousand. The total cash paid for the acquisition of real property, plant and equipment was NT$ 74,376 thousand (see Note 11).
3. The consolidated company's prepayments for equipment reclassified into property, plant and equipment in 2025 and 2024 were NT$ 12,765 thousand and NT$ 11,553 thousand, respectively (see Note 11).

(II) Changes in liabilities from financing activities

2025

	January 1, 2025	Cash flow	Changes in non-cash: New lease	Changes in non-cash: Other matters	December 31, 2025
Short-term borrowings	$ 227,079	($ 34,161)	$ -	($ 1,838)	$ 191,080
Lease liabilities	3,330	(1,874)	1,017	55	2,528
	$ 230,409	($ 36,035)	$ 1,017	($ 1,783)	$ 193,608

2024

	January 1, 2024	Cash flow	Changes in non-cash: New lease	Changes in non-cash: Other matters	December 31, 2024
Short-term borrowings	$ 188,752	$ 50,948	$ -	($ 12,621)	$ 227,079
Lease liabilities	4,780	(3,771)	2,192	129	3,330
	$ 193,532	$ 47,177	$ 2,192	($ 12,492)	$ 230,409

XXV. Capital risk management

The consolidated company manages capital to ensure that the entities within the Group can maximize shareholders' return by optimizing the balance of debt and equity under the premise of continuing to operate.

The consolidated company's capital structure consists of the consolidated company's net debt (i.e., borrowings less cash and cash equivalents) and equity attributable to the owners of the Company (i.e., capital stock, capital reserve, retained earnings, and other equity).

The consolidated company is not required to comply with other external capital requirements.

The key management personnel of the consolidated company reviews the capital structure of the Group every six months. The review includes consideration for the cost of capital and the risks associated with each class of capital. The consolidated company will balance its overall capital structure by paying dividends, issuing new debts, or repaying old debts based on the suggestions of the key management personnel.

XXVI. Financial instruments

(I) Information on fair value - financial instruments not measured at fair value

The management of the consolidated company believes that the carrying amount of financial assets and financial liabilities not measured at fair value approximate their fair value.

(II) Types of financial instruments

	December 31, 2025	December 31, 2024
Financial assets held for the purpose of investment		
Financial assets measured at amortized cost (Note 1)	$ 1,994,304	$ 1,707,042
Financial liabilities		
At amortized cost (Note 2)	1,231,054	1,207,176

Note 1: The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, notes receivable, accounts receivable, other receivables, other financial assets - current, guarantee deposits paid, and long-term receivables.

Note 2: The balances include short-term borrowings, notes payable, accounts payable, guarantee deposits received, and other payables, which are financial liabilities measured at amortized cost.

(III) Purpose and policy of financial risk management

The consolidated company's main financial instruments include equity and debt investments, notes receivable, accounts receivable, short-term borrowings, notes payable, and accounts payable. The financial management department of the consolidated company provides services to each business unit, coordinates the operations in the domestic and international financial markets, and supervises and manages the financial risks related to the consolidated company's operations by analyzing internal risk reports based on the degree and breadth of risks. These risks include market risk (including exchange rate risk and interest rate risk), credit risk and liquidity risk.

1. Market risk

The main financial risks that the consolidated company is exposed to are changes in foreign currency exchange rates (see (1) below) and interest rates (see (2) below). There has been no change in the consolidated company's exposure to market risks of financial instruments and the manner in which these risks were managed and measured.

(1) Exchange rate risk

The consolidated company is exposed to the risk of exchange rate changes due to the deposits and loans denominated in foreign currencies held by the consolidated company.

For the carrying amount of the consolidated company's foreign currency denominated monetary items and monetary liabilities (including monetary items denominated in foreign currencies that have been written off in the consolidated financial statements), please refer to Note 30.

Sensitivity analysis

The consolidated company is mainly affected by fluctuations in the exchange rates of the USD and EUR.

The following table details the consolidated company's sensitivity analysis when the exchange rate of the RMB (functional currency) increases and decreases by 1% against each relevant foreign currency. 1% is the sensitivity rate used for reporting exchange rate risk to key management within the Group, and represents management's assessment of the reasonably possible range of changes in foreign currency exchange rates. The sensitivity analysis only includes monetary items in foreign currencies in circulation, and the exchange rate changes at the end of the period are adjusted based on a 1% fluctuation. The positive numbers in the following table indicate the amount by which the net income before tax or equity will decrease when the RMB appreciates by 1% against other relevant currencies; when the RMB depreciates by 1% against other relevant foreign currencies, the net income before tax or equity will be the negative number of the same amount.

	Impact of USD	
	2025	2024
Profit and loss	$ 5,749	$ 302

The main source is the consolidated company's USD-denominated receivables and payables still outstanding at the Statement of Financial Position date, against which a cash flow hedge has not been conducted.

(2) Interest rate risk

The consolidated company's entities borrow funds at both fixed and floating interest rates, resulting in interest rate exposure. The consolidated company manages interest rate risk by maintaining an appropriate combination of fixed and floating interest rates.

The carrying amounts of the consolidated company's financial assets and financial liabilities with exposure to interest rate risk at the Statement of Financial Position date are as follows:

	December 31, 2025	December 31, 2024
Interest rate risk involving fair value and volume		
- financial liabilities	$ 2,528	$ 3,330
Interest rate risk involving cash flow		
- Financial assets	711,282	518,841
- financial liabilities	191,080	227,079

Sensitivity analysis

The following sensitivity analysis is based on the interest rate risk exposure of the non-derivative instruments on the Statement of Financial Position date. For the liabilities with floating interest rates, the analysis method is based on the assumption that the amount of liabilities outstanding at the Statement of Financial Position date is outstanding throughout the reporting period. The rate of change used in the Group's internal report to the management is the interest rate with an increase or decrease of 1%. This also represents the management's assessment of the reasonably possible range of changes in interest rates.

If interest rates had been 1% higher and all other variables were held constant, the consolidated company's profit for the years ended December 31, 2025 and 2024 would increase by NT$ 5,202 thousand and NT$ 2,918 thousand, respectively, mainly due to the consolidated company's deposits with floating interest rates.

2. Credit risk

Credit risk refers to the risk of financial losses incurred by the Group if the counterparty defaults on its contractual obligations. As of the Statement of Financial Position date, the consolidated company's maximum exposure to credit risk (without taking collateral or other financial enhancements into account and without considering the irrevocable maximum exposure amount) that may cause financial losses due to the counterparty's failure to perform its obligations and the financial guarantees provided by the consolidated company is mainly derived from the carrying amount of the financial assets recognized in the consolidated balance sheets.

In order to mitigate credit risk, the consolidated company reviews the recoverable amount of receivables on a case-by-case basis at the Statement of Financial Position date to ensure that appropriate impairment losses have been recorded for uncollectible receivables. In this regard, the management believes that the consolidated company's credit risk has been significantly reduced.

The consolidated company's geographical areas of credit risk are mainly concentrated in China. As of December 31, 2025 and 2024, approximately 95% and 92% of the total accounts receivable, respectively.

3. Liquidity risk

The consolidated company manages and maintains sufficient cash and cash equivalents to support its operations and mitigate the impact of cash flow fluctuations. The management of the consolidated company supervises the use of the bank financing facilities and ensures compliance with the terms of the loan contract.

Bank borrowings are an important source of liquidity for the consolidated company. For the consolidated company's unused financing facilities, please refer to the description of the financing facilities below (2).

(1) Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Group’s remaining contractual maturity for its non derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non derivative financial liabilities were based on the agreed repayment dates.

December 31, 2025

	Less than 1 Year	1-2 Years	2-5 Years	5+ Years	Total
Non-derivative financial liabilities					
Non-interest bearing	$1,039,108	$ -	$ -	$ -	$1,039,108
floating-rate liabilities	195,986	-	-	-	195,986
Lease liabilities	1,891	704	-	-	2,595
	$1,236,985	$ 704	$ -	$ -	$1,237,689

December 31, 2024

	Less than 1 Year	1-2 Years	2-5 Years	5+ Years	Total
Non-derivative financial liabilities					
Non-interest bearing	$ 979,234	$ -	$ -	$ -	$ 979,234
floating-rate liabilities	233,089	-	-	-	233,089
Lease liabilities	1,814	1,310	426	-	3,550
	$1,214,137	$ 1,310	$ 426	$ -	$1,215,873

(2) Credit line

	December 31, 2025	December 31, 2024
Unsecured bank loan facility		
- Utilization amount	$ 372,579	$ 370,577
- Unutilized amount	959,143	575,968
	$ 1,331,722	$ 946,545
Amount of secured bank loans		
- Utilization amount	$ -	$ 14,378
- Unutilized amount	-	-
	$ -	$ 14,378

(IV) Information on transfer of financial assets

The relevant information on the discount of the notes receivable not due at the end of the year of the consolidated company is as follows:

December 31, 2025

Trading counterpart	Amount of sale	Amount transferred to other receivables	Amounts that can be prepaid	Amounts already paid	Interest rate of prepaid amount (%) per annum
Business Department, China Construction Bank	$ 48,561	$ -	$ -	$ 48,561	0.56%~0.59%

December 31, 2024

Trading counterpart	Amount of sale	Amount transferred to other receivables	Amounts that can be prepaid	Amounts already paid	Interest rate of prepaid amount (%) per annum
Business Department, JiaXing Branch, Bank of Ningbo	$ 111,587	$ -	$ -	$ 111,587	0.62%~1.04%

The consolidated company transferred the receivables from bank acceptances with higher credit ratings to suppliers in China to pay for goods. Since almost all the risks and rewards attached to these acceptances have been transferred, the consolidated company derecognized the receivables from the transferred bank acceptances and the corresponding payables. However, if said bank acceptances fail to be cashed when they are due, said banks still have the right to request the consolidated company to pay off, so the consolidated company continues to participate in said acceptances.

The maximum loss exposure amount of the consolidated company's continued participation in the derecognized bank acceptances is the carrying amount of the bank acceptances that have been transferred but not yet due. As of December 31, 2025 and 2024, it was NT$ 382,130 thousand and NT$ 139,778 thousand, respectively. These notes would be due within one month to six months after the Statement of Financial Position date. Considering the credit risk of the bank acceptances that have been derecognized, the consolidated company believes that the fair value of its continued participation is not significant.

In 2025 and 2024, the consolidated company did not recognize any profit or loss when transferring the bank acceptances receivable, and the consolidated company did not recognize any profit or loss when continuing to participate in said acceptances both in the current year and in accumulation.

XXVII. Related party transactions

Transactions, balances, income and expenses between the Company and its subsidiaries (related parties of the Company) are eliminated on consolidation and are not disclosed in this note. In addition to those disclosed in other notes, the transactions between the consolidated company and other related parties are as follows:

(I) Name of related party and its relationship

Name of related party	Relations with the consolidated company
Oakwood E-LAN	Affiliated enterprise
CHANG, HSIAO-YEN	Key management personnel
CHEN, KENG-SHENG	Key management personnel

(II) Operating revenue

Booked items	Category/name of related party	2025	2024
Operating revenue	Affiliated enterprise		
	Oakwood E-LAN	$ 41,460	$ 66,048

The consolidated company's selling price to related parties is a negotiated transaction and there is no other transaction to compare.

(III) Accounts receivable - related parties

Booked items	Category/name of related party	December 31, 2025	December 31, 2024
Notes receivable	Affiliated enterprise		
	Oakwood E-LAN	$ 10,370	$ 9,180
Accounts receivable	Affiliated enterprise		
	Oakwood E-LAN	$ 14,448	$ 15,044
Other receivables	Affiliated enterprise		
	Oakwood E-LAN	$ 348	$ 291

No guarantee is collected for the receivables from related parties still outstanding. No allowance for losses was recognized for accounts receivable from related parties in 2025 and 2024.

(IV) Payables to related parties

Booked items	Category/name of related party	December 31, 2025	December 31, 2024
Notes payable	Affiliated enterprise		
	Oakwood E-LAN	$ 17,759	$ 12,315
Accounts payable	Affiliated enterprise		
	Oakwood E-LAN	$ 58,369	$ 91,873

(V) Lease arrangements

Booked items	Category/name of related party	2025	2024
Interest expense	Key management personnel		
	CHANG, HSIAO-YEN	$ -	$ 13
Rent expense	Key management personnel		
	CHEN, KENG-SHENG	$ 754	$ 775
	CHANG, HSIAO-YEN	1,256	1,291
		$ 2,010	$ 2,066

The above related parties rent the offices as the rent paid for business premises. The lease price is determined by the level of the rent of the surrounding land.

(VI) Lease arrangements

The consolidated company leased the plant to the affiliated enterprise, Oakwood E-LAN, as operating rental. The lease revenue recognized in 2025 and 2024 were NT$ 9,194 thousand and NT$ 9,450 thousand, respectively. For the aforementioned related party's lease of plant, the rent paid for the business premises is collected on a monthly basis based on the price agreed upon between the two parties, and there is no significant abnormality in the terms and conditions of the transaction.

(VII) Others

Booked items	Category/name of related party	December 31, 2025	December 31, 2024
Guarantee deposits received	Affiliated enterprise		
	Oakwood E-LAN	$ 866	$ 863
Consulting income	Affiliated enterprise		
	Oakwood E-LAN	$ 1,310	$ 1,044

The guarantee deposits received are the deposits collected from the related party for the plant leased. The two parties negotiate the price.

Payment collection

The revenue from consultation is the consolidated company's provision of consultation services to the related party.

(VIII) Remuneration to key management personnel

	2025	2024
Short-term employee benefits	$ 44,955	$ 31,827

The remuneration to directors and other key management personnel is determined by the Remuneration Committee based on individual performance and market trends.

XXVIII. Pledged assets

The following assets have been pledged to the bank and suppliers as collateral for loans and payments, and the bank has not issued a cheque guarantee:

	December 31, 2025	December 31, 2024
Notes receivable	$ -	$ 14,378
Bank loan margin	-	3,508
Bank acceptances/guarantees (booked in "Other financial assets - current")	64,462	111,482
	$ 64,462	$ 129,368

XXIX. Material contingent liabilities and unrecognized contractual commitments

Except as stated in other notes, the significant commitments of the consolidated company at the Statement of Financial Position date are:

The unrecognized contractual commitments of the consolidated company are as follows:

	December 31, 2025	December 31, 2024
Purchase of property, plant and equipment	$ 85,706	$ 84,181

XXX. Information on financial assets and liabilities denominated in foreign currencies with significant impact

The following information is presented in foreign currencies other than the functional currencies of the consolidated company. The exchange rates disclosed refer to the rates at which these foreign currencies are converted to the functional currencies. The significant assets and liabilities denominated in foreign currencies are as follows:

December 31, 2025

	Foreign currency	Exchange rate	Book value
Foreign currency assets			
Money item			
USD	$ 19,325	7.0288 (USD : RMB)	$ 610,698
THB	68,325	0.2288 (THB : RMB)	68,455
Foreign currency liabilities			
Money item			
USD	1,134	7.0288 (USD : RMB)	$ 35,830

December 31, 2024

	Foreign currency		Exchange rate	Book value
Foreign currency assets				
Money item				
USD	$	2,250	7.1884 (USD : RMB)	$ 72,437
Foreign currency liabilities				
Money item				
USD		1,311	7.1884 (USD : RMB)	$ 42,193

The consolidated company's foreign currency exchange losses (including realized and unrealized) for the years ended December 31, 2025 and 2024 were NT$ 6,810 thousand and NT$ 4,313 thousand, respectively. As there is a wide variety of foreign currency transactions and the functional currencies adopted by the Group's entities, it is impossible to disclose the exchange gains and losses in each foreign currency with material influence.

XXXI. Note to the disclosure

(I) Information on significant transactions:

1. Loaning of funds to others: (Table 1).
2. Endorsements/guarantees for others: (Table 2).
3. Holding of securities at the end of the period (excluding investment in subsidiaries, affiliates and joint ventures): (None).
4. Amounts on purchase from or sale to related parties reaching NT$ 100 million or more than 20% of the paid-in capital: (None).
5. Receivables from related parties amounting to at least NT$ 100 million or 20% of the paid-in capital: (None).
6. Other: Business relationships and significant transactions between the parent company and its subsidiaries: (Table 3).

(II) Information on investees: (Table 4).

(III) Information on investment in China

1. Name of investee in China, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of investment at the end of the period,

repatriation of investment income, and limit on the amount of investment in the China area: (Table 5).

2. Major transactions with investees in China, directly or indirectly through third regions, and their prices, payment terms, and unrealized gains or losses: (Table 6).
   (1) Amount and percentage of purchase and related payables at the end of the period and percentage.
   (2) Amount and percentage of sales and related receivables at the end of the period and percentage.
   (3) Amount of property transactions and the amount of profit or loss generated therefor.
   (4) The balance of the endorsement/guarantee or collateral at the end of the period and the purpose thereof
   (5) The highest balance, ending balance, interest rate range and total interest of financing balance at the end of the period.
   (6) Other transactions that have a significant impact on the current profit or loss or financial position, such as the provision or receipt of services.

XXXII. Department information

The Company and its subsidiaries have established the operating segments based on the management reports prepared by the competent authorities (major operational decision makers) for decision-making, performance evaluation and resource allocation. The Company and its subsidiaries only have a single operating department that manufactures and sells automotive molds, fixtures and automotive electronic components. The main decision maker of the operating department takes into account the similar risks and rewards of its business. Therefore, the Company and its subsidiaries do not disclose the information of the department. The consolidated company mainly operates in two locations - China and the United States.

(I) Information by region:

The revenue from continuing operations of the Company and its subsidiaries from external customers by region is as follows:

	Revenue from external customers	
	2025	2024
China	$ 1,900,767	$ 1,920,925
USA	122,577	116,294
Mexico	29,166	38,044
Thailand	12,809	-
	$ 2,065,319	$ 2,075,263

(II) Information on major customers:

There were no single customers accounting for more than 10% of the revenue in 2025 and 2024.

Shining Victory Motor Electronic Co., Ltd. and its subsidiaries

Loaning of funds to others

2025

Table 1

Unit: NT$ 1,000/Foreign currency 1,000

No.	Companies that lend funds	Borrower	Trading accounts	Related party status	Highest balance in the current period	Closing balance	Amount used in practice	Interest rate interval	Nature of the loan	Amount of business transactions	Reasons for the need for short-term financing	Amount of bad debt recognized	Collaterals		Limit of financing to individual borrowers	Total limit of loans
													Name	Value		
0	Shining Victory Motor Electronic Co., Ltd.	E-LAN MOTOR ELECTRONI (THAILAND) CO., LTD.	Other receivables	Yes	$ 65,124 (THB 65,000)	$ 65,124 (THB 65,000)	$ 65,124 (THB 65,000)	-	The need for short-term financing	$ -	Short-term financing	$ -	None	$ -	$ 332,275 (Note 2)	$ 664,551 (Note 1)
	E-LAN MOTOR ELECTRONIC (Pinghu) CO., LTD.	E-LAN MOTOR ELECTRONI (MEXICO) CO., LTD.	Other receivables	Yes	$ 55,248 (USD 1,758)	- USD -	- USD -	-	The need for short-term financing	-	Short-term financing	-	None	-	281,057 (Note 4)	562,115 (Note 3)

Note 1: The total amount of short-term financing between the Company and its affiliates shall not exceed 40% of the net worth of Shining Victory Motor Electronic Co., Ltd. The net worth of the financial statements of Shining Victory Motor Electronic Co., Ltd. was NT$ 1,661,378 thousand × 40% = NT$ 664,551 thousand.

Note 2: For companies or firms with the need for short-term financing, the individual loan is limited to 20% of the net worth of Shining Victory Motor Electronic Co., Ltd. The term "financing amount" used herein means the cumulative balance of the Company's short-term financing. The net worth of the financial statements of Shining Victory Motor Electronic Co., Ltd. was NT$ 1,661,378 thousand × 20% = NT$ 332,275 thousand.

Note 3: The total amount of short-term financing between the Company and its affiliates shall not exceed 40% of the net worth of E-LAN MOTOR ELECTRONIC (Pinghu) CO., LTD. The net worth of the financial statements of E-LAN MOTOR ELECTRONIC (Pinghu) CO., LTD. was NT$ 1,405,288 thousand × 40% = NT$ 562,115 thousand.

Note 4: For companies or firms with the need for short-term financing, the individual loan is limited to 20% of the net worth of E-LAN MOTOR ELECTRONIC (Pinghu) CO., LTD. The term "financing amount" used herein means the cumulative balance of the Company's short-term financing. The net worth of the financial statements of E-LAN MOTOR ELECTRONIC (Pinghu) CO., LTD. was NT$ 1,405,288 thousand × 20% = NT$ 281,057 thousand.

Note 5: The above transactions have been written off in the consolidated financial statements.

Shining Victory Motor Electronic Co., Ltd. and its subsidiaries

Endorsements/Guarantees for others

2025

Table 2

Unit: NT$ 1,000/Foreign currency 1,000

No. (Note 1)	Name of the endorsing/guaranteeing company	Counterparty of endorsements/guarantees		Limit of endorsements/guarantees for a single enterprise (Note 3)	Highest endorsement/guarantee balance in the current period	Balance of endorsements/guarantees at the end of the period	Amount used in practice	Amount of property collateral for endorsements/guarantees	The ratio of the accumulated endorsement and guarantee amount to the net value of the most recent financial statements (%)	The maximum amount of endorsements/guarantees (Note 3)	Endorsements/guarantees made by the parent company for its subsidiaries	Endorsements/guarantees from subsidiary to parent company	Endorsements and guarantees in China	Notes to the result
		Company name	Relations with Customs (Note 2)											
0	Shining Victory Motor Electronic Co., Ltd.	E-LAN MOTOR ELECTRONIC (Pinghu) CO., LTD.	2	$ 332,275	$ 44,960 (RMB 10,000)	$ 44,960 (RMB 10,000)	$ -	$ -	2.71%	$ 830,689	Y	N	Y	
0	Shining Victory Motor Electronic Co., Ltd.	E-LAN MOTOR ELECTRONIC (Thailand) CO., LTD.	2	332,275	31,430 (USD 1,000)	31,430 (USD 1,000)	-	-	1.89%	830,689	Y	N	N	
0	Shining Victory Motor Electronic Co., Ltd.	E-LAN MOTOR ELECTRONIC (Thailand) CO., LTD.	2	332,275	62,860 (USD 2,000)	62,860 (USD 2,000)	-		3.78%	830,689	Y	N	N	

Note 1: The description of the number column is as follows:

(1) Fill in "0".

(2) The investee is numbered in sequential order starting from 1 according to the company.

Note 2: There are 7 types of relationships between the endorsing/guaranteeing and the endorsed/guaranteed party as follows:

(1) A business associate

(2) The company in which the company directly and indirectly holds more than 50% of the voting shares.

(3) A company directly or indirectly holds more than 50% of the voting rights of the company.

(4) Among companies in which the Company directly and indirectly holds more than 90% of the voting shares

(5) A company that is a mutual guarantor for another company in the same industry or a joint builder of the company in accordance with the contract.

(6) A company for which an endorsement/guarantee is made by all contributing shareholders based on their shareholding ratio due to a joint investment relationship.

(7) The performance guarantee for the pre-sale house sales contract is jointly guaranteed by the industry peers in accordance with the regulations of the Consumer Protection Act.

Note 3: The total amount of endorsements/guarantees by Shining Victory Motor Electronic Co., Ltd. shall not exceed 50% of its net worth. The amount of endorsements/guarantees for a single enterprise shall not exceed 20% of the net worth for the current period.

The net worth of the financial statements of the Company is NT$ 1,661,378 thousand × 50% = NT$ 830,689 thousand.

The net worth of the financial statements of the Company is NT$ 1,661,378 thousand × 20% = NT$ 332,275 thousand.

Shining Victory Motor Electronic Co., Ltd. and its subsidiaries

Business relationships and significant transactions between the parent company and subsidiaries

2025

Table 3 Unit: NT$ 1,000

No. (Note 1)	Name of trader	Trading counterpart	Relations with the counterparty (Note 2)	Transaction status			
				Title	Amount	Transaction terms and conditions	Ratio of consolidated total revenue or total assets (Note 3)
0	Shining Victory Motor Electronic Co., Ltd.	E-LAN MOTOR ELECTRONIC (THAILAND)	1	Other receivables	$ 65,124	In accordance with the Company's policy	2%
1	E-LAN MOTOR ELECTRONIC (Pinghu) CO., LTD.	E-LAN MOTOR ELECTRONIC (THAILAND)	3	Sales income	21,730	In accordance with the Company's policy	1%
2	E-LAN CAR COMPONENTS (USA) INC.	E-LAN MOTOR ELECTRONIC (THAILAND)	3	Purchase of goods	60,727	In accordance with the Company's policy	3%

Note 1: The business transactions between the parent company and its subsidiaries should be numbered separately. The method of entering the numbers is as follows:

1. Fill in "0" for the parent company.
2. The subsidiary is numbered in sequential order starting from 1 according to the company.

Note 2: The relationship with the transaction party is classified into three types as follows. Please specify the type:

1. Parent company to subsidiary
2. Subsidiary to parent company
3. Subsidiary to subsidiary

Note 3: For the calculation of the ratio of the transaction amount to the consolidated total revenue or total assets, if the item is in the balance sheet account, the ratio is calculated based on the ending balance to the consolidated total assets; if the item is in the profit or loss account, the ratio is calculated based on the accumulated amount to the consolidated total revenue.

Note 4: The above transactions have been written off in the consolidated financial statements.

Shining Victory Motor Electronic Co., Ltd. and its subsidiaries

Name, location, and other relevant information of the investee company.

2025

Table 4 Unit: NT$ 1,000/Foreign currency 1,000

Name of the investment company	Name of investee	Location of the site	Main business activities	Initial investment amount		Holding at the end of period			(Loss) Profits of the investee	Investment gain (loss) recognized in the current period	Notes to the result
				End of the period	End of last year	Thousand shares	Percentage of change (%)	Book value			
Shining Victory Motor Electronic Co., Ltd.	Shining Victory International Holdings Co., Ltd.	Hong Kong	Investment	$ 4,038 HKD 1,000	$ 4,222 HKD 1,000	1,000	100	$ 1,598,792	$ 282,987	$ 282,987	Note 2
Shining Victory International Holdings Co., Ltd.	E-LAN MOTOR ELECTRONICS (THAILAND) CO., LTD	Thailand	Sales of automotive electronic components	120,432 THB 120,203	97,767 THB 101,597	12,020	100	149,365	28,860	22,826	Note 2
Shining Victory International Holdings Co., Ltd.	E-LAN CAR COMPONENTS MEXCIO	Mexico	Sales of automotive electronic components	71,975 USD 2,290	9,508 USD 290	-	100	60,977	(4,861)	(4,864)	Note 2
E-LAN MOTOR ELECTRONIC (Pinghu) CO., LTD.	E-LAN HOLDING COMPANY	USA	Investment	62,860 USD 2,000	65,570 USD 2,000	2,000	100	20,887	7,962	17,653	Note 2
E-LAN HOLDING COMPANY	E-LAN CAR COMPONENTS (USA) INC.	USA	Sales of automotive electronic components	62,860 USD 2,000	65,570 USD 2,000	2,000	100	21,263	7,954	7,954	Note 2

Note 1: Please refer to Table 5 for the information on investees in China.

Note 2: The spot exchange rate for the conversion of RMB to NT$ on December 31, 2025 was 4.496; the spot exchange rate for the conversion of USD to NT$ was 31.430; the spot exchange rate for the conversion of HKD to NT$ was 4.038; and the spot exchange rate for the conversion of THB to NT$ was 1.002.

Shining Victory Motor Electronic Co., Ltd. and its subsidiaries

Information on investment in China

2025

Table 5 Unit: NT$ 1,000/Foreign currency 1,000

Name of investee in China	Main business activities	Paid-in capital	Method of investment	Accumulated investment amount remitted from Taiwan at the beginning of the period	Amount of investment remitted or recovered in the current period		Accumulated investment amount remitted from Taiwan at the end of the period	The Company's direct or indirect investment Shareholding ratio %	Recognized investment income (loss) in the current period	Book value of investment at the end of period	Investment income repatriated to Taiwan as of the current period	Notes to the result
					Remitted	Recovery						
E-LAN MOTOR ELECTRONIC (Pinghu) CO., LTD.	Designing and manufacturing the molds for automobiles and motorcycles, assembling and producing automotive electronic components, and so on.	USD 8,520	Invest in China through Shining Victory International Holdings Co., Ltd.	$ -	$ -	$ -	$ -	100	$ 283,990 RMB 65,441	$ 1,401,724 RMB 311,771	$ -	Note 1
Pinghu Oakwood E-LAN Motor Parts Manufacturing Co., Ltd.	Production, design, wholesale and import/export of automotive parts and components	RMB 26,000	45.16% of the shares are held by E-LAN MOTOR ELECTRONIC (Pinghu) CO., LTD.	-	-	-	-	45.16	16,884 RMB 3,878	172,688 RMB 38,409	-	Note 1
Oakwood E-LAN MOTOR PARTS MANUFACTURING (Anhui Co., Ltd.	Production, design, wholesale and import/export of automotive parts and components	RMB -	Invested in China through 49% shareholding of Shining Victory International Holdings Co., Ltd.	-	-	-	-	-	-	-	-	Note 2

Accumulated amount of investment in China remitted from Taiwan at the end of the period	Amount of investment approved by the Investment Commission, MOEA	The limit of investment in China stipulated by the Investment Commission, MOEA
Not applicable	Not applicable	Not applicable

Note 1: The basis for recognizing investment gains and losses is the financial statements audited and certified by the Company's CPA.

Note 2: The company was deregistered on August 18, 2025.

Shining Victory Motor Electronic Co., Ltd. and its subsidiaries

The following significant transactions with investees in China, directly or indirectly through third regions, and their prices, payment terms, unrealized gains and losses, and other relevant information:

2025

Table 6

Unit: Expressed in NT$ 1,000, unless otherwise specified

Companies engaged in purchase (sale)	Name of investee in China	Transaction type	Purchase and sale		Price	Transaction terms and conditions		Notes and accounts receivable (payable)		Unrealized gains and losses	Notes to the result
			Amount	Percentage		Payment terms	Comparison with general transactions	Amount	Percentage		
E-LAN CAR COMPONENTS (USA) INC.	E-LAN MOTOR ELECTRONIC (Pinghu) CO., LTD.	Purchase of goods	$ 13,637	18	Valuated based on the internal transfer	O/A with net 180 days	In accordance with the Company's policy	$ 19,848	48	$ 37	
E-LAN CAR COMPONENTS MEXICO	E-LAN MOTOR ELECTRONIC (Pinghu) CO., LTD.	Purchase of goods	13,349	82	Valuated based on the internal transfer	O/A with net 180 days	In accordance with the Company's policy	-	-	4,802	
E-LAN MOTOR ELECTRONIC (THAILAND) CO., LTD.	E-LAN MOTOR ELECTRONIC (Pinghu) CO., LTD.	Purchase of goods	21,848	15	Valuated based on the internal transfer	O/A with net 180 days	In accordance with the Company's policy	957	1	12,015	

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Shining Victory Motor Electronic Co., Ltd.

Responsible person: Chen Keng-Sheng