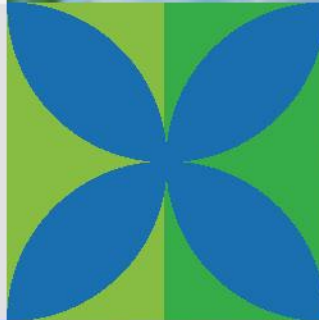
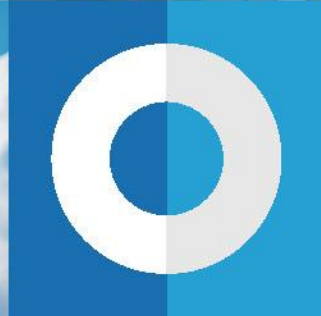


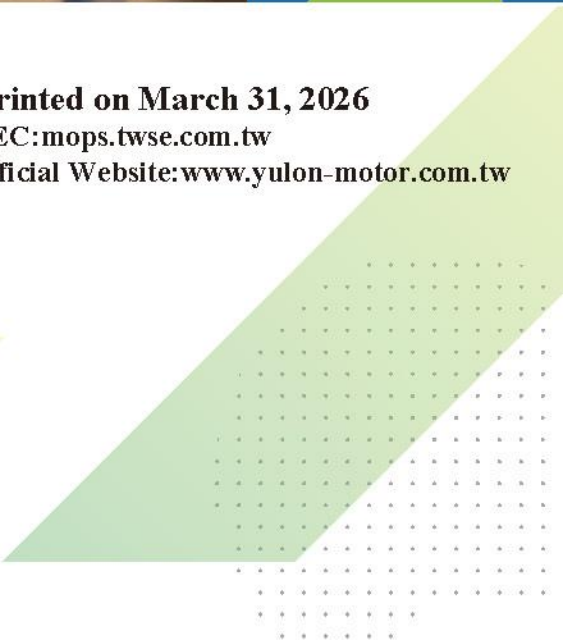


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official Website: www.yulon-motor.com.tw



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IV. Name of the CPA certifying the financial statements for the most recent fiscal year, along with the name, address, website, and telephone number of the accounting firm:

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CPA firm: Deloitte & Touche

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V. Name of any exchanges where the Company's securities are traded offshore: None

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

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I. The Letter to Shareholders



Dear Shareholders,

In 2025, total sales in Taiwan's small car market reached 405,000 units, a decrease of 9.7%, primarily affected by reciprocal tariffs between Taiwan and the United States and domestic commodity tax policies, which heightened market wait-and-see sentiment and weakened consumer momentum. For our company in 2025, the business income was NTD16.655 billion, operating profit was NTD529 million, net profit after tax was NTD979 million, and earnings per share after tax was NTD0.93.

In response to the evolving global economic and geopolitical landscape, the Company has proactively pursued transformation and is addressing industry challenges with a pragmatic and steady approach.

In complete vehicle manufacturing, the Company has continued to optimize its product lineup and strengthen manufacturing capacity. In 2025, the MG G50 Plus and Foxtron Vehicle BRIA models entered mass production successively, expanding the product lineup; at the same time, the Company successfully obtained an OEM order for electric complete vehicles for Mitsubishi in the Australia and New Zealand markets, opening new opportunities for export cooperation with international brands. As the Company has demonstrated a leading standard in vehicle safety and quality management systems, it also received the TNCAP "Excellence Participation Award."

In addition, the Company's investees, Luxgen and Foxtron Vehicle, also completed the equity settlement in Q2 of this year (2026), and will subsequently achieve stronger operating performance through the benefits of vertical integration in the value chain.

In energy development, leveraging years of deep expertise in energy storage manufacturing and energy management technologies, the Company has gradually expanded from power battery assembly and OEM manufacturing to end-use application scenarios, and will combine the resources of strategic partners in the future to advance the development of the energy business ecosystem.

In terms of asset revitalization, Yulon City's full-year revenue exceeded NTD 5.7 billion in 2025, with over 10 million visitors, solidifying its leading position among new regional shopping malls and demonstrating the operating results of "people-centered, experience-based;" in 2026, Yulon City will steadily move forward with the goal of exceeding NTD 5.9 billion in full-year revenue.

Regarding channel services and overseas operations, initial resource integration and operational restructuring have been completed, and on the basis of deepening existing markets, the Company continues to expand diversified cooperation models and business territory to cultivate momentum for future growth.

The Company upholds the sustainable business philosophy of "customer satisfaction, contribution to society, and creation of value" and continues to strengthen its ESG capabilities. In terms of corporate governance, the Company has been ranked among the top 5% in the TWSE Corporate Governance Evaluation of listed companies for 12 consecutive years; in terms of net-zero carbon reduction, 15.55 MW of solar photovoltaic systems have been installed at plant sites, with power generation exceeding actual electricity consumption, and the Company has been recognized as ranking first in the automotive industry in Business Weekly's "Top 100 Carbon Competitiveness;" in terms of social welfare, the "Taitung South-Link Happy Shuttle Service" has served more than 30,000 local residents in the South-Link area since its launch in 2019, with cumulative mileage exceeding 1.56 million kilometers, continuing to fulfill corporate social responsibility.

Looking ahead, despite continuing external challenges, the Company will actively implement its transformation strategy and, through AI empowerment, strengthen its core competitiveness and transformation development, provide customers with better products and services, and create long-term value for shareholders.

The Company would like to once again thank its shareholders, customers, suppliers, and partners for their long-term support and encouragement, and will continue to demonstrate the perseverance and team spirit of athletes as it steadily moves toward sustainable development.

I wish you healthy, everything goes your way, and your family all the best!

Yen Chen Li-Lien, Chairman



II. Corporate governance report

I. Profiles of Directors, President and Vice Presidents, Associate Vice Presidents, Heads of the Departments and Branches

(I) Information on directors

Position (Note 1)	Nationality/ Country of Origin	Name	Gender Age (Note 2)	Date Elected	Term of office	Date First Elected (Note 3)	Shareholding when Elected		Current Shareholding		Spouse & Minor Children Current Shareholding	
							Number of shares	Shareholdings ratio	Number of shares	Shareholdings ratio	Number of shares	Shareholdings ratio
Chairman	R.O.C.	Tai Yuen Textile Co., Ltd. Representative: Yen Chen Li-Lien	Female 61~70 years old	2025.07.01	3 year	1992.07.01	186,508,584 *34,174,253	17.43 3.19	186,508,584 *34,174,253	17.43 3.19	0 *33,933,985	0 3.17
Vice Chairman	R.O.C.	Tai Yuen Textile Co., Ltd. Representative: Chen-Hsiang Yao	Male 71~80 years old	2025.07.01	3 year	2004.07.01	186,508,584 *50,000	17.43 0.0047	186,508,584 *50,000	17.43 0.005	0 *0	0 0
Director	R.O.C.	China Motor Corporation Representative: Shin-I Lin	Male 71~80 years old	2025.07.01	3 year	2007.07.13	171,382,445 *0	16.02 0	171,382,445 *0	16.02 0	0 *0	0 0
Director	R.O.C.	China Motor Corporation Representative: Liang Zhang	Male 71~80 years old	2025.07.01	3 year	2008.08.27	171,382,445 *0	16.02 0	171,382,445 *0	16.02 0	0 *1,907	0 0.0002
Director	R.O.C.	Yen Ching-Ling's Foundation Representative: Kuo-Hsing Hsu	Male 61~70 years old	2025.07.01	3 year	2012.11.01	10,990,936 *801	1.03 0.0001	10,990,936 *801	1.03 0.0001	0 *0	0 0

March 29, 2026

Shareholding by Nominee Arrangement		Experience (Education) (Note 4)	Current position at the Company and other company(ies) (Note 5)	Executives, Directors or Supervisors who are spouses or within two degrees of kinship		
Number of shares	Shareholdings ratio			Position	Name	Relation
0	0	Department of Physical Education, Chinese Culture University	Chairman of Tai Yuen Textile Co., Ltd. Chairman of China Motor Corporation Chairman of Taiwan Acceptance Corporation Chairman of Yulon Nissan Motor Co., Ltd. Chairman of Yulon Construction Co., Ltd. Chairperson and president of Yulon-Administered Enterprises Company Limited For the rest, please refer to "Information on Affiliates"	None	None	None
0	0	Curtin University MIB Director and President of YULON MOTOR CO.,LTD Director of Wen Yang Investment Co., Ltd.	Vice Chairman of Yulon Motor Co., Ltd., President of Nissan Motor Co., Ltd. President Director of Yen Ching-Ling's Foundation Director Director of Taiwan Acceptance Corporation	None	None	None
0	0	Department of Mechanical Engineering, National Cheng Kung University Vice Chairman and President of China Motor Corporation Minister of Economy Vice Premier of the Executive Yuan and Chairman of the Council for Economic Planning and Development Chairman of Industrial Technology Research Institute	Director of China Motor Corporation Managing and independent director of WEIER Electric Dalian Co., Ltd.	None	None	None
0	0	Ph.D. in Economics, State University of New York at Albany, USA. Chairman of Jardine Matheson Group Taiwan Vice Chairman of Global Financial Consulting Co., Ltd. Independent Director of HSBC Bank (Taiwan) Limited	Director of Taiwan Acceptance Corporation Supervisor of Yulon-Administered Enterprises Company Limited Independent director of Ho-Ping Power Company Independent Director of International CSRC Investment Holdings Co., Ltd. Director of Huang Da-fu Medical Education Promotion Foundation	None	None	None
0	0	Department of Mechanical Engineering, National Taiwan University of Science and Technology President of Taiwan Acceptance Corporation President	President of YULON MOTOR CO.,LTD Director of China Motor Corporation Director of Yulon Nissan Motor Co., Ltd. Chairman of Luxgen Motor Co., Ltd. Chairman of Sin Chi Co., Ltd. Vice Chairman of Taiwan Acceptance Corporation Vice Chairman of Tokio Marine Newa Insurance Co., Ltd. Vice Chairman of Yulon Construction Co., Ltd. Director of Yulon-Administered Enterprises Company Limited Chairman of Yonghan Investment Co., Ltd. Director of Foxtron Vehicle Technologies Co., Ltd. For the rest, please refer to "Information on Affiliates"	None	None	None

Position (Note 1)	Nationality/ Country of Origin	Name	Gender Age (Note 2)	Date Elected	Term of office	Date First Elected (Note 3)	Shareholding when Elected		Current Shareholding		Spouse & Minor Children Current Shareholding	
							Number of shares	Shareholdings ratio	Number of shares	Shareholdings ratio	Number of shares	Shareholdings ratio
Director	R.O.C.	Yen Ching-Ling's Foundation Representative: Chien-Shun Liao	Male 51-60 years old	2025.07.01	3 year	2025.01.01	10,990,936 *0	1.03 0	10,990,936 *0	1.03 0	0 *0	0 0
Independent Director	R.O.C.	Chia-jiu Ou	Male 61-70 years old	2025.07.01	3 year	2025.07.01	*0	0	*0	0	*0	0
Independent Director	R.O.C.	Ming-Lei Chang	Female 51-60 years old	2025.07.01	3 year	2025.07.01	*0	0	*0	0	*0	0
Independent Director	R.O.C.	Yun-Hua Yang	Male 51-60 years old	2025.07.01	3 year	2022.07.01	*0	0	*0	0	*30,000	0.003

Note 1: Corporate shareholders should have the name of corporate shareholders and representative illustrated separately (the name of the corporate shareholders should be noted) also, Table (2) should be filled out.

Note 2: Please list age intervals, such as Age 41-50 or Age 51-60.

Note 3: Indicate the date of the first-time elected director or supervisor; also, the period of interruption should be noted.

March 29, 2026

Shareholding by Nominee Arrangement		Experience (Education) (Note 4)	Current position at the Company and other company(ies) (Note 5)	Executives, Directors or Supervisors who are spouses or within two degrees of kinship		
Number of shares	Shareholdings ratio			Position	Name	Relation
0	0	Graduate Institute of Business Administration, National Chengchi University Manager of China Motor Corporation	Director of Yulon-Administered Enterprises Company Limited Director of Yulon Nissan Motor Co., Ltd. Director of Carplus Auto Leasing Corporation Director of Tokio Marine Nawa Insurance Co., Ltd. Director of Yulon Automotive (China) Investment Limited Director of Yulon Construction Co., Ltd. For the rest, please refer to "Information on Affiliates"	None	None	None
0	0	Ph.D. in Transportation, National Chiao Tung University Chairman of CPC Corporation Director-General of the Bureau of Energy, Ministry of Economic Affairs Deputy Director-General of the Industrial Development Bureau, Ministry of Economic Affairs Chief Secretary of the Ministry of Economic Affairs President of Da-Yeh University Chairman of Taiwan Wind Energy Association Chief Executive Officer of Sinotech Engineering Consultants, Ltd.	Audit Committee Member of YULON MOTOR CO.,LTD Remuneration Committee Member of YULON MOTOR CO.,LTD Member of the Sustainable Development Committee of YULON MOTOR CO.,LTD Independent director of Climax Technology Co., Ltd. Independent Director of Chang Wah Technology Co., Ltd. Independent director of Formosa Chemicals And Fibre Corporation Director of Shinfox Energy Co., Ltd. Chairman of Taiwan Electric Power Association Chairperson of the Chinese Association for Industrial Technology Advancement	None	None	None
0	0	Ph.D. in Accounting, National Taiwan University Full-time Associate Professor in the Accounting Division of the College of Management, Yuan Ze University, and Director of the Master's Program in Finance and Accounting Full-time Professor and Chair of the Department of Accounting, Chung Yuan Christian University Vice Dean of the College of Business, Chung Yuan Christian University Full-time Professor of the Department of Accounting and Dean of the College of Business, Chung Yuan Christian University	Audit Committee Member of YULON MOTOR CO.,LTD Remuneration Committee Member of YULON MOTOR CO.,LTD Member of the Sustainable Development Committee of YULON MOTOR CO.,LTD Director of Taiwan Cooperative Bank Independent Director of Chant Sincere Co., Ltd. Independent Director of Bausen Inc.	None	None	None
0	0	Ph.D. of Laws, University of Tübingen, Germany Member of the Law Revision Committee of the Ministry of Justice Independent Director of Yulon Nissan Motor Co., Ltd. Professor of Law, National Chengchi University	Audit Committee Member of YULON MOTOR CO.,LTD Remuneration Committee Member of YULON MOTOR CO.,LTD Member of the Sustainable Development Committee of YULON MOTOR CO.,LTD Independent director of Universal Vision Biotechnology Co., Ltd.	None	None	None

Note 4: For the current job-related experiences, such as, worked in the CPA firm or affiliate office responsible for the auditing and checking during the aforementioned period of time, the job title and responsibility should be stated.

Note 5: The chairman and the manager are neither the same person, nor spouses or first-degree relatives.

* Indicates personal shareholding

(II) Major shareholders of the institutional shareholders

March 29, 2026

Names of Institutional Shareholders (Note 1)	Major shareholders of the institutional shareholders (Note 2)
1. Tai Yuen Textile Co., Ltd.	1. Xiang Wei Investment Co., Ltd. (22.15%) 2. Yen Ching-Ling's Foundation (14.24%) 3. Hoffman Brothers Investment Company of the British Virgin Islands (9.80%) 4. British Virgin Islands Merchant Evans Limited (9.71%) 5. British Cayman Islands Commercial Western Bridge Investment Company (9.13%) 6. Liyuan Investment Corporation (7.17%) 7. Yongshun Investment Co., Ltd. (6.82%) 8. Diamond Hosiery & Thread Co., Ltd. (5.89%) 9. Lippen Investment Co., Ltd. (5.61%) 10. Yuanwei Investment Co., Ltd. (3.10%)
2. China Motor Corporation	1. Tai Yuen Textile Co., Ltd. (25.19%) 2. Mitsubishi Motors Taiwan (14.00%) 3. YULON MOTOR CO., LTD (8.05%) 4. Diamond Hosiery & Thread Co., Ltd. (6.76%) 5. Nan Shan Life Insurance Company, Ltd. (1.30%) 6. Mercuries Life Insurance Co. Ltd. (1.14%) 7. Chin-Feng Chen (1.06%) 8. Fande Investment Co., Ltd. (0.90%) 9. E.SUN Commercial Bank (0.86%) 10. Yonghan Investment Co., Ltd. (0.72%)
3. Yen Ching-Ling's Foundation	The foundation is 100% funded by Mr. Yan Ching-Ling (deceased) and Ms. Wu Shun-Wen (deceased)

Note 1: If the director or supervisor is a representative of a corporate shareholder, the name of the corporate shareholder should be filled in.

Note 2: Enter the names of the major shareholders of the corporate directors (whose shareholdings are among the top ten) and their shareholdings. If the major shareholder is a corporation, the following Table (3) should be completed.

Note 3: For an institutional shareholder not a corporate entity, its name and shareholding ratio to be disclosed as stipulated above is the name and the investment or donation ratio of the investor or donor (see Judicial Yuan website announcement), and if the donor has passed away, a note of "deceased" should be added.

(III) Major shareholders of the Company's major institutional shareholders

March 29, 2026

Names of corporate shareholders (Note 1)	Major shareholders of the corporate shareholders (Note 2)
1. Xiang Wei Investment Co., Ltd.	1. Tai Yuen Textile Co., Ltd. (90.60%) 2. Diamond Hosiery & Thread Co., Ltd. (9.40%)
2. Hoffman Brothers Investment Company of the British Virgin Islands	Unavailable due to constraint of local practices
3. British Virgin Islands Merchant Evans Limited	Unavailable due to constraint of local practices
4. British Cayman Islands Commercial Western Bridge Investment Company	Unavailable due to constraint of local practices
5. Liyuan Investment Corporation	1. Wu Shun-Wen's Industrial Development and Investment Promotion Committee (99.126%) 2. Diamond Hosiery & Thread Co., Ltd. (0.869%) 3. Fande Investment Co., Ltd. (0.001%) 4. Weitai Investment Co., Ltd. (0.001%) 5. Le Wen Investment Co., Ltd. (0.001%) 6. Vincent Investment Co., Ltd. (0.001%) 7. Wavin Investment Co., Ltd. (0.001%)
6. Yongshun Investment Co., Ltd.	1. Wu Shun-Wen's Industrial Development and Investment Promotion Committee (99.083%) 2. Diamond Hosiery & Thread Co., Ltd. (0.912%) 3. Fande Investment Co., Ltd. (0.001%) 4. Weitai Investment Co., Ltd. (0.001%) 5. Le Wen Investment Co., Ltd. (0.001%) 6. Vincent Investment Co., Ltd. (0.001%) 7. Wavin Investment Co., Ltd. (0.001%)
7. Diamond Hosiery & Thread Co., Ltd.	1. British Virgin Islands Wanda Company (72.51%) 2. Tai Yuen Textile Co., Ltd. (21.97%) 3. Xiang Wei Investment Co., Ltd. (5.09%) 4. Wu Shun-Wen's Industrial Development and Investment Promotion Committee (0.1684%) 5. Le Wen Investment Co., Ltd. (0.13%) 6. Wavin Investment Co., Ltd. (0.13%) 7. Yen Chen Li-Lien (0.0002%) 8. Yen Pei-Yu (0.0002%) 9. Son of Yen Chen Li-Lien (0.0002%)
8. Lippen Investment Co., Ltd.	1. Wu Shun-Wen's Industrial Development and Investment Promotion Committee (98.993%) 2. Diamond Hosiery & Thread Co., Ltd. (1.002%) 3. Fande Investment Co., Ltd. (0.001%) 4. Weitai Investment Co., Ltd. (0.001%) 5. Le Wen Investment Co., Ltd. (0.001%) 6. Vincent Investment Co., Ltd. (0.001%) 7. Wavin Investment Co., Ltd. (0.001%)
9. Yuanwei Investment Co., Ltd.	1. Wu Shun-Wen's Industrial Development and Investment Promotion Committee (91.513%) 2. Diamond Hosiery & Thread Co., Ltd. (8.477%) 3. Fande Investment Co., Ltd. (0.002%) 4. Weitai Investment Co., Ltd. (0.002%) 5. Le Wen Investment Co., Ltd. (0.002%) 6. Vincent Investment Co., Ltd. (0.002%) 7. Wavin Investment Co., Ltd. (0.002%)
10. Mitsubishi Motors Taiwan	1. Nissan Motor Co., Ltd. (26.67%) 2. Mitsubishi Corporation (22.23%) 3. Japan Mastatraso Trust Bank Co., Ltd. (Trust Port) (6.83%) 4. STATE STREET BANK AND TRUST COMPANY 505001 (3.23%) 5. BROWN BROTHERS HARRIMAN (LUXEMBOURG)SCA CUSTODIAN FOR ARCUS FUND SICAV – ARCUS JAPAN FUND (2.08%) 6. Mitsubishi Heavy Industries (1.60%) 7. MUFG Bank Ltd. (1.10%) 8. Japan Kastodaka Bank (Trust Port) (0.91%)

Names of corporate shareholders (Note 1)	Major shareholders of the corporate shareholders (Note 2)
	9. MAN INTERNATIONAL ICVC-MAN GLG JAPAN COREALPHA FUND (0.89%) 10. Japan Kastodaka Bank (Trust Port 4) (0.88%)
11. YULON MOTOR CO., LTD	1. Tai Yuen Textile Co., Ltd. (17.43%) 2. China Motor Corporation (16.02%) 3. Yen Chen Li-Lien (3.19%) 4. Taipei Branch of UBS received Pei-Yu Yen Trust Property Account (3.17%) 5. Taipei Branch of UBS received Hsiang-Nan Yen Trust Property Account (3.17%) 6. Fande Investment Co., Ltd. (2.10%) 7. Yen Ching-Ling's Foundation (1.03%) 8. Weitai Investment Co., Ltd. (0.92%) 9. Wavin Investment Co., Ltd. (0.87%) 10. Diamond Hosiery & Thread Co., Ltd. (0.73%)
12. Nan Shan Life Insurance Company, Ltd.	1. Runcheng Investment Holdings Co., Ltd. (89.55%) 2. Ruen Hua Dyeing & Weaving Co., Ltd. (1.34%) 3. Ying-Tsung Tu (1.16%) 4. Runtaixing Co., Ltd. (0.97%) 5. Ruentex Development Co., Ltd. (0.23%) 6. Ruentex Industries Limited (0.21%) 7. Yuanxin Investment Co., Ltd. (0.16%) 8. Ruentex Leasing Co., Ltd. (0.12%) 9. Jipin Investment Co., Ltd. (0.11%) 10. Pan City Co., Ltd. (0.09%)
13. Mercuries Life Insurance Co. Ltd.	1. Mercuries & Associates Holding, Ltd. (31.13%) 2. Shengya Investment Co., Ltd. (4.94%) 3. Shanglin Investment Co., Ltd. (3.40%) 4. Shuren Investment Co., Ltd. (3.39%) 5. Mercuries Liquor & Food Co., Ltd. (2.35%) 6. Mercuries & Associates, Ltd. (2.12%) 7. Citibank Taiwan (Commercial Bank) has been entrusted with the custody of the BNP financial markets investment account (1.71%) 8. HSBC (Taiwan) Commercial Bank Co., Ltd., entrusted custodian of Goldman Sachs International investment account (1.71%) 9. Sunlit Transportation Company Limited (1.05%) 10. Tonglit Logistics Co., Ltd. (0.95%)
14. Chin-Feng Chen	Not applicable
15. Fande Investment Co., Ltd.	1. Weitai Investment Co., Ltd. (33.36%) 2. Wavin Investment Co., Ltd. (33.34%) 3. Le Wen Investment Co., Ltd. (33.30%)
16. E.SUN Commercial Bank	E.SUN Financial Holding Co., Ltd. (100%)
17. Yonghan Investment Co., Ltd.	YULON MOTOR CO., LTD (100%)

Note 1: If the major shareholder in Table (2) above is a corporation, the name of the corporation should be filled in.

Note 2: Enter the names of the major shareholders of the corporations (whose shareholdings are among the top ten) and their shareholdings.

Note 3: For an institutional shareholder not a corporate entity, its name and shareholding ratio to be disclosed as stipulated above is the name and the investment or donation ratio of the investor or donor (see Judicial Yuan website announcement), and if the donor has passed away, a note of "deceased" should be added.

(IV) Disclosure of qualification and independence of directors and independent directors:

March 31, 2026

Criteria Name	Qualification and experience (Note 1)	Independence status	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Yen Chen Li-Lien	1. Professional skills: leadership, operational judgment, business administration, crisis handling, industrial knowledge and global views. 2. Does not fall into any circumstance stated in Article 30 of The Company Act.	Not applicable	0
Chen-Hsiang Yao	1. Professional skills: leadership, operational judgment, business administration, crisis handling, industrial knowledge and global views. 2. Does not fall into any circumstance stated in Article 30 of The Company Act.	Not applicable	0
Shin-I Lin	1. Professional skills: leadership, operational judgment, business administration, crisis handling, industrial knowledge and global views. 2. Does not fall into any circumstance stated in Article 30 of The Company Act.	Not applicable	1
Liang Zhang	1. Professional skills: economic financing, operational judgment, industrial knowledge and global views. 2. Does not fall into any circumstance stated in Article 30 of The Company Act.	Not applicable	2
Kuo-Hsing Hsu	1. Professional skills: leadership, operational judgment, business administration, crisis handling, industrial knowledge and global views. 2. Does not fall into any circumstance stated in Article 30 of The Company Act.	Not applicable	0
Chien-Shun Liao	1. Professional skills: leadership, operational judgment, business administration, crisis handling, industrial knowledge and global views. 2. Does not fall into any circumstance stated in Article 30 of The Company Act.	Not applicable	0
Chia-jui Ou	1. More than 5 years of work experience in business, and/or other required skills. 2. Professional skills: operational judgment, business administration, industrial knowledge and global views.	Conformable to all (See note on page 11)	3
Ming-Lei Chang	1. Holding a lecturer or higher teaching position in public and private colleges on financial regulations. 2. More than 5 years of work experience in business, legal, financial, accounting and/or other required skills. 3. Professional skills: economic financing, operational judgment, industrial knowledge and global views.	Conformable to all (See note on page 11)	3
Yun-Hua Yang	1. Holding a lecturer or higher teaching position in public and private colleges on laws. 2. More than 5 years of work experience in business, legal, financial, accounting and/or other required skills. 3. A licensed attorney. 4. Professional skills: legal compliance, operational judgment, industrial knowledge and global views.	Conformable to all (See note on page 11)	1

Note 1: For the professional experience of Directors, please refer to "Information on Directors" on pages 2-5 of this Annual Report.

(V) Board diversity and independence

1. Diversity:

We advocate the board diversity and respect the policy to strengthen corporate governance and consolidate board structure, in the belief that the diversity will help improve our overall performance. The appointment to board seats are based on the professional competence, with complementary capabilities across industrial domains, while the criteria consist of basic profiles (such as age, gender, nationality, etc.), industry experience and related skills (such as business administration, financial accounting, legal consulting, auto industry operations, etc.), as well as business judgment, operational management, leadership and crisis handling. In strengthening the board functions to achieve the corporate governance objectives, Article 20 of the Company's "Code of Corporate Governance" explicitly stipulates that the board of directors should have the following capabilities as a whole: (1) business judgment ability, (2) accounting and financial analysis ability, (3) operational management ability, (4) crisis handling ability, (5) industry knowledge, (6) global views, (7) leadership, and (8) decision-making ability.

The current status of board diversity is as follows:

Criteria Director name	Basic composition			Tenure of independent directors			Industrial experience					Professional capabilities				
	Nationality	Gender	Age	Less than 3 years	3-6 years	7-9 years	Automobile Manufacturing	Financing	Textile manufacturing	Electrical Engineering	Electronic information	Energy economics	Business administration	Financial accounting	Legal consulting	Automobile industry operations
Yen Chen Li-Lien Chairman	R.O.C.	Female	61-70 years old	-	-	-	V	V	V	-	-	-	V	-	-	V
Chen-Hsiang Yao Vice Chairman	R.O.C.	Male	71-80 years old	-	-	-	V	V	-	-	-	-	V	-	-	V
Shin-I Lin Director	R.O.C.	Male	71-80 years old	-	-	-	V	-	-	V	-	-	V	-	-	V
Liang Zhang Director	R.O.C.	Male	71-80 years old	-	-	-	-	V	-	-	-	-	V	V	-	-
Kuo-Hsing Hsu Director	R.O.C.	Male	61-70 years old	-	-	-	V	-	-	-	V	-	V	-	-	V
Chien-Shun Liao Director	R.O.C.	Male	51-60 years old	-	-	-	V	-	-	-	-	-	V	-	-	V
Chia-jui Ou Independent Director	R.O.C.	Male	61-70 years old	V	-	-	-	-	-	-	-	V	V	-	-	-
Ming-Lei Chang Independent Director	R.O.C.	Female	51-60 years old	V	-	-	-	V	-	-	-	-	-	V	-	-
Yun-Hua Yang Independent Director	R.O.C.	Male	51-60 years old	V	V	-	-	-	-	-	-	-	V	-	V	-

- (1) The 9 directors (3 independent) of the 18th Board of Directors are equipped as a whole with the capabilities of operational judgment, decision-making leadership, business administration, global views, and crisis handling. Among them, Chairwoman Yen Chen Li-Lien, Vice Chairman Chen-Hsiang Yao, and Director Lin Shin-I, Kuo-Hsing Hsu and Chien-Shun Liao, Independent Director Chia-jui Ou are equipped with industrial experience and professional capabilities in leadership, operational judgment, business administration, crisis handling, industrial knowledge and global views, while Independent Director Yun-Hua Yang are competent in legal affairs, and Director Zhang Liang and Independent Director Ming-Lei Chang are experts in economic financing. The 18th board has 22% of the members with financial expertise, and 11% with legal compliance professionalism.
- (2) The average term of office for the current term of directors is 2-3 years, and the term of office of all independent directors does not exceed 3 terms. All board members are nationals, with

three independent directors accounting for 33% of the total. The directors' ages are distributed as follows: three directors were over 71 years old, three directors were between 61 and 70 years old, and three directors were 60 years old or younger. In addition to the above profile features, the gender equality is equally important in the board composition. The current board includes 2 female member, accounting for 22% of the total board seats, and adding higher proportion of female directors will be an objective to achieve in the future.

- (3) The diversity for complementary features in the board composition has reached a higher level than the standards set out in Article 20 of the Company's "Code of Corporate Governance". Yet amendment and addition to the diversity policy will be made in the future depending on the board performance, business operations and development needs, including but not limited to two major aspects: essential qualifications and values, and professional knowledge and skills, to ensure that the board members are adequately equipped with the knowledge, skills and qualities necessary to perform their duties.

2. Board independence:

Pursuant to the requirements of the Listing Rules, all the independent non-executive directors have made their written statements to confirm their and their families' independence of the corporate operations.

It is our belief that the independence of directors must be judged on the basis of substantive conditions, and explicitly stated in the "Board Diversity Policy". The Board is committed to persistently assessing the independence of directors, taking into account all relevant factors, including whether the directors concerned are able to continuously raise constructive proposals to the management team and other directors, whether the views expressed are independent of the management team and other directors, and whether their conducts inside and outside the board are appropriate. The conducts of all the independent non-executive directors have manifested the characteristics as expected under appropriate conditions. Based on the review by the following criteria (within 2 years prior to election and during term of office), all the independent non-executive directors are believed to be independent of the corporate operations:

- (1) Not employed by the company or any of its affiliated companies.
- (2) Not a director or supervisor of the Company or its affiliated companies (but if the independent director is appointed in accordance with the "Securities and Exchange Act" or the law and regulations of the local country, and concurrently serves as such at a public company and its parent or subsidiary or a subsidiary of the same parent, it is not subject to this requirement).
- (3) Not a natural person, spouse, underage children, or under the title of a third party who holds more than 1% of the outstanding shares issued by the Company or among the top 10 natural person shareholders.
- (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of a managerial officer under Subparagraph (1) or any of the persons in Paragraph (2) and (3).
- (5) Not a director, supervisor or employee of an institutional shareholder directly holding more than 5% of the outstanding shares issued by the company, or a director, supervisor or employee of an institutional shareholder who is among the top 5 shareholders, or a representative of an institutional shareholders appointed as the director or supervisor of the company according to Paragraph 1 or 2 of Article 27 of the Company Act (except for independent directors of the company and its parent company, subsidiaries or the subsidiaries of the same parent company established in accordance with this Act or the local laws).
- (6) Not a director, supervisor or employee of a company controlling over one half of the company's director seats or voting shares under one person (except for independent directors of the company and its parent company, subsidiaries or the subsidiaries of the same parent company established in accordance with this Act or the local laws).
- (7) Not a director of a company or institution whose chairperson and president or equivalent role is the same person or its spouse (except for independent directors of the company and its parent company, subsidiaries or the subsidiaries of the same parent company established in accordance with this Act or the local laws).
- (8) Not a Director, Supervisor, manager, or shareholders holding more than 5% of the shares

designated company or institution with business or financial transactions with the Company. (However, this restriction does not apply to independent directors elected in accordance with the Securities and Exchange Act or the laws and regulations of the local country, who concurrently serve as such at the Company and its parent or subsidiary or a subsidiary of the same parent and when the specific company or institution holds more than 20% of the Company's total issued shares but not more than 50%.)

- (9) Not a professional individual, or an owner, partner, director (or governor), supervisor or officer of a sole proprietorship, partnerships, company, or institution that provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company for which the provider in the last 2 years had received cumulative remuneration exceeding NTD 500,000, or a spouse thereof. This restriction does not apply, however, to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
- (10) Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.
- (11) Not been a person of any conditions defined in Article 30 of the Company Act.
- (12) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.

(VI) Background information of the President, Vice President, Assistant Vice Presidents and heads of various departments and branches

Position (Note 1)	Nationality	Name	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement	
					Number of shares	Shareholdings ratio	Number of shares	Shareholdings ratio	Number of shares	Shareholdings ratio
President	R.O.C.	Kuo-Hsing Hsu	Male	2024.08.01	801	0.0001	0	0	6,000	0.0006
Vice President	R.O.C.	Jian-Hui Li	Male	2020.08.10	38	0	0	0	0	0
Vice President	R.O.C.	Chin-Chuan Chen	Male	2025.01.01	0	0	30,000	0.003	0	0
Assistant Vice President	R.O.C.	Shih-Lin Wu	Male	2023.12.16	5,000	0.0005	0	0	0	0
Assistant Vice President	R.O.C.	Che-Yu Cho	Male	2025.01.01	15,000	0.0014	0	0	0	0
Assistant Vice President	R.O.C.	Hsun-Kuei Hsieh	Male	2025.01.01	10,000	0.0009	0	0	0	0
Assistant Vice President	R.O.C.	Meng-yueh Chieh	Female	2026.01.01	25,000	0.0023	342	0	0	0
Assistant Vice President	R.O.C.	Wei-Feng Tsai	Male	2026.01.01	0	0	0	0	0	0

Note 1: This should include the information of the President, Asst. Vice Presidents, and supervisors of the various departments and branches; also, the information of the position equivalent to President or Asst. Vice Presidents, regardless of title, should be disclosed.

Note 2: For the current job-related experiences, such as, worked in the CPA firm or affiliate office responsible for the auditing and checking during the aforementioned period of time, the job title and responsibility should be stated.

Note 3: The major concurrent positions at other companies.

(VI) Background information of the President, Vice President, Assistant Vice Presidents and heads of various departments and branches

March 31, 2026

Experience (Education) (Note 2)	Current position at the Company and other company (Note 3)	Managers who are Spouses or Within Two Degrees of Kinship		
		Position	Name	Relation
Department of Mechanical Engineering, National Taiwan University of Science and Technology Chairman of Carplus Auto Leasing Corporation Director of JDW Co., Ltd. Vice President of YULON MOTOR CO., LTD Vice President of Yulon-Administered Enterprises Company Limited	Director of China Motor Corporation Director of Yulon Nissan Motor Co., Ltd. Vice Chairman of Taiwan Acceptance Corporation Chairman of Luxgen Motor Co., Ltd. Director of Foxtron Vehicle Technologies Co., Ltd. Vice Chairman of Tokio Marine Newa Insurance Co., Ltd. Director of Yulon-Administered Enterprises Company Limited Vice Chairman of Yulon Construction Co., Ltd. Chairman of Yulon Automotive (China) Investment Limited For the rest, please refer to “Information on Affiliates”	None	None	None
Curtin University MIB Assistant VP, Product Service System, YULON MOTOR CO., LTD	Chairman of Yueki Industrial Co., Ltd. Chairman of Uni Auto Parts Manufacture Co., Ltd Chairman of Yue Sheng Industrial Co., Ltd., etc. For the rest, please refer to “Information on Affiliates”	None	None	None
Department of Banking and Insurance, Tamkang University Director of Yulon-Administered Enterprises Company Limited	Chairman of Chuang Jie New Energy Vehicle (HZ) Limited Chairman of Luxgen (Hangzhou) Motor Sales Co., Ltd Director of Yulon Automotive (China) Investment Limited, etc. For the rest, please refer to “Information on Affiliates”	None	None	None
Curtin University MIB President of Yueki Industrial Co., Ltd. Manager, Production management and coordination department, YULON MOTOR CO., LTD	Director of Director of R O C SPICER LTD. Director of Yueki Industrial Co., Ltd. Director of Yue Sheng Industrial Co., Ltd., etc. For the rest, please refer to “Information on Affiliates”	None	None	None
Graduate Institute of Industrial Engineering and Management, Taipei University of Technology Manager, Business development & Management department, YULON MOTOR CO., LTD	Director of Yue Sheng Industrial Co., Ltd. Director of Uni Auto Parts Manufacture Co., Ltd Director of Yueki Industrial Co., Ltd., etc. For the rest, please refer to “Information on Affiliates”	None	None	None
Graduate Institute of Industrial Management, National Taiwan University of Science and Technology Manager, Finance and business planning department, YULON MOTOR CO., LTD	Director of New Energy World Motor CO., LTD. Director of China Cast Iron Pipe Co., Ltd. Director of Yulon It Solutions Inc., etc. For the rest, please refer to “Information on Affiliates”	None	None	None
Master of Human Resource Management, Sun Yat-sen University Senior Manager, Audit office, YULON MOTOR CO., LTD	-	None	None	None
Curtin University MIB Senior Manager, Value Integration Promotion Office, Yulon Motor Co., Ltd.	Chairman of Esinn Co., Ltd Chairman of Yushin Motor Co., Ltd. Director of Sin Chi Co., Ltd. For the rest, please refer to “Information on Affiliates”	None	None	None

(VII) Remuneration of Directors, President, Vice President and Assistant Vice President in 2025

1. Remuneration to Directors and Independent Directors, (disclosure of individual names and remuneration methods)

Position	Name	Remuneration of Directors								The total amount of four items A, B, C and D and its proportion to the net profit after tax (Note 10)		Remuneration to directors also holding employee positions						The total amount of seven items A, B, C, D, E, F and G and its proportion to the net profit after tax (Note 8)		Compensation paid to directors from an invested company other than the Company's subsidiaries (Note 9)							
		Compensation (A) (Note 2)		Severance Pay (B)		Bonus to Directors (C) (Note 3)		For services (D) (Note 4)				Salary, Bonuses, and Allowances (E) (Note 5)		Severance Pay (F)		Remuneration to employees (G) (Note 6)											
		The company	Companies in the consolidated financial statements (Note 2)	The company	Companies in the consolidated financial statements (Note 2)	The company	Companies in the consolidated financial statements (Note 3)	The company	Companies in the consolidated financial statements (Note 4)	The company	Companies in the consolidated financial statements (Note 7)	The company	Companies in the consolidated financial statements (Note 7)	The company	Companies in the consolidated financial statements (Note 7)	The company	Companies in the consolidated financial statements (Note 7)	Cash	Stock		Cash	Stock	The company	Companies in the consolidated financial statements (Note 7)			
Institutional Director	Tai Yuen Textile Co., Ltd.	0	0	0	0	3,776,000	3,776,000	0	0	3,776,000 (0.3857%)	3,776,000 (0.3857%)	0	0	0	0	0	0	0	0	0	0	0	0	0	3,776,000 (0.3857%)	3,776,000 (0.3857%)	0
Institutional Director	Yen Ching-Ling's Foundation	0	0	0	0	1,062,000	1,062,000	0	0	1,062,000 (0.1085%)	1,062,000 (0.1085%)	0	0	0	0	0	0	0	0	0	0	0	0	0	1,062,000 (0.1085%)	1,062,000 (0.1085%)	0
Institutional Director	China Motor Corporation	0	0	0	0	1,062,000	1,062,000	0	0	1,062,000 (0.1085%)	1,062,000 (0.1085%)	0	0	0	0	0	0	0	0	0	0	0	0	0	1,062,000 (0.1085%)	1,062,000 (0.1085%)	0
Chairman	Tai Yuen Textile Co., Ltd. Representative: Yen Chen Li-Lien	13,000,400	28,882,315	0	0	0	0	960,000	1,104,000	13,960,400 (1.4260%)	29,986,315 (3.0629%)	0	0	0	0	0	0	0	0	0	0	0	0	0	13,960,400 (1.4260%)	29,986,315 (3.0629%)	23,663,371
Vice Chairman	Tai Yuen Textile Co., Ltd. Representative: Chen-Hsiang Yao	0	0	0	0	0	0	120,000	216,000	120,000 (0.0123%)	216,000 (0.0221%)	5,476,260	5,476,260	267,172	267,172	26,679	0	26,679	0	0	0	0	0	0	5,890,111 (0.6016%)	5,986,111 (0.6114%)	3,077,819
Director	China Motor Corporation Representative: Shin-I Lin	0	0	0	0	0	0	120,000	120,000	120,000 (0.0123%)	120,000 (0.0123%)	0	0	0	0	0	0	0	0	0	0	0	0	0	120,000 (0.0123%)	120,000 (0.0123%)	2,527,200
Director	China Motor Corporation Representative: Liang Zhang	0	0	0	0	0	0	120,000	1,219,428	120,000 (0.0123%)	1,219,428 (0.1246%)	0	0	0	0	0	0	0	0	0	0	0	0	0	120,000 (0.0123%)	1,219,428 (0.1246%)	0
Director	Yen Ching-Ling's Foundation Representative: Chien-Shun Liao	0	486,000	0	0	0	0	120,000	240,000	120,000 (0.0123%)	726,000 (0.0742%)	0	0	0	0	0	0	0	0	0	0	0	0	0	120,000 (0.0123%)	726,000 (0.0742%)	0
Director	Yen Ching-Ling's Foundation Representative: Kuo-Hsing Hsu	0	3,858,558	0	0	0	0	120,000	264,000	120,000 (0.0123%)	4,284,558 (0.4376%)	8,914,884	9,090,675	444,864	444,864	40,944	0	40,944	0	0	0	0	0	0	9,520,692 (0.9725%)	13,861,041 (1.4158%)	408,000
Independent Director	Yen-Chin, Tsai (Note 11)	0	0	0	0	0	0	750,000	1,550,000	750,000 (0.0766%)	1,550,000 (0.1583%)	0	0	0	0	0	0	0	0	0	0	0	0	0	750,000 (0.0766%)	1,550,000 (0.1583%)	0
Independent Director	Zhongqi Zhou (Note 11)	0	0	0	0	0	0	750,000	1,550,000	750,000 (0.0766%)	1,550,000 (0.1583%)	0	0	0	0	0	0	0	0	0	0	0	0	0	750,000 (0.0766%)	1,550,000 (0.1583%)	0
Independent Director	Yun-Hua Yang	0	0	0	0	0	0	1,030,000	1,030,000	1,030,000 (0.1052%)	1,030,000 (0.1052%)	0	0	0	0	0	0	0	0	0	0	0	0	0	1,030,000 (0.1052%)	1,030,000 (0.1052%)	0
Independent Director	Chia-jui Ou	0	0	0	0	0	0	780,000	780,000	780,000 (0.0797%)	780,000 (0.0797%)	0	0	0	0	0	0	0	0	0	0	0	0	0	780,000 (0.0797%)	780,000 (0.0797%)	0
Independent Director	Ming-Lei Chang	0	0	0	0	0	0	713,400	713,400	713,400 (0.0729%)	713,400 (0.0729%)	0	0	0	0	0	0	0	0	0	0	0	0	0	713,400 (0.0729%)	713,400 (0.0729%)	0

Position	Name	Remuneration of Directors								The total amount of four items A, B, C and D and its proportion to the net profit after tax (Note 10)				Remuneration to directors also holding employee positions				The total amount of seven items A, B, C, D, E, F and G and its proportion to the net profit after tax (Note 8)		Compensation paid to directors from an invested company other than the Company's subsidiaries (Note 9)
		Compensation (A) (Note 2)		Severance Pay (B)		Bonus to Directors (C) (Note 3)		For services (D) (Note 4)		Salary, Bonuses, and Allowances (E) (Note 5)		Severance Pay (F)		Remuneration to employees (G) (Note 6)		The company	Companies in the consolidated financial statements (Note 7)	The company	Companies in the consolidated financial statements (Note 7)	
		The company	Companies in the consolidated financial statements (Note 2)	The company	Companies in the consolidated financial statements (Note 2)	The company	Companies in the consolidated financial statements (Note 3)	The company	Companies in the consolidated financial statements (Note 4)	The company	Companies in the consolidated financial statements (Note 5)	The company	Companies in the consolidated financial statements (Note 6)	Cash	Stock					

1. Please describe the policy, systems, standards and structure of remuneration of independent directors; also, describe the relationship with the amount of remuneration according to the responsibilities, risks and invested time: Note 10
 2. In addition to the above disclosure, the remunerations received by the directors in 2025 for providing services to the companies covered in the financial report (such as non-employees consultation for the companies and/or reinvested affiliates covered in the financial report): none

- Note 1: Directors' names should be presented separately (for institutional shareholders, state separately the name of the institutional shareholder and its representatives); the amount of benefits and allowances can be presented in aggregate sums. If the director is also the President or Vice President of the Company, please fill in this table and table (2).
- Note 2: Refers to Director's remuneration in the latest year (including salaries, work subsidies, severance pay, various bonuses and incentives etc).
- Note 3: Please fill in the amount of remuneration to directors resolved in the most recent board meeting.
- Note 4: Refers to compensations for services rendered (including travel, special allowances, various subsidies, accommodation, corporate vehicle and other items). If houses, cars and other transportation or personal expenses are provided, the nature and cost of the provided assets, the actual rental or the rental calculated based on the fair value, fuel expense and other payments must be disclosed. If chauffeurs are provided, please include a note stating that the Company will pay the chauffeurs, but they payments will not be counted as remuneration.
- Note 5: This refers to the salary, duty allowances, severance pay, bonuses, incentives, transportation allowance, special allowance, various allowances and accommodation, and company cars paid or offered to directors who concurrently hold position as an employee (incl. president, vice president, other managerial officers and employees). If houses, cars and other transportation or personal expenses are provided, the nature and cost of the provided assets, the actual rental or the rental calculated based on the fair value, fuel expense and other payments must be disclosed. If chauffeurs are provided, please include a note stating that the Company will pay the chauffeurs, but they payments will not be counted as remuneration. In addition, according to the salaries expense listed in the "Share-Based Payment" of IFRS 2, expenses including the employee stock option certificate acquirement, employee restricted stock and employee participation in cash capital increase and stock subscription must be counted in the remuneration.
- Note 6: For the directors who are also employees (including President, Vice President, managers, and staff) of the Company in the most recent year with remuneration received (including stock and cash), the remuneration amount to employees resolved in the board meeting in the most recent year should be disclosed. If the remuneration amount cannot be estimated, the amount to be distributed this year is to be estimated proportionally to the actual amount distributed last year; also, Exhibit (7) 3. should be filled out.
- Note 7: The disclosure should cover all companies included in the consolidated financial statements (including The Company); present the total amount of remuneration paid by all companies above to The Company's Directors.
- Note 8: Net income refers to the net income amount on the parent company only or individual financial reports in the most recent year.
- Note 9: a. This field must state any form of remuneration the Director has received from The Company's invested businesses other than subsidiaries.
 b. For Directors who receive remuneration from invested businesses other than subsidiaries, the amount of remuneration from these invested businesses should be added to column I of the Remuneration brackets table. Change the name of column J to "All invested businesses."
 c. Remuneration refers to any returns, compensation (including remuneration to Employees, Directors and Supervisors), professional fees etc which The Company's Director have received for serving as directors, supervisors, or managers in invested businesses other than subsidiaries.
- Note 10: In accordance with the Company's Articles of Incorporation, independent directors are not allowed to participate in the distribution profit-sharing remuneration for directors' remuneration; remuneration for performing business is reviewed from time to time depending on actual operating conditions and relevant laws and regulations. The current remuneration standards for individual independent directors are determined by the Remuneration Committee with reference to the standards of other companies in the same industry, with consideration of their extent of participation in the Board of Directors and other functional committees and the value of their contributions, etc., and approved by the Board of Directors. The Company pays the independent directors from NTD 78,150 to NTD 120,000 per month, and NTD 10,000 each time depending on the actual attendance of the independent directors at the functional committee meetings.
- Note 11: Independent directors Yen-Chin Tsai and Zhongqi Zhou stepped down on June 30, 2025.
- * The remuneration disclosed in this table is different from the concept of income in the Income Tax Act. This table is used for information disclosure, not taxation.

2. Remuneration to the President and Vice Presidents (disclosed collectively by names according to salary ranges)

Position	Name	Salary (A) (Note 2)		Severance Pay (B)		Bonuses and allowances (C) (Note 3)		Profit sharing remuneration to employees (D) (Note 4)				The total amount of four items A, B, C and D and its proportion to the net profit after tax (%) (Note 6)		Compensation paid to directors from an invested company other than the Company's subsidiaries (Note 7)
		The company	Companies in the consolidated financial statements (Note 5)	The company	Companies in the consolidated financial statements (Note 5)	The company	Companies in the consolidated financial statements (Note 5)	The company		Companies in the consolidated financial statements (Note 5)		The company	Companies in the consolidated financial statements (Note 5)	
								Cash	Stock	Cash	Stock			
President	Kuo-Hsing Hsu	4,928,311	8,905,350	444,864	444,864	4,106,573	4,307,883	40,944	0	40,944	0	9,520,692 (0.9725%)	13,699,041 (1.3993%)	408,000
Vice President	Jian-Hui Li	2,131,260	3,811,938	249,631	249,631	1,272,862	1,554,567	17,569	0	17,569	0	3,671,322 (0.3750%)	5,633,705 (0.5754%)	0
Vice President	Wen-Yi Lo (Note 8)	1,152,410	1,152,410	139,258	139,258	742,505	742,505	9,388	0	9,388	0	2,043,561 (0.2087%)	2,043,561 (0.2087%)	117,000
Vice President	Chin-Chuan Chen	2,368,648	3,431,353	262,358	262,358	1,305,252	1,427,458	19,043	0	19,043	0	3,955,301 (0.4040%)	5,140,212 (0.5250%)	0

* Disregarding position titles. All such job positions including presidents, vice presidents (e.g., President, Chief Executive Officer (CEO), Superintendent....) shall be disclosed.

Note 1: The names of the President and Vice Presidents should be presented separately; the amount of benefits and allowances can be presented in aggregate sums. If the director is also the President or Vice President of the Company, please fill in this table and previous table 1.

Note 2: Refers to salaries, work subsidies, and severance pay made to the President and Vice Presidents in the latest year.

Note 3: Refers to other compensations such as bonuses, incentives, travel allowances, special allowances, various subsidies, accommodation, corporate vehicle or other items made to the President and Vice Presidents. If houses, cars and other transportation or personal expenses are provided, the nature and cost of the provided assets, the actual rental or the rental calculated based on the fair value, fuel expense and other payments must be disclosed. If chauffeurs are provided, please include a note stating that the Company will pay the chauffeurs, but they payments will not be counted as remuneration. In addition, according to the salaries expense listed in the "Share-Based Payment" of IFRS 2, expenses including the employee stock option certificate acquirement, employee restricted stock and employee participation in cash capital increase and stock subscription must be counted in the remuneration.

Note 4: Please fill in the remuneration amount to the president and vice president resolved in the board meeting in the most recent year (including stock and cash). If the remuneration amount cannot be estimated, the amount to be distributed this year is to be estimated proportionally to the actual amount distributed last year. And should also fill out following table 3.

Note 5: The disclosure should cover all companies included in the consolidated financial statements (including The Company); present the total amount of remuneration paid by all companies above to The Company's President and Vice President.

Note 6: Net income refers to the net income amount on the parent company only or individual financial reports in the most recent year.

Note 7: a. This field must state any form of remuneration the President and Vice President has received from The Company's invested businesses other than subsidiaries.

b. For President/Vice Presidents who receive remuneration from invested businesses other than subsidiaries, the amount of remuneration from these invested businesses should be added to column E of the Remuneration brackets table. Change the name of column E to "All invested businesses."

c. Remuneration refers to any returns, compensation (including remuneration to Employees, Directors and Supervisors), professional fees etc which The Company's President/Vice Presidents have received for serving as directors, supervisors, or managers in invested businesses other than subsidiaries.

Note 8: Deputy General Manager Wen-Yi Lo retired on 2025/07/31.

※ The remuneration disclosed in this table is different from the concept of income in the Income Tax Act. This table is used for information disclosure, not taxation.

3. Name of the managers received remuneration and the distribution of remuneration

December 31, 2025
Unit: NTD

	Position	Name	Stock	Cash	Total	Total/after-tax profit
Manager	President	Kuo-Hsing Hsu	0	144,287	144,287	0.0147%
	Vice President	Jian-Hui Li				
	Vice President	Wen-Yi Lo				
	Vice President	Chin-Chuan Chen				
	Assistant Vice President	Hong-Zheng Chen				
	Assistant Vice President	Binglin Chen				
	Assistant Vice President	Shih-Lin Wu				
	Assistant Vice President	Huang Shi-Gu				
	Assistant Vice President	Hsun-Kuei Hsieh				
	Assistant Vice President	Che-Yu Cho				

Note 1: The name and job title of each individual should be disclosed; however, the distribution of earnings can be disclosed aggregately.

Note 2: Please fill in the remuneration amount to the managers resolved in the board meeting in the most recent year (including stock and cash). If the remuneration amount cannot be estimated, the amount to be distributed this year is to be estimated proportionally to the actual amount distributed last year. Corporate earnings shall be the net income after taxation. If IFRS has already been adopted, corporate earnings shall be the net income after taxation of individual entities or individual financial statements.

Note 3: According to Notice Tai-Tsai-Cheng-3-0920001301 dated 27 March 2003, the following managerial roles are subject to reporting:

- (1) President or equivalent
- (2) Vice President or equivalent
- (3) Assistant Manager or equivalent
- (4) Head of Finance
- (5) Head of Accounting
- (6) Any other authorized signatories involved in The Company's administrative affairs

Note 4: If directors, president and vice president receive employee remuneration (including stock and cash), this table should be filled out in addition to Exhibit 1.

4. Remuneration for the top five highest paid officers of the Company (names and method of remuneration should be disclosed individually)

Position	Name	Salary (A) (Note 2)		Severance Pay (B)		Bonuses and allowances etc. (C) (Note 3)		Profit sharing remuneration to employees (D) (Note 4)				The total amount of four items A, B, C and D and its proportion to the net profit after tax (%) (Note 6)		Compensation paid to directors from an invested company other than the Company's subsidiaries (Note 7)
		The company	Companies in the consolidated financial statements (Note 5)	The company	Companies in the consolidated financial statements (Note 5)	The company	Companies in the consolidated financial statements (Note 5)	The company		Companies in the consolidated financial statements (Note 5)		The company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
Vice Chairman	Chen- Hsiang Yao	3,201,539	3,201,539	267,172	267,172	2,394,721	2,490,721	26,679	0	26,679	0	5,890,111 (0.6016%)	5,986,111 (0.6114%)	3,077,819
President	Kuo- Hsing Hsu	4,928,311	8,905,350	444,864	444,864	4,106,573	4,307,883	40,944	0	40,944	0	9,520,692 (0.9725%)	13,699,041 (1.3993%)	408,000
Vice President	Jian-Hui Li	2,131,260	3,811,938	249,631	249,631	1,272,862	1,554,567	17,569	0	17,569	0	3,671,322 (0.3750%)	5,633,705 (0.5754%)	0
Vice President	Chin- Chuan Chen	2,368,648	3,431,353	262,358	262,358	1,305,252	1,427,458	19,043	0	19,043	0	3,955,301 (0.4040%)	5,140,212 (0.5250%)	0
Assistant Vice President	Che-Yu Cho	1,824,308	1,853,356	101,016	101,016	899,223	1,154,223	11,876	0	11,876	0	2,836,423 (0.2897%)	3,120,417 (0.3187%)	126,000

Note 1: The term "top five highest paid officers" refers to the managerial officers of the Company. The criteria for managerial officers are based on the scope of application of "managerial officers" as stipulated by the Securities and Futures Commission of the Ministry of Finance in its Order Tai-Cai-Sheng-San-Zi No. 0920001301 dated March 27, 2003. The "Top Five Highest Remuneration" calculation is based on the total amount of base salary, severance and pension, bonus and allowance received by the officers from all companies in the consolidated financial statements, as well as the amount of remuneration for employees (i.e., the total of the four items A+B+C+D), and then ranked by the top five highest remuneration. If a director is also the aforementioned officer, this table and the above table (7) 1 should also be filled in.

Note 2: This is for the salary, duty allowance and severance of the top five highest paid officers in the most recent year.

Note 3: This is for various bonuses, incentive payments, transportation fee, special expenses, various stipends, dormitories, company cars and other provisions for the top five highest paid officers in the most recent year. If houses, cars and other transportation or personal expenses are provided, the nature and cost of the provided assets, the actual rental or the rental calculated based on the fair value, fuel expense and other payments must be disclosed. If chauffeurs are provided, please include a note stating that the Company will pay the chauffeurs, but they payments will not be counted as remuneration. In addition, according to the salaries expense listed in the "Share-Based Payment" of IFRS 2, expenses including the employee stock option certificate acquirement, employee restricted stock and employee participation in cash capital increase and stock subscription must be counted in the remuneration.

Note 4: The amount of employee remuneration (including stock and cash) received by the top five highest paid officers in the most recent year should be disclosed as approved by the Board of Directors, and if the amount cannot be estimated, the proposed payment amount for this year should be calculated in proportion to the actual payment amount last year, and should also be listed in Exhibit (7) 3.

Note 5: The total amount of remuneration paid to the top five highest paid officers of the Company by all companies in the consolidated statements (including the Company) should be disclosed.

Note 6: Net income refers to the net income amount on the parent company only or individual financial reports in the most recent year.

Note 7: a. This column should explicitly state whether the top five highest paid officers of the Company "have" or "have not" received remuneration from investees other than subsidiaries.

b. Remuneration refers to the compensation or payment (including remuneration to employees, directors and supervisors) and business execution expenses of the top five highest paid officers of the Company in their capacity as directors, supervisors or officers of an investee enterprise other than a subsidiary.

※ The remuneration disclosed in this table is different from the concept of income in the Income Tax Act. This table is used for information disclosure, not taxation.

(VIII) Analysis of the total remuneration paid to directors, president, vice president and assistant vice president as a percentage of net profits after tax in the individual or standalone financial statements for the most recent 2 years by the Company and all companies in the consolidated financial statements, and explanation of the policies, criteria, combination, the procedures for determining remuneration and the correlation to operating performances and future risks.

1. Total remuneration paid to directors, president, and vice president as a percentage of net profits after tax in the individual or standalone financial statements:

Unit: NTD

	2025			2024		
	Total remuneration	Net profits after tax	Remuneration as a percentage of total net profits in the on standalone basis (%)	Total remuneration	Net profits after tax	Remuneration as a percentage of total net profits in the on standalone basis (%)
Director	39,654,603	979,013,307	4.0505%	61,119,299	3,954,678,846	1.5455%
President and Vice President	19,190,875	979,013,307	1.9602%	21,497,929	3,954,678,846	0.5436%

Note: Except for the permanent positions, which have established tasks and duties, and receive a fixed monthly salary, the rest are in accordance with Article 27 and Article 28 of the Company's Articles of Incorporation.

2. Total remuneration paid to directors, president, and vice president as a percentage of net profits after tax in the standalone financial statements by the Company and all companies in the consolidated financial statements:

Unit: NTD

	2025			2024		
	Total remuneration	Net profits after tax	Remuneration as a percentage of total net profits in the on standalone basis (%)	Total remuneration	Net profits after tax	Remuneration as a percentage of total net profits in the on standalone basis (%)
Director	63,422,295	979,013,307	6.4782%	82,762,085	3,954,678,846	2.0928%
President and Vice President	26,516,517	979,013,307	2.7085%	24,203,542	3,954,678,846	0.6120%

Note: Except for the permanent positions, which have established tasks and duties, and receive a fixed monthly salary, the rest are in accordance with Article 27 and Article 28 of the Company's Articles of Incorporation.

3. The policies, criteria, combination, the procedures for determining remuneration and the correlation to operating performances and future risks.

The Remuneration Committee is responsible for setting and regularly reviewing the annual and long-term performance goals and remuneration policies, systems, standards and structures of the Company's directors and managerial officers, regularly evaluating the achievement of the Company's directors' and managerial officers' performance goals, and considering the amount of remuneration, payment methods and future operational risks, and then submitting them to the Board of Directors for approval. For distribution items in the earnings distribution table, they must also be submitted to the shareholders' meeting for approval.

- (1) Remuneration policy for directors (independent directors included)

The Corporate Charter Article 28 stipulates that the Board of Directors are authorized to determine the remunerations for directors based on their individual contributions to the company and the industrial standards are taken for reference, while the independent directors shall receive fixed remunerations and attendance allowances. According to Article 27-1 of the Corporate Charter, remunerations for the directors (independent directors excluded) of the current year shall be no more than 0.5% of the current business profit, if any.

Remunerations for the directors (Chairman and independent directors excluded) are based on the indicators of the established "Board Evaluation Guideline" which includes

participation in the corporate operations, professionalism and continuous learning, and internal control.

(2) Managerial officer compensation policy

Yulon Motor has established a managerial officer compensation system and formulated reasonable compensation in conjunction with corporate governance and sustainable operation and development. In addition, the “Performance Evaluation Measures” have been established. In addition to departmental targets and daily management performance, the evaluation items for managerial officers also include corporate governance, social participation, sustainable environment, and other aspects within the scope of evaluation. The remuneration ratio is calculated after comprehensive consideration of the Company’s overall profit margin, target achievement rate, operating efficiency, contribution, and other factors, in order to provide reasonable remuneration, enhance operating performance, strengthen responsible management, and serve as a reference for compensation, promotion incentives, and development cultivation. It shall be reviewed promptly based on actual operating conditions and relevant laws and regulations.

To strengthen corporate governance, promote sustainable development, and to expand the linkage between sustainability indicator performance and the compensation of senior managerial officers (General Manager and Deputy General Manager), the Company has established a sustainability indicator (weighting 5%) in its annual major KPIs: promoting net-zero waste reduction and obtaining the ISO 14064-1 verification certificate for the 2024 organizational greenhouse gas inventory in 2025; reducing carbon intensity by more than 4.2% annually, with the expectation of achieving a 30% carbon reduction in 2025 compared with 2021. The target is supervised and implemented by the Deputy General Manager and senior managerial officers, and progress toward achievement is monitored through monthly meetings presided over by the General Manager to strengthen the implementation and execution of the Company’s sustainable development policy.

Principles for calculating managerial officer remuneration:

1. Salary: Salary is determined with reference to industry standards as well as individual performance, job title, job grade (level), education and experience, professional competence, and responsibilities.
2. Bonuses: In addition to the Dragon Boat Festival and Mid-Autumn Festival bonuses, and a fixed year-end bonus of two months, additional year-end bonuses are allocated based on the current year’s operating profit. Team bonuses are allocated based on non-operating income and then distributed according to individual performance.
3. Retirement benefits: For managerial officers subject to the pension system under the Labor Standards Act, the Company shall separately raise funds to pay pensions; for managerial officers subject to the new labor pension system, the Company makes monthly contributions to individual labor pension accounts.
4. Employee bonuses: According to Article 27-2 of the Company’s Articles of Incorporation, if the Company has operated at a profit, it must allocate at least 0.1% of its annual earnings as employee bonuses for that year.

II. The operation of corporate governance

(I) The Function of the Board of Directors

For the most recent year, the Board of Directors held 6 meetings, and the attendance of directors and independent directors is as follows.

Position	Name (Note 1)	Number of attendance in person	Number of attendance by proxy	Attendance in person (%) (Note 2)	Remarks (Note 2)
Chairman	Tai Yuen Textile Co., Ltd. Representative: Yen Chen Li-Lien	6	0	100%	
Vice Chairman	Tai Yuen Textile Co., Ltd. Representative: Chen-Hsiang Yao	6	0	100%	
Director	China Motor Corporation Representative: Shin-I Lin	4	2	66.67%	
Director	China Motor Corporation Representative: Liang Zhang	5	1	83.33%	
Director	Yen Ching-Ling's Foundation Representative: Kuo-Hsing Hsu	6	0	100%	
Independent Director	Chia-juí Ou	4	0	100%	Newly elected on July 1, 2025
Independent Director	Ming-Lei Chang	4	0	100%	Newly elected on July 1, 2025
Independent Director	Yun-Hua Yang	6	0	100%	
Independent Director	Zhongqi Zhou	2	0	100%	Relieved of office on June 30, 2025
Independent Director	Yen-Chin, Tsai	2	0	100%	Relieved of office on June 30, 2025

Other notes:

- I. For board of directors meetings that meet any of the following descriptions, state the date, session, the discussed agenda, independent directors' opinions and how the company has responded to such opinions:
 - (I) The content of the particulars described in Article 14-3 of the Securities and Exchange Act: The Company has established an Audit Committee in July 2016, therefor, Article 14-5 of the Securities and Exchange Act is applicable, excluding Article 14-3 of the Securities and Exchange Act, please refer to the description of the "Operation of the Audit Committee" for relevant resolutions.
 - (II) Except for the aforementioned matters, the resolutions reached by the Board of Directors with the objections or reservations of the independent directors documented or declared in writing: None.
- II. The recusal of the directors from motions that involved a conflict of interest. (Specify the names of the directors, the content of the motions, and reason for recusal, and the participation in voting):
The Company has established the "Procedure for Board of Directors Meetings," which stipulates the terms of recusal of directors from motions involving conflict of interest and handles it in accordance with the relevant regulations.
- III. Information on the periodicity and period, scope, method and content of the self-evaluation (or peer evaluation) by the Board of Directors:
Please refer to Note 3 for the implementation of the Board of Directors' evaluation.
- IV. Evaluation of the current and most recent year's objectives for enhancing the functions of the Board of Directors (e.g., establishing an audit committee, enhancing information transparency, etc.) and their implementation.
 1. In addition to the establishment of the Remuneration Committee as approved by the Board of Directors on August 26, 2011, the Company also elected two independent directors for the 14th term at the 2013 regular shareholder meeting in accordance with Article 14-2 of the Securities and Exchange Act, with a view to strengthening the functions of the Board of Directors and enhancing the effectiveness of corporate governance, and established an Audit Committee in July 2016 to replace the former supervisory system to strengthen the internal control mechanism of the Company.
 2. In addition, in order to comply with the international trend of corporate governance, the Company formed the Sustainable Development Committee Charter in 2022 and revised the "Procedure for Board of Directors Meetings" and "Audit Committee Charter" on March 7, 2024 in order to continuously improve corporate governance.
 3. To enhance the transparency of information, the Company announces important resolutions on the Market Observation Post System (MOPS) immediately after the Board of Directors' meetings and updates the relevant organizational rules on the Company's website to protect shareholders' rights and interests and to enhance investors' understanding and recognition of the Company.
 4. On November 9, 2015, the Company approved the "Board of Directors Evaluation Measures," and completed its third amendment on November 10, 2020. According to the policy, the Company has conducted annual internal performance self-evaluations and board external performance evaluations, and has engaged an external professional independent institution to perform an evaluation at least once every three years. The most recent external performance evaluation

of the Board of Directors was conducted in 2024, with an overall average score of 4.75 (out of 5). The evaluation report has been submitted to the March 2025 Board of Directors meeting. Internal evaluations of the 2025 Board of Directors, Board members, and functional committee resulted in scores between 98.93 and 100.

- Note 1: If directors and supervisors are institutions, names of shareholders and the representative of the institutions shall be disclosed.
- Note 2: (1) In the event that directors or supervisors leave before a year is completed, the date when they leave should be indicated in the memo column. The actual attendance (seated) rate (%), on the other hand, shall be calculated by the number of board of directors meetings held during service and the frequency number of attendance (being seated) in the meetings.
- (2) Before a year is completed, upon any re-election of directors or supervisors, names of the said directors/supervisors, new and old, shall be listed and it shall be specified in the remark column that a specific director or supervisor is old, new, or re-elected, and the date of re-election. The actual attendance (seated) rate (%), on the other hand, is to be calculated by the number of board of directors meetings held during service and the frequency number of attendance (being seated) in the meetings.
- Note 3: the implementation of the Board of Directors' evaluation

Evaluation periodicity	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Once in every three years	January 1, 2024 to December 31, 2024	1. Board of Directors	External evaluation	1. Evaluation of the operation of the Board of Directors (1) Professional skills (2) Decision making efficacy (3) Internal control (4) Corporate Social Responsibility
Once a year	January 1, 2025 to December 31, 2025	1. Operation of the Board of Directors (2025 internal evaluation) 2. Board member 3. Audit Committee 4. Remuneration Committee 5. Sustainable Development Committee	Self-evaluation	1. Evaluation of the operation of the Board of Directors (2025): (1) Participation in the operation of the Company (2) Quality of the Board of Directors' decision making (3) Composition and structure of the Board of Directors (4) Election and continuing education of the directors (5) Internal control 2. Self-evaluation of directors (1) Participation in the operation of the Company (2) Election and continuing education of the directors (3) Internal control (4) Understanding of the Company and perception of responsibilities 3. The operation of the Audit Committee: (1) Participation in the operation of the Company (2) Improvement in the quality of the committee's decision-making. (3) Committee composition and election (4) Internal control 4. Operation of the Remuneration and Sustainable Development Committee: (1) Participation in the operation of the Company (2) Improvement in the quality of the committee's decision-making. (3) Composition and structure of the committee (4) Appointment of the committee member

(II) The operation of the Audit Committee:

The Audit Committee of the Company was established on July 1, 2016 to oversee the quality and integrity of the Company's performance in relation to the fair presentation of financial statements, the effective implementation of internal controls, the selection (dismissal) of CPAs, independence, competence, and compliance with relevant laws and regulations.

Information on the operation of the Audit Committee

The Audit Committee met five times (A) in the most recent year to consider matters including audit of financial statements, assessment of the effectiveness of the internal control system, significant asset or derivative transactions, significant funds lending and endorsement and guarantees, legal compliance and appointment of CPAs, their independence, performance evaluation and professional fees, and the attendance of independent directors as follows.

Position	Name	Number of actual attendees(B)	Number of attendance by proxy	Attendance rate (%) (B/A) (Note 1, 2)	Note
Independent Director	Chia-jui Ou	3	0	100%	(1) with management expertise (2) Newly elected on July 1, 2025
Independent Director	Ming-Lei Chang	3	0	100%	(1) with financial expertise (2) Newly elected on July 1, 2025
Independent Director	Yun-Hua Yang	5	0	100%	(1) with legal expertise (2) Reappointed on July 1, 2025
Independent Director	Zhongqi Zhou	2	0	100%	(1) with management and financial expertise (2) Relieved of office on June 30, 2025
Independent Director	Yen-Chin, Tsai	2	0	100%	(1) with financial expertise (2) Relieved of office on June 30, 2025

Other notes:

I. If the Audit Committee operation falls under any of the following circumstances, the date, session, proposals of the Committee meeting, as well as objections, reservations or material suggestions from independent directors, and meeting resolutions, and the Company's response to the Committee's opinions should be explicitly stated.

(I) The content of the particulars inscribed in Article 14-5 of the Securities and Exchange Act.

Date of the Audit Committee meeting	Session of the Audit Committee meeting	Summary of the motion	Committee members who should recuse themselves and the reasons	Independent Director and Audit Committee's opinion	The Company's handling of the Audit Committee's opinion
2025/3/4	14th interim meeting of the 3rd Audit Committee	The Company's 2024 final operating reports	None	Approved as submitted.	Executed as resolved
2025/3/4	14th interim meeting of the 3rd Audit Committee	For the distribution of earnings of the Company in 2024	None	Approved as submitted.	Executed as resolved
2025/3/4	14th interim meeting of the 3rd Audit Committee	Amendment to certain provisions of the Company's "Articles of Incorporation."	None	Approved as submitted.	Executed as resolved
2025/3/4	14th interim meeting of the 3rd Audit Committee	The Company's endorsement and guarantee facility for 2025	None	Approved as submitted.	Executed as resolved
2025/3/4	14th interim meeting of the 3rd Audit Committee	The Company's bank facility application for 2025	None	Approved as submitted.	Executed as resolved
2025/3/4	14th interim meeting of the 3rd Audit Committee	The Company's issuance of Letter of Operating Support (LOS) in 2025.	None	Approved as submitted.	Executed as resolved
2025/3/4	14th interim meeting of the 3rd Audit Committee	Appointment and professional fees of CPAs and evaluation of their Independence and competence for 2025	None	Approved as submitted.	Executed as resolved

Date of the Audit Committee meeting	Session of the Audit Committee meeting	Summary of the motion	Committee members who should recuse themselves and the reasons	Independent Director and Audit Committee's opinion	The Company's handling of the Audit Committee's opinion
2025/3/4	14th interim meeting of the 3rd Audit Committee	The Company's Statement of Internal Control System for 2024	None	Approved as submitted.	Executed as resolved
2025/3/4	14th interim meeting of the 3rd Audit Committee	To adjust the Chief Information Security Officer, Head of Finance, Head of Accounting, and the Chief Sustainability Officer.	None	Approved as submitted.	Executed as resolved
2025/3/4	14th interim meeting of the 3rd Audit Committee	Amendment to the Company's "Internal Control System for Payroll Cycle and Internal Audit Implementation Rules for the Remuneration Cycles"	None	Approved as submitted.	Executed as resolved
2025/3/4	14th interim meeting of the 3rd Audit Committee	The Company's 2025 routine non-assurance services for CPAs	None	Approved as submitted.	Executed as resolved
2025/5/6	15th interim meeting of the 3rd Audit Committee	Financial statements of the Company for 2025 Q1	None	Approved as submitted.	Executed as resolved
2025/8/6	1st interim meeting of the 4th Audit Committee	Financial statements of the Company for 2025 Q2	None	Approved as submitted.	Executed as resolved
2025/8/6	1st interim meeting of the 4th Audit Committee	Proposal for the Company to adjust the spokesperson, acting spokesperson, and corporate governance officer	None	Approved as submitted.	Executed as resolved
2025/11/4	2nd interim meeting of the 4th Audit Committee	Financial statements of the Company for 2025 Q3	None	Approved as submitted.	Executed as resolved
2025/11/4	2nd interim meeting of the 4th Audit Committee	The Company's donation to the Wu Shun-Wen's News Scholarship Foundation	None	Approved as submitted.	Executed as resolved
2025/11/4	2nd interim meeting of the 4th Audit Committee	Disposal of the Company's equity interest in its subsidiary, Luxgen Motor Co., Ltd.	None	Approved as submitted.	Executed as resolved
2025/11/4	2nd interim meeting of the 4th Audit Committee	The Company's 2026 audit plan	None	Approved as submitted.	Executed as resolved
2025/11/4	2nd interim meeting of the 4th Audit Committee	Amendments to certain provisions of the internal control systems for stock operations of the Company	None	Approved as submitted.	Executed as resolved
2025/11/4	2nd interim meeting of the 4th Audit Committee	Amendment to certain provisions of the Company's "Articles of Incorporation."	None	Approved as submitted.	Executed as resolved
2025/12/16	3rd interim meeting of the 4th Audit Committee	Amendments to the Company's "Regulations Governing Approval Authority"	None	Approved as submitted.	Executed as resolved
2025/12/16	3rd interim meeting of the 4th Audit Committee	Disposal of the Company's equity interest in its subsidiary, Luxgen Motor Co., Ltd.	None	Approved as submitted.	Executed as resolved
2025/12/16	3rd interim meeting of the 4th Audit Committee	Estimation of the Company's purchases and sales with related parties in 2026	None	Approved as submitted.	Executed as resolved
2025/12/16	3rd interim meeting of the 4th Audit Committee	Amendments to certain provisions of the Company's "Regulations Governing the Issuance and Conversion of the 3rd Domestic Unsecured Convertible Corporate Bonds"	None	Approved as submitted.	Executed as resolved

(II) In addition to the aforementioned motions, other motions without approval by the Auditing Committee but passed by the Board with 2/3 of the Directors: None.

II. With respect to the avoidance of conflicting interest agendas, describe the names of independent directors, details of the relevant agendas, reasons for avoiding conflicting interest, and the voting decisions.
 The Company has established the "Audit Committee Charter," which stipulates the terms of recusal of independent director members of the committee from motions involving conflict of interest and handles it in accordance with the relevant regulations.

III. Communication between the Independent Director and the internal audit supervisor and CPAs (e.g., discussions of major affairs on the Company’s financial status and business performance, the methods through which the discussions were carried out and the results, etc.)

1. Highlights of the separate communication between independent directors and internal audit officer

Date	Independent Director and Head of Audit	Committee members' opinions
2025/3/4	1. Items and progress of the 2025 audit reporting 2. Report on the results of routine audits 3. The Company’s Statement of Internal Control System for 2024 4. Amendments to certain provisions of the “Detailed Rules for Internal Audit Implementation of the Payroll Cycle”	No opinion
2025/5/6	1. Summary of directors’ statements and subsequent implementation status at the 14th meeting of the Board of Directors of the 17th Term 2. Explanation of new regulations and the results of external audits by the Taiwan Depository & Clearing Corporation 3. Reportable items for 2025 audit operations 4. Report on the results of routine audits	No opinion
2025/8/6	1. Implementation status of reportable items for 2025 audit operations 2. Report on the results of routine audits 3. Report on the results of the compliance project audit of the payroll cycle of subsidiaries	No opinion
2025/11/4	1. Report on the results of routine audits 2. Explanation of case handling 3. Explanation of the 2026 annual audit plan 4. Other report	No opinion
2025/12/16	1. Reportable items and implementation report 2. Explanation of previous case handling 3. Report on the results of separate audits and improvement follow-up 4. 2026 subsidiary self-audit plan 5. Progress of subsidiaries’ self-audits in 2025	No opinion

2. Highlights of the separate communication between independent directors and CPAs

Date	Communication topics between independent directors and CPAs	Committee members' opinions
2025/3/4 (Pre-audit meeting)	1. Overview of the scope, methods, and results of the Group’s 2024 review 2. Description of significant accounting policies, estimates, events, or transactions 3. Description of significant risks and key audit matters 4. Description of the Group’s audit strategy and the audit results of component entities 5. Description of audit results for the 2024 Parent Company Only Financial Statements and Consolidated Financial Statements 6. Other suggestions and communication matters	No opinion
2025/5/6 (Pre-audit meeting)	1. Overview of the scope, methods, and results of the Group’s review for Q1 2025 2. Description of significant accounting policies, estimates, events, or transactions 3. Description of the review results of the Consolidated Financial Statements for Q1 2025 4. Updates to standards and regulations	No opinion
2025/8/6 (Pre-audit meeting)	1. Overview of the scope, methods, and results of the Group’s review for Q2 2025 2. Description of significant accounting policies, estimates, events, or transactions 3. Description of the review results of the Consolidated Financial Statements for Q2 2025	No opinion
2025/11/4 (Pre-audit meeting)	1. Overview of the scope, methods, and results of the Group’s review for Q3 2025 2. Description of the review results of the Consolidated Financial Statements for Q3 2025 3. Description of significant accounting policies, estimates, events, or transactions 4. Planning for the audit of annual financial statements 5. Description of the identification of significant risks and key audit matters 6. Description of updates to laws, regulations, and standards	No opinion

Note 1: In the event that independent directors leave before a year is completed, the date when they leave should be indicated in the memo column. The actual attendance (seated) rate (%), on the other hand, shall be calculated by the number of Audit Committee meetings held during service and the frequency number of attendance (being seated) in the meetings.

Note 2: Before the end of the year, if there was an election of directors and supervisors, the names of new and former directors and supervisors should be filled in and the company should remark in the remarks section whether the directors and supervisors are former, newly elected, or reelected, as well as the day of the reelection. The actual attendance rate to committee session (%) shall be calculated on the basis of the number of sessions held by the Audit Committee in such period and the attendance in person in the sessions.

(III) The operation of corporate governance:

Item	Actual governance (Note 1)		Summary	The variation with the “Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies,” and the reasons for the variation
	Yes	No		
I. Has the Company formulated and disclosed its corporate governance practice principles in accordance with the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?”	V		The Company has established the Best-Practice Principles for Corporate Governance which have been disclosed on the Market Observation Post System and the Company’s website.	In compliance with the “Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies.”
II. The shareholdings structure and shareholders’ equity of the Company				
(I) Has the Company established internal operating procedures to handle shareholder recommendations, doubts, disputes and litigations, and implemented them in accordance with the procedures?	V		(I) The Company convenes shareholders' meetings in accordance with the provisions of the Company Act and related laws and regulations, and has established complete rules of meeting procedure, and implemented matters that should be resolved by the shareholders' meetings in accordance with the rules of procedure. In addition, the Company has a spokesperson to respond to shareholders' suggestions or questions, and a dedicated stock affairs unit as the service window to handle related matters.	In compliance with the “Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies.”
(II) Does the Company have a list of the major shareholders who actually control the Company and those who ultimately have control over the major shareholders?	V		(II) The Company keeps abreast of the shareholding by directors, managers and the shareholders whose shareholdings are among the top ten.	In compliance with the “Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies.”
(III) Has the Company established and implemented risk control and firewall mechanisms between affiliated companies?	V		(III) The Company implements the risk control and firewall mechanism for affiliates in accordance with the "Processing Procedures for Related-Person Transactions", "Operating Procedures for Capital Lending to Others", "Management Measures for Endorsements & Guarantees" and other specifications.	In compliance with the “Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies.”
(IV) Has the Company formulated internal regulations to prevent insiders from trading securities using undisclosed information on the market?	V		(IV) The Company has established the “Management Measures for Preventing Insider Trading,” which clearly regulate the targets of insider trading, the filing and announcement of insider information, the disclosure of material information, and the handling of such disclosure. The Measures are also posted on the Company's website.	In compliance with the “Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies.”
III. Composition and responsibility of the Board of Directors				
(I) Has the Board of Directors formulated and implemented a diversity policy on membership?	V		The Company's Corporate Governance Best Practice Principles have stipulated that the composition of the Board of Directors should be determined with diversity in consideration, and has formulated appropriate diversity policy (basic criteria and values, professional knowledge and skills...) with respect to its operations, business model and development needs and implemented them. The 18th Board has two female director, Yen Chen Li-Lien, Ming-	In compliance with the “Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies.”

Item	Actual governance (Note 1)		Summary	The variation with the “Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies,” and the reasons for the variation
	Yes	No		
(II) In addition to the Remuneration Committee and the Audit Committee established in accordance with law, has the Company voluntarily set up other functional committees?	V		<p>Lei Chang, and all board members are equipped with various professional skills. Chairwoman Yen Chen Li-Lien, Vice Chairman Chen-Hsiang Yao, Director Lin Shin-I Kuo-Hsing Hsu and Chien-Shun Liao, Independent Director Chia-jui Ou are experts in leadership, operational judgment, business administration, crisis handling, industrial knowledge and global views, while Independent Director Yang Yun-Hua are experts in legal affairs, and Director Zhang Liang and Independent Director Ming-Lei Chang are experts in economic financing.</p> <p>The Company’s board includes 33% independent directors and a proportion of female directors of 22%. One independent director has served for 1 to 3 years, while two have served for less than 1 year. Three directors were over 71 years old, three were between 61 and 70 years old, and three were between 51 and 60 years old.</p> <p>(I) The "Corporate Governance Best Practice Principles" defines standards in two major aspects to formulate diversity policy based on the business, operations and development needs.</p> <p>(1) The prerequisites and value norms for the board composition require that female directors take up to one third of the board seats for the goal of diversity.</p> <p>(2) The Company also places emphasis on the professional knowledge and skills of its Board of Directors. In addition to the professional knowledge and skills in the automotive industry and business management, the Company has directors with 22% of the professional knowledge in finance, and 11% of the professional knowledge in law.</p> <p>(II) Considering the size of the Company's Board of Directors and the number of independent directors, in addition to establishing a Remuneration Committee and Audit Committee as required by law, the Company has set up internal control management mechanisms and projects, operations and decision-making meetings for each business. Through such meetings, important issues are evaluated to provide the Board of Directors with input to carry out its oversight responsibilities. The Company has set up an Audit Committee to replace supervisors in July 2016, a CSR Committee (ESG Committee) in 2018 and a Sustainable Development Committee in 2022 to actively practice sustainable</p>	In compliance with the “Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies.”

Item	Actual governance (Note 1)		Summary	The variation with the “Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies,” and the reasons for the variation
	Yes	No		
(III) Whether the Company has formulated board performance evaluation measures and methods, conducts performance evaluations annually and regularly, and reports the results of performance evaluations to the Board of Directors, and uses them as a reference for individual directors' remuneration and nomination for reappointment?	V		<p>development while engaging in business operations in accordance with the Sustainable Development Best-Practice Principles, so as to keep up with the international trend of balancing the development of environment, social and corporate governance and promote corporate responsibility-based competitive advantages.</p> <p>(III) On November 9, 2015, the Company adopted the “Board of Directors Evaluation Measures,” which stipulates that the Company's Board of Directors shall conduct a performance evaluation of the Board of Directors and its members at least once a year as a reference for the election of directors and the remuneration of directors, and that the evaluation shall be conducted by an external professional and independent organization or a team of external experts and scholars at least once every three years. In November 2020, the Company completed the amendment of certain provisions of the “Board of Directors Evaluation Measures,” which was approved by the Board of Directors. The Company has completed the internal evaluation of the Board of Directors, Board Members and Functional Committee and the external evaluation of the Board of Directors for 2024 in December 2024. The internal evaluation of the Board members and functional committees was completed in December 2024. The evaluation results ranged from 97.85 to 100. The external evaluation of the Board's operations was completed, with an average score of 4.75 (out of 5). According to the results of the Board of Directors' performance evaluation in 2024, the overall operation of the Board of Directors is sound. The results of internal evaluation of the Board operation, Board of Directors, Board members and Functional Committee for 2025 were rated 98.93–100 points.</p>	<p>In compliance with the “Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies.”</p>
(IV) Does the Company regularly evaluate the independence of the attesting CPAs?	V		<p>(IV) The Company prepared the CPA Independence and Suitability Assessment Sheet with reference to the Bulletin of the Code of Ethics for Certified Public Accountant of the Republic of China No. 10 - "Integrity, Objectivity and Independence" and the 13 Audit Quality Index (AQI) items (please refer to Note 1 for details). The Company has obtained the declaration of independence and the AQI Report from the CPA firm, and the Audit Committee and the Board of Directors</p>	<p>In compliance with the “Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies.”</p>

Item	Actual governance (Note 1)		Summary	The variation with the “Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies,” and the reasons for the variation
	Yes	No		
			regularly (once a year) in order to evaluate the independence and suitability of the CPAs. The evaluation of the independence and suitability of CPAs in 2025 was completed and approved by the Audit Committee and Board of Directors in March 2025.	
IV. Does the Company as a listed company have suitable and appropriate number of corporate governance personnel and appoint a corporate governance officer to be responsible for corporate governance related matters (including but not limited to providing information necessary for directors and supervisors to perform their business, assisting directors and supervisors to comply with laws and regulations, conducting board meetings and shareholders’ meetings related matters in accordance with law, handling company registration and alteration registration, and preparing minutes of board meetings and shareholder meetings, etc.)?	v		<p>The corporate governance officer of the Company was appointed as approved by the Board of Directors on August 7, 2025, and is the Assistant VP of the Strategy Development Department, who has more than 3 years of experience in financial and meeting administration in public companies, and is in compliance with the establishment criteria. A corporate governance group has also been established to handle corporate governance related matters.</p> <p>The corporate governance officer is responsible for corporate governance-related matters and the protection of shareholders' rights and interests, as well as strengthening the functions of the Board of Directors, including providing information necessary for directors and independent directors to carry out their business, assisting directors and independent directors to strictly comply with the law, handling matters related to meetings of the Board of Directors and shareholders' meetings in accordance with the law, handling business registrations and change registrations, and preparing minutes of Board of Directors meetings and shareholder meetings, etc.</p> <p>The execution of the function for 2025:</p> <ol style="list-style-type: none"> 1. Assisted independent directors and regular directors in carrying out their duties, provided necessary information and arranged for directors' further education. 2. Assisted in the proceedings and resolutions of the board of directors meetings and shareholders' meetings 3. Execution of directors' liability insurance for 2025 and reported to the Board of Directors meeting in May. 4. In order to implement corporate governance, a performance evaluation of the Board of Directors, Directors, and various functional committees for 2025 was conducted and with a report presented to the Board of Directors in March 2026. 5. In 2025, the Company held four corporate briefings to disclose the necessary information to market investors, so that the shareholders' rights and interests were well protected. 6. In 2025, the general shareholders' meeting was convened early in May, the date of the 	In compliance with the “Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies.”

Item	Actual governance (Note 1)		Summary	The variation with the “Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies,” and the reasons for the variation
	Yes	No		
			<p>shareholders' meeting was registered according to laws, the meeting notice, meeting handbook, and minutes were prepared before the statutory deadline.</p> <p>7. Notified the directors of the proposed agenda 7 days in advance of the board meeting, convened the meeting and provided meeting materials, and completed and sent the minutes of the board meeting afterwards.</p> <p>8. Assisted in the operation of functional committees such as the Audit Committee, Remuneration Committee and Sustainable Development Committee, including convening meetings and providing meeting materials, and sending the committee meeting minutes after the meetings.</p> <p>9. Promoted the blueprint for sustainable development of corporate governance and strive for the top 5% of TWSE/TPEX-listed companies in terms of governance evaluation, including protecting shareholders' rights and interests, treating shareholders equally, strengthening the structure and operation of the Board of Directors, improving information transparency, and promoting sustainable development.</p> <p>Continuing education in 2025:</p> <p>1. Trump’s policies and their impact on global affairs and Taiwan, along with corporate sustainability in a changing world (3 hours) -> organized by the Taiwan Corporate Governance Association</p> <p>2. Risks and information security issues in the age of AI, and sustainability-driven risk management (3 hours) -> organized by the Taiwan Corporate Governance Association</p> <p>3. Director, supervisor, and corporate governance officer series courses [Corporate Governance, the principle of fair treatment of customers, and Financial Consumer Protection] (3 hours) -> organized by the Taiwan Securities and Futures Market Development Foundation</p>	
V. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers, etc.) and a special section for stakeholders on the Company's website, and responded appropriately to important corporate social responsibility issues that are of concern to stakeholders?	V		Stakeholders (customers, employees, shareholders, suppliers, distributors, community) can communicate with the Company through the business departments or spokesperson, and we have set up an investor relations contact window on our website to provide information , or they can contact us by phone, fax or e-mail along these smooth channels.	In compliance with the “Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies.”

Item	Actual governance (Note 1)		Summary	The variation with the “Corporate Governance Best Practice Principles for TWSE or TPEx Listed Companies,” and the reasons for the variation
	Yes	No		
VI. Has the Company appointed a professional stock affairs agency to handle matters for shareholders’ meetings?		V	In order to have good control of the list of the major shareholders who actually control the Company and those who ultimately have control over the major shareholders in a timely matter, the Company handles its own stock affairs. To ensure that shareholders' meetings are held in a legal, effective and safe manner, an internal control system and internal audit procedure of stock affairs have been established, and the Company is subject to regular external audits by the Taiwan Depository & Clearing Corporation every year.	In order to have good control of the list of the major shareholders who actually control the Company and those who ultimately have control over the major shareholders in a timely matter, the Company handles its own stock affairs.
VII. Information disclosure (I) Has the Company set up a website to disclose finance and business matters and corporate governance information? (II) Has the Company adopted other means of information disclosure (such as setting up an English website, appointing dedicated personnel responsible for the collection and disclosure of Company information, implementing a spokesperson system, posting the Company's earnings calls on its website, etc.)? (III) Has the Company announced and declared its financial report within 2 months after the end of the fiscal year, and announced and declared the quarterly financial report of Q1, Q2, and Q3 and the monthly business report before the deadline?	V	V	(I) The Company has set up a website to disclose financial and operational information in a timely manner. The Company’s website: http://www.yulon-motor.com.tw . (II) The Company has dedicated personnel responsible for the collection of corporate information and disclosure of important matters, and has implemented a spokesperson and acting spokesperson system; corporate briefing presentations are also available on the website and an English website has been set up to achieve the purpose of full disclosure of information. (III) The annual, quarterly and monthly financial statements are currently reported within the legal deadlines.	In compliance with the “Corporate Governance Best Practice Principles for TWSE or TPEx Listed Companies.” In compliance with the “Corporate Governance Best Practice Principles for TWSE or TPEx Listed Companies.” In compliance with the “Corporate Governance Best Practice Principles for TWSE or TPEx Listed Companies.”
VIII. Does the Company have other important information that is helpful to understand its implementation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, continuing education of directors and supervisors, Implementation of risk management policies and risk measurement standards, implementation of customer policies, the Company’s purchase of liability insurance for directors and supervisors, etc.)?	V		1. Employee rights and interests and care: Please refer to the description under "Industrial Relations" in Section 5 of Chapter IV of this Annual Report. 2. Investor relations The Company has a stock affairs unit to serve as a bridge between the Company and its shareholders, and a spokesperson system to provide a window of contact with shareholders and institutional investors. 3. Supplier relations The Company deals with our suppliers based on the concept of co-existence and co-prosperity. We have a dedicated internal unit to monitor and counsel our suppliers, and we have an incentive system to reward suppliers for their excellent performance. The communication channels with suppliers are also diversified and effective. In addition, we have established the “Practice Standards for	In compliance with the “Corporate Governance Best Practice Principles for TWSE or TPEx Listed Companies.”

Item	Actual governance (Note 1)			The variation with the “Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies,” and the reasons for the variation
	Yes	No	Summary	
			Safety and Health Management of Outsourcing Contractors” and “Regulations for the Management of Operations in Outsourcing Contractors' Sites,” which require us to cooperate with suppliers and follow the relevant regulations on environmental protection, safety and health issues, and jointly strive to enhance corporate social responsibility. 4. Rights of Stakeholders. The Company respects and protects the legitimate rights and interests of the stakeholders, and establishes different communication methods to facilitate the effective communication of the opinions of each stakeholder in a timely manner.	

5. The continuing education of directors and independent directors (2025.01.01 - 2025.12.31)

Position	Name	Course organizer	Course name	Training hours	Note
Chairman	Yen Chen Li-Lien	Taiwan Corporate Governance Association	Trump’s policies and their impact on global affairs and Taiwan, along with corporate sustainability in a changing world; risks and information security issues in the age of AI; and sustainability-driven risk management: Challenges beyond corporate boundaries	6	
Vice Chairman	Chen-Hsiang Yao	Taiwan Corporate Governance Association	Trump’s policies and their impact on global affairs and Taiwan, along with corporate sustainability in a changing world; risks and information security issues in the age of AI; and sustainability-driven risk management: Challenges beyond corporate boundaries	6	
Director	Shin-I Lin	Taiwan Corporate Governance Association	Trump’s policies and their impact on global affairs and Taiwan, along with corporate sustainability in a changing world; risks and information security issues in the age of AI; and sustainability-driven risk management: Challenges beyond corporate boundaries	6	
Director	Liang Zhang	Taiwan Corporate Governance Association	Trump’s policies and their impact on global affairs and Taiwan, along with corporate sustainability in a changing world; risks and information security issues in the age of AI; and sustainability-driven risk management: Challenges beyond corporate boundaries; Employee remuneration tools and case sharing	9	

Item			Actual governance (Note 1)			The variation with the “Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies,” and the reasons for the variation
			Yes	No	Summary	
Director	Chien-Shun Liao	Taiwan Corporate Governance Association			Trump’s policies and their impact on global affairs and Taiwan, along with corporate sustainability in a changing world; risks and information security issues in the age of AI; and sustainability-driven risk management: Challenges beyond corporate boundaries	6
Director	Kuo-Hsing Hsu	Taiwan Corporate Governance Association			Trump’s policies and their impact on global affairs and Taiwan, along with corporate sustainability in a changing world; risks and information security issues in the age of AI; and sustainability-driven risk management: Challenges beyond corporate boundaries	6
Independent Director	Chia-jui Ou	Taiwan Corporate Governance Association			Trump’s policies and their impact on global affairs and Taiwan, along with corporate sustainability in a changing world; risks and information security issues in the age of AI; and sustainability-driven risk management: Challenges beyond corporate boundaries	6
Independent Director	Ming-Lei Chang	Taiwan Academy of Banking and Finance			Corporate Governance Forum – Anti-Money Laundering and Fraud Prevention Senior Lecture; Corporate Governance Forum – ESG and Corporate Sustainable Development.	6
Independent Director	Yun-Hua Yang	Corporate Operating and Sustainable Development Association			Promote corporate sustainable development through risk management; an analysis of corporate governance risk from the perspective of securities law prosecutors	6

6. Implementation of risk management policies and risk measurement standards.
Please refer to the description under “Risk Management and Assessment” in Chapter V, Section 6 of this Annual Report.

7. Implementation of consumer or customer protection policies:
The Company has a 24-hour 0800 toll-free telephone consultation service line, which provides a comprehensive channel of consultation and services for consumers' rights and interests, including inquiries about dealership business and service locations, new car information, towing assistance, customer needs assistance, advice and complaints handling, etc.

8. The company’s purchase of liability insurance for directors and independent directors.
The directors and independent directors of the Company have performed their duties in good faith and with due care and attention, and no litigation or illegal acts have occurred. However, in order to fully protect the interests of stakeholders, the Company appointed Tokio Marine Newa Insurance Co., Ltd. to plan and underwrite the directors' liability insurance from July 1, 2025 to June 30, 2026.

Item	Actual governance (Note 1)			The variation with the “Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies,” and the reasons for the variation
	Yes	No	Summary	
<p>IX. Please describe the improvements that have been made in response to the corporate governance evaluation results issued by the Corporate Governance Center of the Taiwan Stock Exchange in the most recent year, and propose priorities and measures for those not yet improved: (Not applicable to the companies that are not subject to the evaluation)</p> <p>In the 12th Corporate Governance Evaluation, improvement for the indicators with no points achieved in the 11th Session was proposed as follows:</p>				
Indicators with no points achieved in the 11th Session 2024		Countermeasures in the 12th Session 2025		
Does the Company report the remuneration paid to directors at the general shareholders' meeting, including the remuneration policy, details and amounts of individual remunerations?		Considering the schedule and agenda of the shareholders' meeting, only the directors' remuneration, remuneration policy, individual remuneration and amount of the directors are submitted to the annual report of the shareholders' meeting.		
Has the Company published the annual financial report certified by the CPA within two months after the end of the fiscal year?		Considering that there are up to 100 companies reinvested by the Company, the Company has complied with laws and regulations and prepares an annual financial statement that is audited and certified by a CPA within 75 days.		
Did the Company upload the English version of its annual report 16 days prior to the annual general meeting?		In 2025, the English version of the previous year's Consolidated Financial Statements and Parent Company Only Financial Statements had already been uploaded 16 days before the Annual General Meeting		

Note 1: Evaluation Form for CPA Independence and Suitability:

Items for assessment	Yes/No
I. Independence	
1. The members of the audit service team and their family members have no significant direct or indirect financial interests with the Company.	Yes
2. The Company or its directors, members of the audit service team, and their dependents do not have mutual financing or guarantees (this restriction does not apply to commercial activities of financial institutions engaged in normal lending).	Yes
3. There is no close business relationship between the CPA firm or members of the audit service team and the Company or affiliates.	Yes
4. There is currently no potential employment relationship between the members of the audit service team and the Company.	Yes
5. Members of the audit service team, who have not served as a director of the Company or any position that has a significant impact on the audit cases in the past two years.	Yes
6. The audit fees paid by the Company to the CPAs are a fixed amount and are not contingent upon specific outcomes. There were no overdue fees that would affect the independence of the audit.	Yes
7. The non-audit services provided by the CPA firm and its affiliates to the Company, including advanced fees and travel expenses, which did not directly affect the important subjects of the audit case, and the Company's management functions were not involved, did not make decisions on behalf of the Company, and did not compromise their independence.	Yes
8. The members of the audit service team are not entrusted to defend the Company's position or opinions, or to coordinate on behalf of the Company in conflict with a third party.	Yes
9. After being appointed in this year, the CPAs have served not exceed seven years.	Yes
10. Members of the audit service team are not related to the Company's directors, managers or personnel who have a significant impact on the audit cases.	Yes
11. The Company's directors and managers did not give any valuable gifts to the members of the audit team.	Yes
12. None of the Company's directors, managers, or personnel who have a significant impact on the audits has retired/resigned from the accounting firm within one year.	Yes
13. Independent directors of the Company did not work for such accounting firm during the two years before and during their term of office. The Company's Remuneration Committee members are not professionals providing commercial, legal, financial, accounting services or consultations during the two years prior to and during the term of office.	Yes
14. The Company did not subject audit service team members to intimidation that would prevent them from maintaining objectivity and clarifying professional doubts. For example, inappropriate requests were made regarding accounting policy choices or financial statement disclosure, with the pretext of reducing audit fees, demanding a reduction in the necessary audit procedures.	Yes
15. The members of the audit service team have not violated the Certified Public Accountant Act.	Yes
II. Suitability	
1. The CPAs have not been disciplined by the competent authority or the Institute of Certified Public Accountants, or disciplined in accordance with Article 37, Paragraph 3 of the Securities and Exchange Act.	Yes
2. Do the CPAs voluntarily update the Company on taxation, securities regulations and the newly revised IFRSs accounting standards on a regular basis?	Yes
3. Do the CPAs maintain good communication with the Company's management (including internal auditors) and directors?	Yes
4. Do the CPAs provide the Company with financial and tax consulting services from time to time, and assist in the communication and coordination with the competent authorities?	Yes
5. Do the CPAs complete the financial statements of the Company for each period as scheduled? The official financial statements of the first three quarters should be completed within 45 days after the end of the quarter, and the annual financial statements should be completed within 3 months after the end of the year.	Yes
6. Do the CPAs complete the review or audit of the financial statements of the invested companies on schedule?	Yes
7. Do the CPAs perform the audit of the financial statements in accordance with the generally accepted auditing standards and the Rules Governing Auditing and Attestation of Financial Statements by CPAs?	Yes
8. Whether the quality and timeliness of the auditing and taxation services provided by the CPAs meet the needs.	Yes
9. Does the accounting firm have sufficient scale and resources to provide audit services for the Company, and are the members of the audit service team stable.	Yes
10. Do the CPAs perform the mid-term and annual audits in accordance with the service items in the letter of appointment, and no inappropriate matters have occurred.	Yes
11. Does the CPA firm notify the Company's management and the Board of Directors of any significant issues and developments in a timely manner, including risk management, corporate governance, financial accounting and related risk control.	Yes
12. Do the CPAs make recommendations for the Company's internal control audit?	Yes

Note 2: Whether the Company selects "Yes" or "No" in the operating condition, it should explain the situation in the summary space. :

(IV) If the Company has a compensation committee, it should disclose its composition, duties and operations.

1. The composition and duties of the Remuneration Committee

The Remuneration Committee was established on August 26, 2011 as approved by the Board of Directors and is responsible for setting and regularly reviewing the policies, systems, standards and structures of annual and long-term performance goals and remuneration for the Company's directors and managerial officers, regularly evaluating the achievement of the Company's performance goals for its directors and managerial officers, and setting the content and amount of their individual remuneration. The members of the Remuneration Committee for the most recent year are as follows:

Identity	Name	Criteria	Qualification and experience	Independence status	Number of other public companies where the member is also a member of their remuneration committees
Independent Director (Convener of the 5th session)	Zhongqi Zhou		Relieved of office on June 30, 2025		
Independent Director (Committee member of the 5th session)	Yen-Chin, Tsai				
Independent Director (Committee member of the 5th session, Convener of the 6th session)	Yun-Hua Yang		Please refer to disclosure of qualification and independence of directors and independent directors on page 9 hereof		2
Independent Director (Committee member of the 6th session)	Chia-jui Ou				3
Independent Director (Committee member of the 6th session)	Ming-Lei Chang				3

2. Information on the operations of the Remuneration Committee

- (1) The Remuneration Committee of the Company consists of 3 members.
- (2) Term of office of the current members: The term of office of the Fourth Session of the Remuneration Committee shall start from July 1, 2022 to June 30, 2025, and the term of office of the Sixth Session of the Remuneration Committee shall start from July 1, 2025 to June 30, 2028. As of March 31, 2026, the Second Remuneration Committee met ten times (A), and the qualifications and attendance of the members were as follows

Position	Name	Number of actual attendees(B)	Number of attendance by proxy	Actual attendance rate (%) (B/A) (Note 1)	Remarks (Note 2)
Convener of the 5th session	Zhongqi Zhou	9	0	100%	Relieved of office on June 30, 2025
Committee member of the 5th session	Yen-Chin, Tsai	9	0	100%	Relieved of office on June 30, 2025
Committee member of the 5th session Convener of the 6th session	Yun-Hua Yang	10	0	100%	Reelected on July 1, 2025

Committee member of the 6th session	Chia-jui Ou	1	0	100%	Newly elected on July 1, 2025
Committee member of the 6th session	Ming-Lei Chang	1	0	100%	Newly elected on July 1, 2025

Other notes:

- If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, it should state the date, period, proposal content, resolution of the board, and its handling of the committee's opinions (if the remuneration approved by the board is better than the recommendation proposed by the committee, the difference and reasons should be stated):
No such matter.
- For the proposals by the Remuneration Committee. If any members have objections or reservations with records or written statements, the date, period, proposal content, the opinions of all members, its handling of the members' opinions should be stated:
No such matter.
- The date and period of the Remuneration Committee meeting in 2025, the content of the motion, the result of the resolution of the Committee and the Company's handling of the opinions of the Committee.

Date of the Remuneration Committee meeting	Session of the Remuneration Committee meeting	Summary of the motion	Remuneration Committee's opinion	The Company's handling of the Remuneration Committee's opinion
2025/3/4	6th meeting of the 5th Remuneration Committee	Amendments to the Company's regulations for the distribution of employee remuneration	Approved as submitted.	Presented to the Board of Directors and approved by all attending directors.
		The distribution of profit sharing remuneration to employees and directors for 2024	Approved as submitted.	Presented to the Board of Directors and approved by all attending directors.
		Amendments to the Company's managerial position career path	Approved as submitted.	Executed as resolved
2025/11/4	1st meeting of the 6th Remuneration Committee	Amendments to the Company's regulations for the distribution of employee remuneration	Approved as submitted.	Presented to the Board of Directors and approved by all attending directors.
		Proposal for 2025 executive salary adjustment	Approved as submitted.	Presented to the Board of Directors and approved by all attending directors.
		Annual plan for the Remuneration Committee in 2026	Approved as submitted.	Executed as resolved

Note 1: In the event that the Remuneration Committee members leave before a year is completed, the date when they leave should be indicated in the memo column. The actual attendance (seated) rate (%), on the other hand, shall be calculated by the number of Remuneration Committee meetings held during service and the frequency number of attendance (being seated) in the meetings.

Note 2: Before the end of the year, if there was a re-election of the Remuneration Committee, the names of new and former Remuneration Committee members should be filled in and the company should state on the remarks section whether the members are former, newly elected, or reelected, as well as the day of the reelection. The attendance rate to committee session (%) shall be calculated on the basis of the number of sessions held in such period and the actual number of presence in the sessions.

(V) If the Company has a Sustainable Development Committee, it should disclose its composition, duties and operations.

1. The composition and duties of the Sustainable Development Committee

- The establishment of the Sustainable Development Committee was approved by the board of directors on November 11, 2022. It is formed by all independent directors, and aims to establish a good corporate governance structure, fulfill the corporate social responsibility and implement corporate sustainable operating management. To enhance overall practice of corporate sustainable development, the Committee shall assist in development of the board of directors, and give advice on organizational operation and management of the board of directors. The Committee aims to fulfill corporate sustainable operation including environment, society and corporate governance.
- Our Sustainable Development Committee consists of three directors, including three independent directors, Yang Yun-Hua, Chia-jui Ou and Ming-Lei Chang. They all have professional qualification and experience in Sustainable Operation Committee. Please refer to "Disclosure of qualification and independence of directors and independent directors" on Page 9 of the annual report. Their responsibility are as follows:

- I. Review the corporate sustainable operation strategy
 - II. Review environmental sustainability, social engagement, corporate governance (ESG) work promotion
 - III. Review the mid and long term strategy planning and promotion.
2. Information on the operations of the Sustainable Development Committee
- (1) Term of office of the current Committee: The term of office of the Second Sustainable Development Committee is from July 1, 2025 to June 30, 2028. From January 1, 2025 to December 31, 2025, the Second Sustainable Development Committee met two time (A), and the qualifications and attendance of the members are as follows:

Position	Name	Number of actual attendees(B)	Number of attendance by proxy	Actual attendance rate (%) (B/A) (Note)	Note
Convener	Chia-jui Ou	2	0	100%	with management expertise
Committee member	Yun-Hua Yang	2	0	100%	with legal expertise
Committee member	Ming-Lei Chang	2	0	100%	with financial expertise

Other notes:

1. The date and period of the Sustainable Development Committee meeting in 2025, the content of the motion, the result of the resolution of the Committee and the Company's handling of the opinions of the Committee.

Date of the Sustainable Development Committee meeting	Session of the Sustainable Development Committee meeting	Summary of the report	Opinion from the Sustainable Development Committee
2025/11/04	1st interim meeting of the 2nd Sustainable Development Committee	Confirmation of minutes of previous meetings and implementation status of resolutions	No objection
		Development of new vehicles for the core business	No objection
		New business layout Energy business	No objection
		ESG work promotion	No objection
		Amendment to certain provisions of the Company's "Corporate Sustainable Development Best Practice Principles"	Approved as proposed without objection and submitted to the Board of Directors for discussion on 11/07
2025/12/16	2nd interim meeting of the 2nd Sustainable Development Committee	Confirmation of minutes of previous meetings and implementation status of resolutions	No objection
		2026 Mid-term Business Plan	No objection
		ESG work promotion	No objection
		No discussion during this session	

2. Sustainable development promotion in 2025

- (1) With regards to the 2025 summary report of stakeholder communication, the ESG report has been prepared based on the indicator and TCFD climate-related financial disclosure structure listed by Global Reporting Initiative (GRI). (The structure describes details such as other important information in the annual report that helps people understand how to promote sustainable development is included in the structure.) The 2025 summary report of stakeholder communication identifies stakeholder communication.
- (2) Environmental sustainability, social engagement, corporate governance (ESG) work promotion report
- A. Description for all awards and honors in 2025
- a. Top 5% in the corporate governance among all listed companies evaluated by Financial Supervisory Commission (Top 5% for eleven years in a row)
 - b. Global Views Magazine ESG Corporate Sustainability Award "Overall Performance Award – Traditional Industry Group" Excellence Award
 - c. Ranked 19th in the Manufacturing Group of the 2025 Commonwealth Sustainable Citizen Award, selected for the "Commonwealth Family-Friendly Workplace Award," and selected for the "Commonwealth Talent Sustainability Award"
 - d. TCSA Taiwan Corporate Sustainability Awards – Taiwan Top 100 Sustainable Model Enterprises in the Sustainable Comprehensive Performance Award, and Sustainability Report Gold Award
 - e. Business Weekly "Top 100 Carbon Competitiveness" and ranked 1st in the automotive industry
 - f. ESG for Culture Impact – Resource Assistance Award
 - g. Outstanding Green Procurement Unit of Environmental Protection Department of Miaoli County Government - Distinction Award
 - h. Selected as a constituent stock of the FTSE 4 Good TIP Taiwan ESG Index

- B. Direction for ESG work promotion: Continue to use the core advantage and resource of main automobile business, elaborate the influence of green remote ecological chain, implement cross-domain, cross-industry collaboration, gradually implement ESG sustainability action of low carbon emission, low energy consumption, and increase sustainable operation value.
- a. Environmental sustainability (E): Collaborate with the third-party supplier of the Group, distributor, service factory and strategic business partner to promote ESG sustainable actions such as green power, energy saving, waste reduction, restoration of local biodiversity, and carbon reduction.
 - b. Social engagement (S): Collaborate with public sectors in Miaoli County, New Taipei City and Taipei, enterprises in the industrial park, social welfare agencies, and Sanyi communities and neighborhoods to introduce local care activities and support.
 - c. Corporate governance (G): Continue to score higher on corporate governance evaluation score and challenge for being the top 5% in corporate governance evaluation for listed companies for twelve years in a row.
3. The sustainable development issue was presented to the Board of Directors four times in 2025. Supervision by the Board of Directors is described below:
- A. Greenhouse gas inventory: Acquire the GHG verification statement issued by AFNOR Asia Ltd., an external professional certification company, by April 2025.
 - B. Implementation status of the Sustainable Development Committee: The 1st meeting was held in November 2025, and the 2nd meeting was held in December 2025
 - C. Maintain our ranking for corporate governance evaluation: Ranked the top 5% in the 11th corporate governance evaluation for listed companies in June 2025.
 - D. Report on the progress of IFRS Sustainability Disclosure Standards each quarter
 - E. Third-party assurance for the sustainability report

Note: In the event that the Sustainable Development members leave before a year is completed, the date when they leave should be indicated in the memo column. The actual attendance (seated) rate (%), on the other hand, shall be calculated by the number of Sustainable Development meetings held during service and the frequency number of attendance (being seated) in the meetings.

(VI) Implementation status of promoting sustainable development:

1. Implementation of sustainable development, and discrepancies from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and the causes.

Projects engaged	Implementation Status (Note 1)		Summarized explanation (Note 2)	The variation with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," and the reasons for the variation
	Yes	No		
I. Is there a governance structure for sustainable development implemented by a dedicated (or part-time) unit led by a high level management team authorized and supervised by the Board?	V		<p>The Group's ESG policy vision and mission is to adhere to the ESG policy. The Board of Directors is the highest decision-making body for sustainable development-related issues. The CSR Committee established in July 2018, renamed as the "Sustainable Development Sector in October 2024," chaired by the President, is equipped with a secretariat to assist with ESG tasks and preparation of sustainability reports. Working groups were set up in three major aspects, including sustainable environment, social participation and corporate governance, led by the ministerial-level head to promote ESG project tasks in the division of labor. In November 2022, Yulon Motor's Board of Directors formally approved the establishment of the "Sustainable Development Committee," with independent directors serving as members to review the Company's sustainable operation strategies and ESG initiatives; in March 2025, a Chief Sustainability Officer was appointed, and sustainability project management meetings are held regularly to review, track, and share the progress and results of ESG initiatives. Sustainability targets and progress are reported to the Sustainable Development Committee twice a year (the reporting dates in 2025 were 11/04 and 12/16), reported to the Board of Directors quarterly on a fixed basis (a total of four reports were made in 2025), and the execution results of the annual work are reported to the Board of Directors at least once a year, with the subsequent ESG work promotion direction plan approved by the Board of Directors.</p>	In compliance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies."
II. Does the Company perform risk assessment with respect to the issues of environment, social and corporate governance related to the business operation of the Company based on the materiality principle and establish relevant risk management policies or strategies? (Note 2)	V		<p>In order to maintain stable operations and reduce operational risks, the Company has responsible units for management and auditing in the areas of management, safety and health, environment, and information, and the internal audit office will include major auditing items in the annual audit plan based on risk assessment results, perform audits on the internal control system, and disclose the audit results in the audit report, and follow the Plan→Do→Check→Action (P.D.C.A.) to track improvements.</p> <p>I. Identification of materiality and assessment of boundaries The disclosure covers the Company's performance on sustainability of its main business locations from January 2025 to December 2025, and the risk assessment boundary is based on the Company. The Sustainable Development Sector analyzes the materiality of the sustainability report and</p>	In compliance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies."

Projects engaged	Implementation Status (Note 1)		The variation with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies,” and the reasons for the variation
	Yes	No	
		<p>communicates with internal and external stakeholders to review and refer to various international sustainability standards and regulations such as GRI and SASB to assess the material ESG topics. The risk management policies and concrete action plans are established for effective identification, measurement, evaluation, monitoring, and control, and take specific actions to reduce the impact of related risks (for details, please refer to the "Material Topic Analysis and Impact Assessment" in the 2025 Yulon Motor Sustainability Report).</p> <p>II. Operational risk management</p> <ol style="list-style-type: none"> 1. The Operations Management Division oversees the planning of the Company’s business strategy, monitors goal achievement, manages operational performance, and develops mid- and long-term strategic initiatives. 2. Relevant responsible units such as the Risk Compliance Office and the Operations Management Division have been established to comprehensively manage operational risk assessment and provide necessary information such as industry trends, major domestic and foreign policy and regulatory amendments, and technological changes from time to time to assist management in decision-making and reduce operational risks. 3. The Operations Management Division controls the annual KPI achievement rates of the Company’s various units and investee subsidiaries to reduce the risk of operational performance. <p>III. Foreign exchange risk management</p> <ol style="list-style-type: none"> 1. The Company has established a foreign exchange hedging operation group to be responsible for foreign exchange hedging operations in order to reduce the risk of exchange rate fluctuations. 2. We have an exchange rate risk sharing measure with Nissan Motor Co., Ltd., a major material supplier, to ensure stable and reasonable material supply prices. 	
		<p>IV. Safety and health risk management</p> <ol style="list-style-type: none"> 1. The Safety and Health Office is primarily responsible for safety and health risk management. 2. Safety and health audits are conducted by the vice president, head, assistant manager, and department heads on a regular basis to discover potential risk conditions and to identify opportunities for improvement in advance to avoid risks. 3. The safety and health office will be 	

Projects engaged	Implementation Status (Note 1)		The variation with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies,” and the reasons for the variation
	Yes	No	
		<p>responsible for tracking, statistics and management of the defects inspected until they are completely improved.</p> <p>4. In addition to the company’s internal safety audits, the scope of audits has been expanded to include the four external third-party companies since 2015, to evaluate and counsel, and to track and request third-party companies to implement safety audits, and to report the improvement progress of each supplier to the vice president at the monthly environmental safety meeting to ensure that there are no risk incidents inside or outside the Company.</p> <p>V. Climate change risk management The Company is concerned about the issue of climate change and is actively identifying and responding to the risks and impacts of extreme weather.</p> <ol style="list-style-type: none"> 1. Develop company-wide energy saving and carbon reduction, greenhouse gas reduction... KPI, and monthly review and control the achievement rate and set improvement measures. 2. Upgrade the equipment and optimize the energy efficiency of the process. 3. The "Energy Conservation Service Team" established in 2012 along with the "Energy Conservation Committee" and the "Third Party Value Chain Committee" established in 2018 were continuous efforts to help our subcontractors engage in environmental protection to build a green supply chain. 4. Working with Hon Hai (Foxconn) with a total solution for electric vehicle chassis and key component modules to shorten the development process of electric vehicles, so that the products can be put into the market more quickly. <p>VI. Information risk management The Yulon Motor information security responsible unit is the Digital Information Security Department. It established an information security project organization in accordance with guidelines from the competent authority for first-level publicly listed companies. This information security project organization is an internal project team within the Company, comprising one CISO, one information security director, and four dedicated cybersecurity personnel. They are responsible for formulating information security policies, planning and implementing information security operations, and promoting information security measures, and they regularly report on the status of cybersecurity governance to the Yulon Motor Board of</p>	

Projects engaged	Implementation Status (Note 1)		The variation with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies,” and the reasons for the variation
	Yes	No	

Directors and the Yulon Group Head Office, which currently holds one panoramic analysis meeting and one management review meeting each year in accordance with ISO 27001.

1. Compliance with information security management system: The Company has established relevant internal operation regulations in accordance with Article 9, “Computerized Information System Processing,” of the “Regulations Governing Establishment of Internal Control Systems by Public Companies” in order to reduce the risk of unknown information security threats arising from information technology applications and environmental changes.
2. The Company continues to improve its information security governance system and enhance its information security capabilities. All information operations must not only comply with information security standards and procedures, but also with information security laws and regulations.
3. Since 2017, we have gradually improved the Group’s Information Security Development Blueprint to strengthen overall information security. We have carried out a number of specific information security enhancement projects, including internal and external transmission network anti-hacking, employee information security awareness improvement, malicious website control and prevention, remote work connection protection, system vulnerability improvement/penetration testing, data leakage protection, cross-company off-site computer room/backup enhancement, enhanced IT management framework (ISO/ISMS), portable storage control, email system optimization, trade secret document management, and production line OT network enhancement. In H1 2022, the Company joined TWCERT/CSIRT and in H2 2024 signed an MOU with the Investigation Bureau of the Ministry of Justice to share defense intelligence.

The Company has planned “Information Security Risk Internal Control Management Measures” and is implementing a blueprint to steadily develop its medium- to long-term information security strategy. This strategy is built around “information security strategy joint defense,” supported by tactical measures designed to drive gradual progress. The Company has expanded the deployment of in-depth defense capabilities, and it continues to

Projects engaged	Implementation Status (Note 1)		Summarized explanation (Note 2)	The variation with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies,” and the reasons for the variation
	Yes	No		
			optimize its basic information infrastructure and smart manufacturing protection, as well as implement information security training. In 2024, the Company obtained ISO 27001 information security management certification, with the latest certification valid from May 16, 2024 to May 15, 2027. The certificate number is IS805492.	
III. Environmental issue				
(I) Does the Company have an appropriate environmental management system established in accordance with its industrial character?	V		(I) The automobile industry is a technology-intensive and capital-intensive industry with a huge industrial chain that involves a wide range of related industries. To address the characteristics of this industry, we have set up a Green Energy Task Force to regularly review and improve our CO2, waste and other emission targets. The Company has passed the ISO 14001 environmental management system and ISO 14064 GHG inventory, which covered the Sanyi Plant of Yulon Motor Co., Ltd.	In compliance with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.”
(II) Is the company dedicated to improving energy efficiency and using recycled materials with low impact on the environment?	V		(II) In order to improve the efficiency of energy use, the Company promotes net zero energy consumption, waste reduction, and a nine-step energy saving program, and has established an energy saving system. In line with our policy using recycled materials, and to promote sustainable resource circulation towards a circular economy, we have developed a plan to promote resource recycling and reuse. This plan encompasses all stages, including procurement, production waste, and recycling, to ensure sustainable material circulation. The entire Company is committed to promoting waste resource utilization.	In compliance with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.”
(III) Has the company assessed the current and future risks and opportunities from climate change, and taken corresponding measures?	V		(III) The Company has long been concerned about the impact of climate change on its operations. According to the structure of TCFD recommendations published by the Financial Stability Board, the Company actively identifies and responds to the risks and impacts of extreme weather in order to identify opportunities: <ol style="list-style-type: none"> 1. Develop company-wide energy saving and carbon reduction, greenhouse gas reduction... KPI, and monthly review and control the achievement rate and set improvement measures. 2. Upgrade the equipment and optimize the energy efficiency of the process. 3. Established the “Energy Saving Service Group” in 2012, and set up the “Energy Saving Committee” and the “Value Chain Committee of Third-Party Suppliers” in 2018 to guide third-party companies in their efforts to protect the environment and actively create a green supply chain. 4. Develop zero-carbon emission smart 	In compliance with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.”

Projects engaged	Implementation Status (Note 1)		Summarized explanation (Note 2)	The variation with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies,” and the reasons for the variation
	Yes	No		
			<p>electric vehicles and cooperate with Hon Hai to provide a complete solution of electric vehicle chassis and key component modules to shorten the development process of future electric vehicles and enable electric vehicle products to enter the market more quickly.</p> <p>Please refer to Note 3 for the Company's identification of opportunities and measures to address climate risk issues.</p>	
(IV) Has the Company analyzed the total weight of the greenhouse gas emission, water consumption and wastes over the past two years? Does the Company establish the management policies for greenhouse gas emission, water consumption and wastes?	V		<p>(IV) The Company has been conducting GHG inventories since 2006. In 2025, the consolidated company completed the Scopes 1, 2 and 3 inventories, which were verified by a third-party.</p> <p>For the GHG emissions in the past 2 years, please refer to Note 3 under (VI) of this annual report.</p> <p>The Company established the Green Energy Project in 2008 to set annual reduction targets for greenhouse gas, waste, and water consumption, and has continued to promote energy saving and waste reduction PDCA activities since then. Under the ISO 14001 environmental management system certification, the Company regularly reviews the status of environmental objectives and improvement performance to ensure the implementation of energy saving and carbon reduction plans and achievement of targets. Specific measures are described below:</p> <ol style="list-style-type: none"> 1. Energy-reducing low carbon manufacturing: <ol style="list-style-type: none"> (1) Under the platform promoted by the energy conservation committee, the “Nine Steps to Energy Saving” methodology is combined with the “replacement of old equipment,” with the addition of monitoring energy consumption data to verify energy saving results (2) In 2025, 103 natural gas and electricity-saving improvement projects were completed, reducing carbon emissions by 204 metric tons (3) GHG management strategy: Reduce GHG emission by 4.2% linearly each year. This will be achieved through strategies such as solar system installation, transportation vehicle electrification, zero waste resource circulation, process and equipment performance improvement, and GHG inventory education and training. 2. Water resources reduction measures: <ol style="list-style-type: none"> (1) The wastewater from the pure water washing process in the coating plant is 	In compliance with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.”

Projects engaged	Implementation Status (Note 1)		Summarized explanation (Note 2)	The variation with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies,” and the reasons for the variation
	Yes	No		
			<p>reused and recycled as the washing water in the front section.</p> <p>(2) The water is recycled and reused from the storm test of finished cars.</p> <p>(3) Total water consumption of the Sanyi Plant: 248,783 metric tons in 2025, with a water intensity of 14.93 tons/NTD million, and 272,373 metric tons in 2024, with a water intensity of 10.512 tons/NTD million.</p> <p>(4) Annual reduction target: reduce water consumption per unit of product by 3% each year</p> <p>3. Waste reduction and management:</p> <p>(1) The process waste solvent is collected by a recovery system, and clean solvent is recovered via external distillation recovery for reuse, reducing solvent purchases by approximately 37 metric tons per year.</p> <p>(2) Continuously implement the program of changing the anti-collision material of parts rack to recyclable material, recycling the packaging material of service parts, and increasing the revenue of waste by 9 categories to realize the goal of recycling economy to protect earth resources.</p> <p>(3) Total waste in Sanyi plant: 3,167.8 metric tons in 2025 (hazardous waste: 30.1 metric tons, non-hazardous waste: 3,137.7 metric tons, waste intensity at 0.19 metric tons/NTD million). 5,330 metric tons in 2024 (hazardous waste: 37.8 metric tons, non-hazardous waste: 5,292.2 metric tons), and the waste intensity at 0.20 metric ton/NTD million.</p> <p>(4) Waste management and reduction target: Implement source reduction to lower waste generation, and effectively recycle waste after classifying it into nine major categories. Efforts have aimed to reduce waste by at least 2% annually.</p>	
<p>IV. Social issue</p> <p>(I) Does the Company have the relevant management policies and procedures stipulated in accordance with the relevant laws and regulations and international conventions on human rights?</p>	V		<p>(I) The human resources unit of the Company formulates the management policies and procedures in accordance with the existing labor-related laws and regulations, and implements them. In addition, the Company complies with relevant labor laws and regulations and protects the legitimate rights and interests of employees in accordance with the provisions of the “Sustainable Development Best-Practice Principles” established by the Company.</p>	<p>In compliance with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.”</p>

Projects engaged	Implementation Status (Note 1)		Summarized explanation (Note 2)	The variation with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies,” and the reasons for the variation
	Yes	No		
			<p>Infringement during Implementation of Duties", to conduct workplace bullying prevention publicity, and facilitate colleagues to understand workplace bullying, avoid bullying, and jointly create a friendly workplace.</p> <p>(1) Equal appointment: In addition to upholding the principle of fairness and objectivity, the Company will not engage in any form of discrimination and sexual harassment and other violations of human rights, and strives to over-utilize employees with mental and physical disorder to promote diversity and equality. Provide effective protection of labor rights and interests and establish friendly and harmonious industrial relations, maintain fairness in employment, remuneration and benefits, training, evaluation and promotion opportunities, and develop effective and appropriate grievance mechanisms to avoid and respond to situations that endanger the rights and interests of employees.</p> <p>(2) No child labor or forced labor: To perform the responsibility to protect physical and mental development for children and protect children's rights to receive education, the Company has excluded child labor under the age of 15 when selecting job applicants, and no child labor is currently employed. The labor services are provided and arranged in accordance with laws and regulations, excluding, but not limited to, corporal punishment, physical or psychological abuse or coercion, intimidation or other verbal violence, seizure of identity documents or other unlawful forced labor practices.</p> <p>(3) Assist employees to maintain physical and mental health and balance between work and life by providing employees with appropriate rest space and equipment, such as: comprehensive gymnasium, swimming pool, fitness equipment, etc., club funding subsidies, and organizing and planning educational activities for dependents, such as: family days, summer camps for employees' children, employee travel, etc. Care for the physical and mental health of employees, provide free health examinations and hold health management seminars on a</p>	

Projects engaged	Implementation Status (Note 1)		Summarized explanation (Note 2)	The variation with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies,” and the reasons for the variation
	Yes	No		
			<p>regular basis; Promote work-life balance by launch of no overtime on the 1st day of each month.</p> <p>(4) Support employees to organize and join trade unions in accordance with the law to exercise labor rights: respect and protect the basic human rights of employees, safeguard employees' right to organize trade unions and collective bargaining, and hold routine labor-management meetings to discuss the rights, interests and welfare of employees. Provide diversified and smooth labor-management communication channels to protect the rights and interests of employees, promote labor-management harmony, enhance industrial relations, and create a friendly workplace.</p> <p>(5) Human rights governance framework: the Board of Directors serves as the highest supervisory level for human rights governance, and through the “Sustainable Development Committee” under the Board of Directors, supervises human rights policies, risk management, and implementation to ensure that human rights issues are incorporated into the Company’s overall governance and operational decision-making. The “Sustainability Department” coordinates the establishment of a cross-departmental human rights task force, with members covering units including human resources, legal affairs, materials management (procurement), environmental protection, safety and health, and corporate sustainability, to jointly promote human rights risk identification and management measures. Human Rights Due Diligence (HRDD) is led by the human resources unit and is regularly implemented in accordance with the management process of risk identification, assessment, mitigation, and effectiveness tracking. In addition to regularly reporting the progress of relevant human rights management promotion at sustainability project meetings, the Sustainability Department also reports quarterly to the Sustainable Development Committee under the Board of Directors on human rights</p>	

Projects engaged	Implementation Status (Note 1)		Summarized explanation (Note 2)	The variation with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies,” and the reasons for the variation								
	Yes	No										
			management actions and implementation results.									
			<p>(6) The Company plans to officially launch “Human Rights Due Diligence (HRDD)” starting in 2026 and, in accordance with the internationally accepted four-stage process, implement human rights risk management across the value chain.</p> <table border="1"> <tr> <td>1. Identification and assessment</td> <td>Identify adverse human rights impacts in operations and the supply chain</td> </tr> <tr> <td>2. Mitigation and prevention</td> <td>Adopt preventive mitigation and remediation measures for the identified risks.</td> </tr> <tr> <td>3. Tracking and effectiveness evaluation</td> <td>Regularly track the implementation of improvements to ensure the effectiveness of management actions.</td> </tr> <tr> <td>4. Communication and disclosure</td> <td>Transparently disclose human rights management performance through annual reports or sustainability reports.</td> </tr> </table> <p>The Company is committed to implementing human rights governance, using its existing six core human rights issues as the focus of its due diligence, and has established a systematic risk identification and control mechanism for internal operations and key suppliers</p> <p>Internal Operations Management</p> <ul style="list-style-type: none"> ● Scope of Evaluation: This evaluation covers six key areas: “safe and healthy working environment,” “prohibition of forced labor and child labor,” “employees’ formation of and participation in trade unions to exercise labor rights,” “elimination of discrimination and harassment and establishment of equal opportunity,” “maintenance of physical and mental health and work–life balance,” and “working hours and wages,” with an in-depth review of potential negative human rights impacts in departmental operating processes. ● Means of implementation: Evaluation by supervisor representatives: Adopt the “two-axis risk assessment method,” with unit supervisor representatives of non-managerial staff actually managed within the engineering and administrative system completing the 	1. Identification and assessment	Identify adverse human rights impacts in operations and the supply chain	2. Mitigation and prevention	Adopt preventive mitigation and remediation measures for the identified risks.	3. Tracking and effectiveness evaluation	Regularly track the implementation of improvements to ensure the effectiveness of management actions.	4. Communication and disclosure	Transparently disclose human rights management performance through annual reports or sustainability reports.	
1. Identification and assessment	Identify adverse human rights impacts in operations and the supply chain											
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	Yes	No		
			<p>questionnaires to ensure that the depth of the assessment reaches the current status of management operations</p> <ul style="list-style-type: none"> ● Quantitative risk matrix: The “likelihood of occurrence” and “severity of impact” of each issue are quantified on a scale of 1 to 5; items with a “probability ≥ 4 and severity ≥ 4” are defined as the high-risk quadrant and are comprehensively verified using the occupational accident records, labor inspection results, and complaints from the “I Have Something to Say” platform. ● Annual schedule: In Q1, the framework of the government’s Corporate Human Rights Due Diligence Operational Manual and benchmark company indicators were incorporated to optimize the internal evaluation forms and two-axis assessment standards; in Q2, questionnaires and data analysis were conducted; in Q3-Q4, remediation measures and effectiveness tracking were initiated for high-risk items. 	
			<p>[Key Supply Chain]</p> <ul style="list-style-type: none"> ● Scope of evaluation: Key suppliers of equipment, materials, and components were identified, the first wave of surveys targeted 15 key suppliers selected from the top 30 based on transaction volume over the past two years, prioritizing those with ongoing transactions and related entities. ● Means of implementation: Human rights risk assessments are quantified and scored to establish risk levels. Suppliers identified as high-risk will be required to submit supporting documentation or undergo on-site inspections. ● Annual schedule: In Q1, key suppliers were identified and evaluation forms were prepared; in Q2, self-assessments, secondary assessments, and human rights education and training were conducted; in Q3-Q4, improvement guidance and performance evaluation were carried out. <p>The Company is committed to proposing specific mitigation and remediation measures in response to the investigation findings,</p>	

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<p>(II) Has the company established and implemented reasonable employee welfare measures (including remuneration, leave, and other benefits) and appropriately reflected business performance and achievements in the remuneration for employees?</p> <p>(III) Does the Company provide employees with a safe and healthy working environment, and provide safety and health education to employees regularly?</p>	V		<p>tracking their effectiveness annually, and regularly reporting to the Sustainable Development Committee. In addition, the Company has established comprehensive and diversified grievance mechanisms to ensure that stakeholders can report illegal acts or human rights violations through the following channels: Employee grievance mailbox: barry.ho@yulon-motor.com.tw Supplier grievance hotline: 037-878551 Supplier complaint email: 2201_999@yulon-motor.com.tw</p> <p>According to the Company's Articles of Incorporation, in addition to the profit sharing remuneration to employees if the Company makes profits, the Company also provides incentive bonuses such as three festival bonuses, additional annual bonuses, and bonuses for the management team and incentive bonuses for high-performing teams based on the operating performance and individual performance of employees to encourage employees to achieve better performance for the Company and shareholders.</p> <p>(II) According to the Company's Articles of Incorporation, in addition to the profit sharing remuneration to employees if the Company makes profits, the Company also provides incentive bonuses such as three festival bonuses, additional annual bonuses, and bonuses for the management team and incentive bonuses for high-performing teams based on the operating performance and individual performance of employees to encourage employees to achieve better performance for the Company and shareholders.</p> <p>(III) The Company has set up a medical office and a safety and health room to help employees maintain their health, added “group insurance” for all employees, their spouses and children, conducted relevant education and training for new employees, and provided regular weekly health education by the safety and health office. We are committed to providing a safe and healthy working environment. For more details, please refer to “Protective Measures for Working Environment and Employees’ Personal Safety” in Chapter IV, Section 5, Labor Relations.</p>	<p>In compliance with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.”</p> <p>In compliance with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.”</p>

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	Yes	No		
(IV) Has the company established an effective career development and training program for employees? Describe the aspects covered by the training program (such as orientation training, professional development, and supervisor training), the scope (such as supervisors at all levels and employees), and the implementation status.	V		(IV) The Company has a technical training framework to enhance employees' professional skills. For detailed examples of education and training, please refer to the description under Chapter V, Section 5, “Labor Relations.”	In compliance with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.”
(V) Regarding the customer health and safety, customer privacy, and marketing and labeling in relation to the products and services, does the company comply with statutory regulations and international standards, and set policies to protect consumers’ rights and procedures for customers to file complaints?	V		(V) The Company adheres to the principle of green design and green manufacturing to provide customers with fuel-efficient and environmentally friendly green products for a wide range of vehicles. The mass production of vehicles always comes with the certificate of safety test from the Ministry of Transportation and Communications, certificate of pollution and noise test from the Environmental Protection Agency, and certificate of fuel consumption test from the Energy Bureau of the Ministry of Economic Affairs, to ensure that the product quality meets statutory regulations. After the products are sold, all processes must be carried out to prevent product liability through the joint implementation of all employees and the dealership system to prevent the occurrence of defects in products that cause damage to consumer rights. As for product defects that cause damage to the rights and interests of consumers. As for the after-sales warranty of the products, the warranty terms and conditions are clearly listed in the owner's manual to inform consumers of their rights and benefits and to help them deal with the system. All product assurance standards and procedures are regularly reviewed and revised by the Company in accordance with ISO standards to provide a rigorous and comprehensive product assurance system. The principle of handling product liability incidents is to give priority to consumers' rights and interests, and to follow government regulations. Also, to quickly and properly handle product liability cases, guidelines such as “Customer Complaints Handling Standards”, “After-Sales Service Compensation Standards”, and “Vehicle Recall and Correction Regulations” have been established to assist customers and consumers in solving liability issues so that their rights and interests are protected. The Company also has a toll-free 0800 service line with a 24-hour	In compliance with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.”

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	Yes	No		
(VI) Does the Company establish supplier management policies and ask suppliers to follow relevant regulations on the issues of environmental protection, occupational safety and health or labor rights? What is the implementation status of these policies?	V		<p>live service system that provides a transparent and effective consumer complaint process for the Company's products and services.</p> <p>(VI) The Company actively assists its vendors in achieving ISO 14001 certification and requires suppliers to sign a “Supplier Sustainable Development Commitment” to ensure the quality of supply and operational practices meet sustainable development standards. The commitment covers compliance with environmental regulations, protection of labor human rights, prohibition of child labor, rejection of conflict minerals (3TG), and protection of personal data. We regularly audit and evaluate suppliers, and request continuous improvement plans for suppliers with bad records in order to meet the spirit of green procurement. As for the management of the suppliers, in addition to incorporating green purchase as an important reference indicator, we actively encourage our third-party suppliers to pass the ISO 14001 certification and require them to comply with the Labor Standards Act to assure the protection specified in the human rights regulations.</p> <p>The Company has strictly selected its suppliers in accordance with Nissan's procurement regulations, and the Company may terminate or cancel the contract if the counterparty is involved in dishonest behavior.</p> <p>The Company has signed the Supplier Sustainable Development Commitment with its suppliers, conducts a green procurement scorecard survey during purchase evaluation, and gives green scores to quotation suppliers. When evaluating each purchase proposal, consideration is first given to whether an environmental label is available, and then to price differences and green scores to increase the proportion of green procurement. The scoring may be divided into required items and bonus items. Suppliers must satisfy the required items; otherwise, they will be listed as non-qualified suppliers, and suppliers with high green bonus scores will be given another opportunity for price negotiation. The evaluation includes:</p> <p>(1) Required items: E chemical substance restriction (REACH) requirements; S no child labor, human rights equality, compliance with the Labor Standards Act/Personal Data Protection Act, freedom of association, etc.; G ethical management, etc.; and the Sustainable Development Commitment shall be signed.</p> <p>(2) Bonus items: E greenhouse gas inventory</p>	In compliance with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.”

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	Yes	No		
			or renewable energy use, localized/green procurement, and energy saving and carbon reduction efforts; S participation in sustainability initiatives (such as social welfare activities and community engagement); G factory management systems (such as ISO 9001, 14001, 45001, 14064-1, and 14046); and supplier risk assessment and management.	
V. Does the Company refer to internationally accepted report preparing guidelines or guides to compile its Sustainability Reports or other reports disclosing non-financial information on the Company? Are assurance or certification opinions of a third-party verification institution acquired for the above mentioned reports?	V		In addition to disclosing relevant and reliable sustainable development-related information in the annual report, the Company also publishes a Sustainability Report on its website for stakeholders to download and read. The sustainability reports prepared in accordance with the GRI, SASB, and TCFD standards. The 2025 annual report has been entrusted to the independent and credible firm Deloitte & Touche in accordance with the principles set forth in the ISAE No. 3000 “Assurance Engagements other than Audits or Reviews of Historical Financial Information” to provide limited assurance on the sustainability report prepared based on the GRI standards	In compliance with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.”
<p>VI For the companies which have established sustainable development best practice principles in accordance with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies,” please describe the implementation practices and the deviation from the Principles established:</p> <p>The Company has established rules and regulations related to corporate governance, such as the Rules of Procedures for Shareholders' Meetings, the Procedure for Board of Directors Meetings, the Procedures for the Management of Confidential Documents, the Procedures for Disclosure and Handling of Confidential Information, the Standard Operating Procedures for the Announcement Process, the Internal Control System, the Procedures for the Acquisition or Disposal of Assets, and the Procedures for the Lending of Funds to Others.</p> <p>In addition, measures to control air pollution, waste water, and toxic chemical substances are all set in place including the policies stipulated in the "Environmental Management Procedures", "Environmental Objective, Targets and Programs", and "Yulon Environmental Safety and Health Handbook", to save energy and reduce greenhouse gas emission, water usage and waste generation, whereas the environmental objectives and targets are being fulfilled by stages with the considerations of the environmental impact from our manufacturing processes, activities, products and services.</p> <p>Operational standards and procedures have been enacted by the Company for corporate governance, development sustainability, social welfare engagement, and information disclosure, conformable to the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.”</p> <p>The Company has prepared the "Ethical Corporate Management Best Practice Principles", which was submitted to the Board of Directors for approval in May 2014; in conjunction with the change to the name of the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies promulgated by Taiwan Stock Exchange, the Company's "Ethical Corporate Management Best Practice Principles" were renamed as "Sustainable Development Best-Practice Principles", and all subsidiaries within the Group were required to comply with the Principles. In addition, in accordance with the provisions of the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and the Sustainable Development Committee and the Board of Directors agreed to amend partial provisions of the "Sustainable Development Best Practice Principles" of the Company in November 2025.</p>				
<p>VII. Other material information helpful to understand the sustainability practice:</p> <p>(1) Implementation of sustainable development of environmental protection</p> <ol style="list-style-type: none"> 1. The Company has established the “Environmental and Safety and Health Handbook” as our environmental and safety and health policy in accordance with the spirit of ISO 14001, and we have also established other management measures for air pollution, waste water, toxic chemicals, etc. 2. The Company’s production process relies on raw materials and components provided by our suppliers to assemble finished vehicles. In order to strengthen the green partnership with our suppliers, we have adopted Carbon Footprint and energy saving and carbon reduction as one of our supplier's business evaluation items. 3. In December 2005, Hua-Chuang Automobile Information Technical Center Co., Ltd. was established to focus 				

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	Yes	No		
			<p>on the research and development of electric vehicles and to launch electric vehicles under the Taiwan brand name. In addition, a joint venture established with Foxconn named Foxtron Inc., developed N7 Electric Vehicle in 2020, and went into mass production and launched on the market in 2024. Electric vehicles represent the Company’s most tangible contribution to addressing global climate change and achieving a low-carbon economy.</p> <p>4. In addition, in order to implement the concept of environmental safety, improve the prevention of environmental pollution, and protect the safety and health of the Company's employees, we have set up various special promotion groups such as the Labor Safety and Health Committee and the Greenhouse Gas Inventory to promote various safety, health and environmental protection projects and have gradually formulated policies on energy saving and carbon reduction, greenhouse gas reduction, and reduction of water consumption or other wastes.</p> <p>5. Please refer to the Company’s sustainable report for specific achievements in environmental protection, greenhouse gas reduction, and waste treatment in recent years.</p> <p>(2) Sustainable development on social engagement and community welfare:</p> <p>➤ Arts and Literature and Education</p> <p>[Long-term promotion of wood carving art and culture]</p> <p>From 1996 to 2013, the Company hosted the “Yulon Wood Carving Innovation Award” for 17 consecutive years, providing a platform to encourage Taiwan’s wood carving artists to continue creating, connect with the international community, and increase visibility</p> <p>From 2014 to 2024, to assist the Miaoli County Government in promoting wood carving art, the Company redirected funding originally allocated to the “Yulon Wood Carving Innovation Award” to support local initiatives, and jointly hosted the “Taiwan International Wood Sculpture Competition” with the Miaoli County Government Culture and Tourism Bureau each year, sponsoring NTD 2 million in event funding annually from 2014 to 2024; in 2025, through resource integration, the Company sponsored NTD 600,000 in prize money for the two special awards, the “Yulon Wood Carving Heritage Award” and the “Yulon Wood Carving Innovation Award,” with NTD 300,000 for each award, thereby encouraging more creators who are passionate about wood carving art and inspiring their dreams, so that more people can experience the charm of wood carving art In support of the woodcraft culture and environmental sustainability, the Company also donated the pruned wood from the factory to the units of the "Sanyi Woodcarving Art Festival". These materials were used as onsite woodcraft DIY activities and installation art for the festival, embodying the concept of “Wood regeneration, Yulon co-creation” and promoting a circular economy mindset. In addition, to preserve the gradually fading traditional Taiwanese wood art crafts, the Company is committed to deeply rooting itself in the local culture of Sanyi. In 2023, we also sponsored the woodcarving course at Sanyi Senior High School and Junior High School, hoping to cultivate an appreciation for woodcarving and encourage students to practice and create their own woodcarvings, thereby enhancing opportunities for personal and local cultural dialog.</p> <p>【Yulon Motor Public Welfare Road Run and Community Care Day】</p> <p>In 2025, the “Yulon Motor Public Welfare Road Run and Community Care Day” was held, combining an employee public welfare road run with a cultural walking tour to help employees learn about Sanyi wood carving art and assist in community cleanup. This event extended employee care to community participation, strengthened employees' physical and mental health, deepened identification with local culture and industry, put into practice the business philosophy of mutual prosperity between the enterprise and the community, and responded to SDG 3 Good Health and Well-being, SDG 8 Decent Work and Economic Growth, and SDG 11 Sustainable Cities and Communities. At the same time, the Soil and Water Conservation Bureau of the Ministry of Agriculture was invited to set up a farmers’ market, promoting the practice of SDG 12 Responsible Consumption and Production and SDG 17 Partnerships for the Goals through local consumption and cross-sector cooperation. This demonstrated the Company’s sustainable action integrating employee participation, community connection, and local development.</p> <p>[Yulon Sanyi Scholarship]</p> <p>The Company is committed to the implementation of corporate ESG sustainable development, and the "Yulon Sanyi Scholarship" has been provided for the long-term to reward students from elementary and junior high schools in Sanyi Township. Between 2015 and 2019, the Company extended and rewarded students of colleges, universities and graduate schools in Sanyi Township. In 2025, a total of NTD 500,500 of "Yulon Sanyi Scholarship" was awarded to 422 students from Jianzhong, Ciaocheng, Liyues, Yuying (including Longteng campuses) and Sanyi Junior High School.</p>	

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			<p>[Yulon Motor Youth Training Scholarship]</p> <p>To cultivate talents in the auto industry and encourage young people to learn mechanic, electrical and electronic knowledge, the “Yulon Motor Youth Training Scholarship” has been running since 2020 to award the scholarship to the students from Miaoli County high schools and vocational schools enrolled to auto-related departments of specific colleges, and encourage these students to engage in volunteer services as feedback to the community. 7 students received the scholarship in 2025, with each awarded NTD 20,000.</p> <p>[Yulon Sanyi Children & Employee Children Basketball Summer Camp]</p> <p>We have been promoting basketball in Taiwan for a long time and have been holding the “Children & Employee Children” every summer since 2015, which is open for free enrollment by Sanyi Elementary School students and our employees’ children in grade 3 or above. The Yulon Luxgen basketball team members are coaching the camp, teaching the students proper basketball knowledge and basketball skills, and providing them with healthy and relaxing summer recreational activities. In doing this, we fulfilled SDG 3: Good Health and Well-being, SDG 4: Quality Education, and SDG 11: Sustainable Cities and Communities. In 2025, we once again invited the coaches of the SBL champion in May to lead the children to feel the passion of basketball and relieve pressure on their studies. By doing this, we received the support and praise of their parents and children!</p> <p>[Yulon Environmental Education Workshop]</p> <p>The Company is committed to protecting Taiwan’s native species and biodiversity. In 2025, it held the “Yulon Summer Environmental Education Experience Camp” to arrange exciting and enriching experiential courses and games for the children of Yulon employees. Guides from the Huoyanshan Ecological Education Center were invited to lead the children deep into the Huoyanshan Geological Reserve to learn about the unique landscape and its animal inhabitants. Additionally, the Taiwan Reforestation Association was invited to teach the children how to sow native seedlings, protecting animals and plants through practical action. This initiative promotes sustainable concepts of ecological education and environmental protection, aiming to root the environmental education concept of “animal conservation and plant restoration” deeply. It leads schoolchildren to restore the land through hands on restoration efforts, learn to coexist peacefully with the Earth, fulfill the sustainable development goal of SDG 15 Life on Land, and collectively build a beautiful and sustainable future.</p> <p>【Huoyanshan Ecological Education Special Exhibition】</p> <p>The Company has upheld its concern for and commitment to biodiversity and, since 2024, has cooperated with the Hsinchu Branch of the Forestry and Nature Conservation Agency, Ministry of Agriculture, to promote the “Protecting Geological Treasures” ESG project and jointly contribute to the conservation of the Huoyanshan landscape. In 2025, the Company held the “Huoyanshan Ecological Education Special Exhibition” at the Huoyanshan Ecological Education Center under the theme of “Yumiao Sprouting Forest Family,” using picture book images, sound, and stories as media to depict the diverse life forms and ecological interactions of low-elevation forests; reveal the importance of restoring Taiwan’s native plants; and link government resources, corporate strength, and local community participation through joint conservation actions by the public and private sectors. This effort jointly practices SDG 4 Quality Education, SDG 15 Life on Land, and SDG 17 Partnerships for the Goals, awakening everyone’s sustainable connection to and responsibility for nature conservation.</p> <p>➤ Care for the vulnerable</p> <p>【Hualien Guangfu Post-Disaster Reconstruction Action Plan】</p> <p>In September 2025, Guangfu Township, Hualien County, suffered major disaster damage and traffic disruption due to the overflow of a landslide dam, seriously affecting residents’ daily lives and basic mobility needs. The Company immediately launched the Hualien Guangfu Post-Disaster Reconstruction Action Plan, investing NTD 10 million in promoting concrete measures such as vehicle donation and purchase subsidies. These efforts assist with the local reconstruction of basic mobility and support local residents and NGOs in their continuing recovery efforts. We have committed to helping communities gradually regain functionality, enhancing post-disaster resilience, and fulfilling our ongoing commitment to vulnerable groups and local social care through action.</p> <p>[Donation of insurance funds]</p> <p>Since 1998, the Company has been caring for the temporary workers of the Environmental Protection Bureau of the Taipei City Government by sponsoring the annual “Employer’s Compensation Contract Liability</p>	

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	Yes	No		
			<p>Insurance” to alleviate their injuries and burden of living caused by sudden accidents. The Company has been providing the nearly 1,300 temporary workers of the Environmental Protection Bureau of the Taipei City Government with an insurance policy to protect them in the event of a safety accident on duty (the annual contribution was NTD 1 million from 1998 to 2003, and was changed to a joint contribution of NTD 1 million with Yulon Nissan Motor after the business split in 2003). In 2018, the Company donated NTD 200,000 to produce 200 LED reflective vests for the cleaning team members to enhance their work safety. In 2025, the Company donated insurance money for the 26th consecutive year, covering temporary workers, short-term employed temporary workers, with a total of 1,400 of them benefited from this initiative. Not only that, but to give back to the community, the Company has also donated annually to the cleaning team of Sanyi Township since 2014, where we are located, providing them with insurance coverage for employer’s liability insurance, ensuring peace of mind for their work and life.</p> <p>【South-Link Happy Wheelers】</p> <p>Since 2019, the company has integrated its core business values into the “Hand of Happiness – Southern Taiwan Charity Transportation Project,” providing funding and transportation vehicles to the Southern Taiwan Association rather than donating the vehicles themselves. Five welfare vehicles have been stationed in Daren and Dawu townships, Taitung County, and local drivers have been trained to create employment opportunities in the area. It assists community residents with transportation to and from medical treatment, supplementing areas with insufficient rehabilitation bus services in remote regions. From 2019 to the end of 2025, over 30,000 local residents had been served along the southern circuit, and the buses had traveled more than 1.56 million kilometers. This has substantively assisted disadvantaged residents who have long experienced traffic inconvenience, demonstrating the Company’s commitment to creating social value and sustainable impact through its core business.</p> <p>【Christmas Charity Market】</p> <p>The Company has consistently put people first, and in 2025 hosted a [Christmas Charity Market] focused on caring for vulnerable groups and supporting public interest groups. Employees were invited to participate and demonstrate their gratitude and care through practical action. This event invited charitable organizations, local small farmers, and community vendors to participate. Through market interactions and charitable support, it helped expand social impact, strengthen the Company’s internal cohesion, and put into practice the Company’s commitment to local care and mutual prosperity.</p> <p>[Yulon Volunteer Club]</p> <p>In 2015, the “Yulon Motor and Yulon Nissan Volunteer Club” was established with the motto of “local care, thematic service” to provide care to the community and local disadvantaged groups, so that our colleagues can realize the true meaning of “it is more blessed to give than to receive” in the process of devoting themselves to loving service. “Yulon Motor and Yulon Nissan Volunteer Club” has been established for many years. Each year, the Company organizes blood drives, collects supplies and donations, visits elderly homes, and arranges activities for children in orphanages.</p> <p>The Yulong Volunteer Association organized the following events in 2025:</p> <p>In July-In order to alleviate the blood shortage, Yulon Volunteer Club specially launched blood donation in the Yulon Motor factory complex on 7/1, encouraging colleagues to donate blood and show love, and a total of 132 bags of blood were collected on the same day, with a total blood collection volume of 33,000cc.</p> <p>In November - Yulon Volunteer Club launched the Year-end Heart-Warming Donation, a charity fundraising activity within the Company, during which a total of NTD 520,000 yuan was raised from love donations, and donated to seven social welfare units, including Guangai House of Correction, Youan House of Correction, Mingde House of Correction, Huashan Foundation, Happy Dog Halfway House Association, Xihan'er Foundation, and Huayan Energization Center.</p> <p>In December - In order to alleviate the blood shortage, Yulon Volunteer Club launched the second blood donation event in the Sanyi plant on 12/18, calling on colleagues to donate blood and show support. Colleagues responded enthusiastically, with a total of 67 bags of blood collected that day, and a total blood collection volume of 16,750cc.</p> <p>In December – The Yulon Volunteer Club invited the Children Are Us Foundation and Huayan Development Center to the Sanyi plant on 12/22 to participate in the park market event and hold a charity sale. During the event, the Yulon Volunteer Club dispatched volunteers to assist with the on-site charity sale and guidance, working hand in hand with charitable organizations and attracting enthusiastic participation from colleagues</p>	

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	Yes	No		
			<p>to support organizations for people with disabilities through concrete actions, demonstrating the spirit of the Company’s fulfillment of social responsibility and care for society.</p> <p>[Other “give back to the community” activities]</p> <ol style="list-style-type: none"> Every year, the Company sponsors the Respect for the Elderly activities on the Double Ninth Festival, funding seven communities in Sanyi Township, including Longteng, Guangsheng, Shengxing, Shuangtan, Shuanghu, West Lake, and Liyu. Since 2005, we have been donating and adopting 100 street lamps to Sanyi Township every year. Given the fact that the Sanyi Village Swimming Pool, located next to the Shuangtan Village Tourist Information Center, was showing signs of aging, making it difficult to maintain and eventually leading to the dilemma of not being able to open to the public. In order to provide a quality swimming venue for Sanyi residents, the Company provided its heated swimming pool at the dormitory to improve the recreational activities of Sanyi Village residents since 2024. <p>(3) The Company's corporate social responsibility operations in social contribution and social services</p> <p>[Yen Ching-Ling’s Foundation] Yen Ching-Ling’s Foundation was established in 1973 to combine the academic and human resources of National Taiwan University and National Cheng Kung University to promote forward-looking engineering technology research and development and industry-academia cooperation, so that industrial technology can take root downward and develop upward.</p> <p>[Yen Ching-Ling’s Medical Research Foundation] In 1979, the Yen Ching-Ling’s Medical Research Foundation was established to provide scholarships for excellent doctors to study abroad and to conduct research on the prevention and treatment of special diseases.</p> <p>[Wu Shun-Wen’s News Scholarship Foundation] In 1986, the Wu Shun-Wen’s News Scholarship Foundation was established to reward outstanding journalists and to serve as an invisible force to correct the social atmosphere and cleanse the mind. At the 39th Press Awards in 2025, the New Taipei City Mayor, Yu-Ih Hou was invited as a guest to promote fair, objective and excellent press reporting to make press the basis force for social progress.</p> <p>[Wu Shun-Wen’s Industrial Development and Investment Promotion Committee] In 1990, the Wu Shun-Wen’s Industrial Development and Investment Promotion Committee was established to promote the exchange of information between domestic and foreign government agencies, academic and business sectors, and to help facilitate the development of industrial and commercial enterprises, in order to promote domestic industrial manufacturing capabilities, improve product quality, and enhance the image of domestic manufacturers.</p> <p>[Long-term promotion of domestic basketball]. The Company has spared no effort to promote domestic basketball for a long time. In 1964, the Company established the first Division I basketball team composed of domestic private enterprises to boost the domestic basketball culture. In addition, the "Yulon Luxgen Dinos" was officially established in 1992, and have been funded by a large amount of corporate funds every year consecutively. We continued the tradition of sponsoring their operational expenses in 2023, enabling Yulon Luxgen Dinos to compete vigorously in domestic competitions and achieve remarkable results. The team proudly clinched the SBL championship in May 2025, adding to their long list of achievements.</p> <p>[Miles of Love] Yulon Motor began sponsoring the public welfare platform “Miles of Love” in 2025. With the “sustainable mobility value chain” at its core, the Company has integrated corporate resources and vehicle services to address the mobility challenges faced by rural areas and vulnerable groups. The platform converts each ride into charitable mileage, helping to supplement transport capacity for medical transportation in remote areas, long-term care transportation, and community services. This demonstrates the Company’s practical efforts to transform its core business strengths into social value and a long-term commitment.</p> <p>(4) Implementation of sustainable consumer rights and interests</p> <p>[Product safety and quality management] The Company has implemented standardized and institutionalized procedures for production and quality management. Processes follow rigorous standards, with full adoption of ISO 9001 and IATF 16949 international quality management systems to ensure vehicle reliability. All vehicle-related data is labeled in compliance with regulations, and the owner’s manual clearly details specifications, performance, and operating precautions to protect consumers’ right to know and ensure safe use.</p>	

Projects engaged	Implementation Status (Note 1)		Summarized explanation (Note 2)	The variation with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies,” and the reasons for the variation
	Yes	No		
<p>[Consumer rights and after-sales service] The Company has established a comprehensive standardized operating system, including the “Customer Complaint Handling Operating Guidelines,” the “After-sales Service Compensation Operating Guidelines,” and the “Vehicle Recall and Correction Management Regulations,” to ensure product liability incidents are handled rapidly. The Company has established dealerships and service locations throughout Taiwan and offers night and holiday repair services. It also provides a 24-hour toll-free service hotline (0800) for immediate response to consumer needs.</p> <p>[Personal data and privacy protection] The Company has established a “Personal Data Protection Management Committee” to formulate and promote regulations and practices related to personal data protection, including the establishment and supervision of management mechanisms for the collection, processing, and use of personal data. The Committee operates according to the “Guidelines for the Establishment of the Yulon Motor Personal Data Protection Management Committee” and, through cross-departmental collaboration, integrates resources and expertise to jointly strengthen the personal data protection system, ensuring that business operations and personal data protection proceed in parallel without conflict, fulfilling corporate responsibility and meeting societal expectations.</p> <p>(5) Sustainable development on human rights and safety health For sustainability of human rights, safety and health, see the description in Chapter IV, Section 5 "Labor Relations".</p> <p>(6) Implementation of sustainable development by suppliers as per our request</p> <p>[Signing the Sustainability Commitment] The Company actively assists its vendors in achieving ISO 14001 certification and requires suppliers to sign a “Supplier Sustainable Development Commitment” to ensure the quality of supply and operational practices meet sustainable development standards. The commitment covers compliance with environmental regulations, protection of labor human rights, prohibition of child labor, rejection of conflict minerals (3TG), and protection of personal data.</p> <p>[Sustainability Assessment Management] The Company continues to promote the “Supplier Sustainability Management Project” and uses the “Green Procurement Scorecard” to conduct assessments across the three major aspects of environment, governance, and society. Based on the assessment results, the Company adopts measures such as risk management, supplier guidance, and performance evaluation to gradually strengthen sustainable supply chain management and promote the establishment of a green supply chain.</p> <p>[Occupational safety and health management for outsourcing and contracting operations] The Company has established the “Outsourcing and Contracting Work Safety and Health Management Operating Guidelines” and the “Work Permit Regulations” and, in accordance with the ISO 45001 international standard (Certificate validity period: 2024/07/25–2027/07/24), requires contractors to comply with environmental protection, fire protection, and occupational safety and health related regulations. Additionally, through audits and management mechanisms, the Company has continuously strengthened the safety and health management of outsourcing and contracting operations.</p> <p>(7) Implementation of other sustainability programs</p> <ol style="list-style-type: none"> The Company obtained “ISO 14001 Environmental Management System Certification” in 1999 and obtained “ISO 50001 Energy Management System Certification” from 2024 (validity period: 2024/12/19–2027/12/19). The Company is committed to sustainable development and was recognized by multiple parties in 2025. The Company received the following awards: <ul style="list-style-type: none"> • Top 5% in the corporate governance among all listed companies evaluated by Financial Supervisory Commission (Top 5% for eleven years in a row) • Global Views Magazine ESG Corporate Sustainability Award “Overall Performance Award – Traditional Industry Group” Excellence Award • Ranked 19th in the Manufacturing Sector of the 2025 Commonwealth Sustainable Citizen Award, selected for the “CommonWealth Family-Friendly Workplace Award,” and selected for the “CommonWealth Talent Sustainability Award” • TCSA Taiwan Corporate Sustainability Awards – Taiwan Top 100 Sustainable Model Enterprises in the Sustainable Comprehensive Performance Award, and Sustainability Report Gold Award • Business Weekly “Top 100 Carbon Competitiveness” and ranked 1st in the automotive industry • ESG for Culture Impact – Resource Assistance Award • Outstanding Green Procurement Unit of Environmental Protection Department of Miaoli County Government - Distinction Award 				

Projects engaged	Implementation Status (Note 1)		Summarized explanation (Note 2)	The variation with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies,” and the reasons for the variation
	Yes	No		
			<ul style="list-style-type: none"> Selected as a constituent stock of the FTSE 4 Good TIP Taiwan ESG Index <p>3. The Company has always insisted that environmental protection and corporate competitiveness are both important and do not contradict each other. In our successive sustainability reports, we have clearly declared and expressed our policy on dealing with stakeholders such as shareholders, customers, suppliers, communities and employees, and have integrated environmental protection into our business philosophy and included it in the annual projects and targets of each unit as a key point for implementation of daily work items.</p> <p>4. For detailed CSR results, see the sustainability report at https://ylesg.yulon-motor.com.tw/.</p>	

Note 1: If "Yes" is ticked in the implementation option, specify the major policies, strategies, and measures implemented; if "No" is ticked, explain in the column of "Discrepancies from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes", and describe the policies, strategies and measures to be taken in the future to rectify the discrepancies.

Note 2: Materiality refers to environmental, social and corporate governance issues that have a significant impact on the Company's investors and other stakeholders. However, in relation to the promotion of projects 1 and 2, TWSE or TPEX listed companies should describe the governance and supervision structure for sustainable development, including but not limited to management policies, strategies and target formulation, review measures, etc. The Company's risk management policies or strategies on environmental, social and corporate governance issues related to its operations, and its assessment should also be described.

Note 3: The Company's identification of opportunities and measures to address climate risk issues.

	Risk type	Item	Potential financial impact	Response strategies
Transition risks	Operational risk	Material shortages and increased logistics costs	Delay in delivery, increasing OEM costs	Investing or mentoring component factories, integrating the supply chain, and formulate various emergency response standard operating procedures with regular drills
	Policy and regulations	<ol style="list-style-type: none"> Phase VI Emission Standards Act Implementation of the fuel consumption regulation (CAFÉ) Prohibition on the sale of gasoline-powered vehicles Climate Change Response Act, Carbon Fee, Carbon Tax, Water Fee, Procedures of Renewable Energy Power Generation Equipment Management 	<ol style="list-style-type: none"> Increase the cost of engines and emission components Revenue from OEM affected by restrictions on the sale of fuel-powered vehicles Invest capital expenditures to increase OEM costs Increase OEM costs due to investment in process energy saving and carbon reduction upgrades, manpower and costs for GHG inventory verification, and carbon emissions and water consumption costs 	<ol style="list-style-type: none"> Improve energy efficiency and reduce operating costs Continue to track the evolution of laws and regulations, and upgrade technology to improve the energy efficiency of products Link the development of partners and OEM electric vehicles Promote energy conservation and emission reduction (including process improvement, enhancing equipment efficiency, electrification of official transportation, waste reduction and recycling, etc.), increase the use of renewable energy, introduce rainwater and process recycling systems, and install flow meters and sensors for real-time monitoring of water consumption
	Market risks	Consumers purchase eco-friendly, energy-efficient, and low-consumption vehicles	Impact on the willingness to purchase in the consumer market and OEM revenue	Introduce energy-efficient vehicles and electric vehicles to meet the environmental protection and energy conservation needs of stakeholders
	Reputational Risks	Report occupational accidents to the competent authority	Increase in insurance and legal fees and fines by the competent authority	Formulate various onsite tasks and emergency response standard operating procedures, and conduct regular drills
	Technology risks	Costs of transitioning to low-carbon technology (such as deploying renewable energy and developing energy storage equipment) and introducing AI-assisted operations	Impact on operating costs and profit reduction	Link the development of partners and electric vehicle and energy storage businesses Introduce AI assistance in certain production processes

Risk type	Item	Potential financial impact	Response strategies	
Physical risks	Chronic	1. Natural disasters: typhoon, drought/flood, lightning strike, fire 2. Climate change: global warming, extreme climate	1. Cost of maintenance and renewal of buildings and equipment, medical treatment and compensation for casualties, and loss of revenue 2. Increase the cost of testing (high and low temperature, extreme climate) and countermeasures before mass production of vehicles	1. Review building structure and equipment disaster stress testing, formulate emergency response SOP, and conduct regular drills 2. Cooperate with the parent plant to develop and ensure the quality of climate change-responsive vehicles for production 3. Collaborate with the supply chain to develop and apply eco-friendly materials and parts, such as: eco-friendly refrigerant for automobile filling, recycled plastic parts.
	Acute	Epidemic - Infectious Disease	Affect production line operations, resulting in increased OEM costs	Establish a response center, form a response team, formulate emergency response SOP, and implement production segmentation by zone, shift, and line.

2. Implementation status of climate-related information

Item	Implementation Status
1. Describe the supervision and governance of climate-related risks and opportunities by the Board of Directors and management.	The Board of Directors of the consolidated company is the highest governing body responsible for formulating corporate social responsibility and sustainable development strategies. We have established a Sustainable Development Sector to promote climate change adaptation and ESG activities. The Committee is chaired by the President. Annually, the Committee reports ESG achievements to the Board of Directors, which supervises the implementation of actions taken by the Company in response to climate change and examines operational risks related to climate-related risks. In order to strengthen its sustainability actions, Yulon Motor has incorporated sustainability issues into its employee remuneration management mechanism, and continues to incorporate sustainability into corporate operations by linking performance evaluations with sustainability-related issues.
2. Describe how the identified climate risks and opportunities affect the Company's business, strategy and finance (short-, mid-, and long-term).	The Sustainable Development Committee of Yulon Motor Co., Ltd., assembled the responsible units of various departments and conducted the analysis with reference to Scenario SSP 5-8.5 of the AR6 Report published by the Intergovernmental Panel on Climate Change (IPCC). The geographical characteristics of Yulon Motor's industry and business locations were taken into account in examining the scope and severity of impacts that climate change may have on all business locations over different time scales (1 year in the short-term, 1 to 3 years in the mid-term, and 3 to 5 years in the long-term). We prioritized and adapted to the identified risks and impact, and have compiled a list of Yulon Motor's risk and opportunity issues. Please refer to the Company's 2025 sustainability report.
3. Describe the financial impact of extreme climate events and transformation actions.	For the Company's identification of opportunities to climate risk issues and countermeasures (including potential financial impacts), please refer to Note 3 in (VI) of this annual report on the implementation status of sustainable development issues.
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	The Company's Sustainable Development Committee uses a cycle of Plan, Do, Check, and Action to assess and identify climate change risks. This involves regularly adjusting and reviewing the Company's risk management policies and methods, as well as timely adjustments to the risk management frameworks and processes.
5. If a scenario analysis is used to assess the resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and main financial impacts used shall be described.	The Company conducted the analysis with reference to the SSP5-8.5 scenarios of the AR6 report regularly released by the Intergovernmental Panel on Climate Change (IPCC). The 1.5°C and 2.5°C warming scenario explanations are as follows: (1) 1.5°C temperature increase scenario: A. Net zero emissions and carbon management: In response to global efforts to limit warming to 1.5°C, we align with national pathways to achieve net zero emissions by 2050. B. Implement sustainable production: Promote environmental management, set reduction targets, and reduce the environmental impact of product production. C. Deployment of renewable energy: Continue to deploy the solar energy installation in Sanyi site to increase the utilization ratio of renewable power. D. Energy transition management: Process improvement and equipment performance enhancement, electrification of office and logistics vehicles.

Item	Implementation Status
	<p>E. Zero waste of resource recycling: Reduce, reuse, and recycle waste to improve the conversion rate of waste to reduce environmental impact.</p> <p>F. Responding to climate change: Establish a climate change management framework with the TCFD as the framework to identify risks and opportunities, and disclose the progress to stakeholders on a regular basis.</p> <p>(2) 2.5°C temperature increase scenario: When the premise of the temperature increase scenario deteriorates, we will increase the intensity of temperature emission reduction (e.g. 100% use of green power in the entire site, 100% electrification of public utilities and logistics equipment, and 100% recycling of resources with zero waste, etc.).</p>
<p>6. If there is a transformation plan in place to manage climate-related risks, specify the content of the plan, and the indicators and targets used to identify and manage physical risks and transformation risks.</p>	<p>The Company has long been concerned about the impact of climate change on its operations, and actively identifies and responds to the risks and impacts of extreme weather in order to identify opportunities.</p> <ol style="list-style-type: none"> 1. Formulate company-wide KPIs for energy conservation, carbon reduction, and GHG reduction, and check the control achievement rate on a monthly basis to formulate improvement measures. 2. Upgrade the equipment and optimize the energy efficiency of the process. 3. Established the “Energy Saving Service Group” in 2012, and set up the “Energy Saving Committee” and the “Value Chain Committee of Third-Party Suppliers” in 2018 to guide third-party companies in their efforts to protect the environment and actively create a green supply chain. 4. Develop zero-carbon emission smart electric vehicles and cooperate with Hon Hai to provide a complete solution of electric vehicle chassis and key component modules to shorten the development process of future electric vehicles and enable electric vehicle products to enter the market more quickly.
<p>7. If internal carbon pricing is used as a planning tool, the basis for setting the price shall be stated.</p>	<p>To promote low-carbon investment, improve energy use efficiency, and enhance internal carbon reduction initiatives, the Company has adopted the estimated payback period based on electricity cost savings when reviewing and evaluating fixed asset investments. Starting in 2025, it has added and implemented an internal carbon pricing evaluation mechanism, setting the internal carbon price at NTD 300 per metric ton based on the carbon fee price expected to be levied in 2026 under the “Carbon Fee Charging Regulations” of the Ministry of Environment. In addition to serving as an evaluation of the financial impact of climate risks and opportunities in the annual TCFD climate-related financial disclosures, this price also serves as a reference for capital investment strategies and major decision-making. In the future, the internal carbon price will be updated and evaluated regularly each year, and the carbon fee price will be assessed based on internal and external carbon costs – including regulatory fines, emissions trading prices, international corporate benchmark cases, renewable electricity purchase costs, and mitigation factors from internal energy-saving programs – to determine a reasonable carbon price.</p> <p>Through a self-developed energy-saving and carbon reduction management system, energy usage is monitored in real time, and energy management and energy-saving improvements are carried out to reduce energy consumption and carbon emissions. The daily energy-saving system provides real-time data and alerts on target achievement, enabling real-time monitoring of energy usage at each plant. Carbon emissions are compiled monthly, emission hotspots are analyzed, and optimal carbon reduction recommendations and decisions are provided for plant areas. The Energy Conservation Committee and Sustainability Unit report carbon reduction status to senior management. Starting in 2024, carbon reduction KPIs have been further linked to senior executive performance to specifically implement carbon reduction actions. And from 2024 onwards, management has been extended to cover the overall carbon dioxide emissions of the Group’s consolidated subsidiaries.</p>
<p>8. If climate-related targets have been set, details should be provided regarding the activities covered, scopes of greenhouse gas emissions, planning period, and annual progress made; if carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant targets, the source and quantity of carbon reduction offsets or the quantity of RECs should be</p>	<p>In accordance with the national carbon dioxide reduction policy, Yulon Motor signed the “Greenhouse Gas Inventory and Voluntary Reduction Declaration” in 2006, continuously promoting efforts to reduce GHG emissions and setting reduction targets for carbon dioxide emissions in various departments. The Company’s GHG emission reduction targets are divided into Scope 1 and Scope 2 carbon intensity targets (metric tons of carbon dioxide equivalent/NTD millions of production value) which are set to reduce by 4.2% per year. At this stage, the consolidated company has purchased RECs but has not yet employed them as a carbon reduction measure, and the parent company continues to prioritize self-generation and self-consumption of renewable energy.</p>

Item	Implementation Status
specified.	
9. GHG inventory and assurance status, as well as reduction targets, strategies and specific action plans (indicated in 2-1).	Please refer to the descriptions in 2-1.

2-1 The Company's Greenhouse Gas Inventory and Assurance Status in the Recent Two Years

2-1-1 Greenhouse Gas Inventory Information

Describe the GHG emission volume (metric tons of CO₂e), intensity (metric tons of CO₂e/NTD million), and data coverage for the most recent two years.

- The parent company and its subsidiaries have been inventoried since 2023. The Company has been inventoried since 2022.
- The consolidated financial statements of subsidiaries shall begin to be inventoried from 2025. The consolidated company has established a GHG inventory mechanism in accordance with ISO14064-1 GHG Inventory Standard (Describe the applicable inventory standards) published by the International Standards Organization (ISO). Starting from 2025, the Company will regularly review its GHG emissions of the Company's parent company only and consolidated financial statements, fully grasping the GHG use and emissions status, and verifying the effectiveness of reduction actions. GHG data is based on the GHG emissions of the Company and all subsidiaries included in the consolidated financial statements under the operational control approach as follows:

Year		2024		2025	
Item (Unit)		Emissions (tCO ₂ e)	Intensity (tCO ₂ e/operating revenue NTD million)	Emissions (tCO ₂ e)	Intensity (tCO ₂ e/operating revenue NTD million)
The company	Scope 1	3,267.1267	0.4905	2,707.6421	0.6369
	Scope 2	5,548.9379		4,759.5693	
	Scope 3	3,893.7387		3,141.1482	
	Subtotal	12,709.803		10,608.360	
All subsidiaries included in the consolidated financial statements	Scope 1	30,089.8864	1.7547	26,605.5608	1.8650
	Scope 2	29,392.9655		25,788.5493	
	Scope 3	78,322.0330		71,943.0252	
	Subtotal	137,804.885		124,337.135	
Total		150,514.688	1.7547	134,945.495	1.8650

Note 1: Direct emissions (Scope 1, i.e. directly from emission sources owned or controlled by the Company), indirect emissions from energy (Scope 2, i.e. indirect GHG emissions from imported electricity, heat or steam), and other indirect emissions (Scope 3, i.e. emissions from the Company's activities that are not indirect emissions from energy, but are from sources owned or controlled by other companies).

Note 2: GHG inventory standard: ISO 14064-1:2018 issued by the International Organization for Standardization (ISO).

2-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance in the last 2 years up to the date of publication of the annual report, including the scope of assurance, institutions of assurance, criteria of assurance, and opinions of assurance.

- The parent company's entities shall execute the assurance starting from 2024.
- The subsidiaries in the consolidated financial statements execute the assurance starting from 2027. The Company has conducted GHG emission inventory and reduction plans over the years, and voluntarily disclosed the results publicly in the sustainability report and the Company's website, and has completed the ISO 14064 GHG inventory certification in 2024 and 2025.

Indicator item	Explanation of assurance status for 2024	Explanation of assurance status for 2025
Direct (Scope 1) GHG emissions	<ol style="list-style-type: none"> Emissions: 3,267.1267 tons of CO₂e. Data boundary: Yulon Motor Sanyi Plant Certification: Yes Verification Institution: AFNOR Verification standard: ISO 14064 	<ol style="list-style-type: none"> Emission volume: 2,707.6421 tCO₂e Data boundary: Yulon Motor Sanyi Plant Certification: Yes Verification Institution: AFNOR Verification standard: ISO 14064
Indirect energy (Scope 2) GHG emissions	<ol style="list-style-type: none"> Emissions: 5,548.9379 tons of CO₂e. Data boundary: Yulon Motor Sanyi Plant Certification: Yes 	<ol style="list-style-type: none"> Emission volume: 4,759.5693 tCO₂e Data boundary: Yulon Motor Sanyi Plant

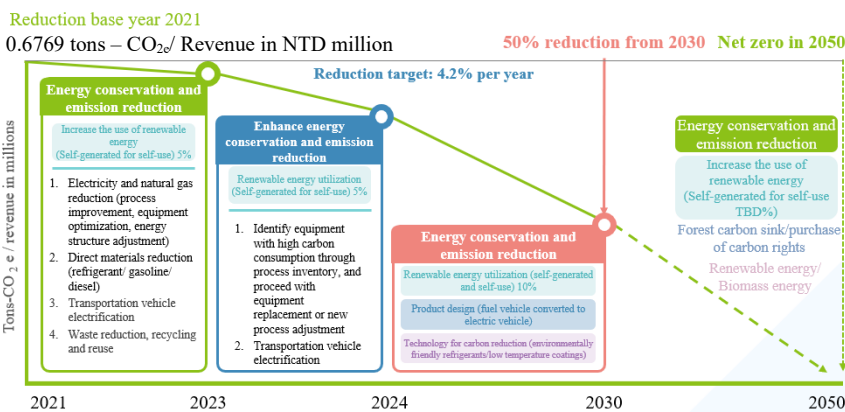
	4. Verification Institution: AFNOR 5. Verification standard: ISO 14064	3. Certification: Yes 4. Verification Institution: AFNOR 5. Verification standard: ISO 14064
Other indirect (Scope 3) GHG emissions	1. Emissions: 3,893.7387 tons of CO ₂ e. 2. Data boundary: Yulon Motor Sanyi Plant 3. Certification: Yes 4. Verification Institution: AFNOR 5. Verification standard: ISO 14064	1. Emission volume: 3,141.1482 tCO ₂ e 2. Data boundary: Yulon Motor Sanyi Plant 3. Certification: Yes 4. Verification Institution: AFNOR 5. Verification standard: ISO 14064
GHG emission intensity	1. GHG emission intensity: 0.3403 tons of CO ₂ e/NTD million 2. Category: Others (turnover in millions) 3. Scope of data: Scope 1 and Scope 2	1. GHG emission intensity: 0.4483 tCO ₂ e/NTD million 2. Category: Others (turnover in millions) 3. Scope of data: Scope 1 and Scope 2
Strategy, method and goal of GHG management	Reduce GHG emission by 4.2% linearly every year. This is achieved through initiatives such as the deployment of solar energy installations, electrification of vehicles, zero waste resource recycling, process improvements, enhancement of equipment efficiency, and GHG inventory education and training.	

Note 1: Regarding the assurance of the 2025, as the Company did not obtain the complete GHG assurance on the date of publication of the annual report, the complete assurance information will be disclosed in the sustainability report and MOPS.

2-2 Greenhouse Gas Reduction Goals, Strategies, and Specific Action Plans

Describe the GHG reduction base year and data, reduction goals, strategies, and specific action plans and achievement of the reduction goals.

Yulon Motor keeps a close eye to the impact of climate change. Net zero carbon emission by 2050 is an important environmental sustainability goal for us. We focus on emissions along the value chain by utilizing the Science-Based Targets initiatives (SBTi) method and recommendations from internal and external experts. From policy development and target-setting to project implementation, Yulon Motor establishes management processes and takes action to reduce emissions of both Scope 1 and 2 of GHG. Yulon Motor’s energy-saving and emission-reduction measures include process improvements and the implementation of digital energy management systems, enhancement of equipment efficiency and introduction of digital electronic boards, electrification of office vehicles, and reduction of waste and promoting recycling. Additionally, we increase the use of renewable energy, transition to smart electric vehicle manufacturing, and engages in forest carbon sinks. Through regular internal meetings and review of the progress towards GHG emission reduction goals, we ensure that carbon reduction mechanisms and resources are optimally allocated.



(VII) The Practice of Ethical Corporate Management and Related Policies and Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX-listed Companies:

Proper enforcement of business integrity

Items for assessment	Actual governance (Note 1)		Deviation From the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company” and the Reasons
	Yes	No	
1. Establishment of ethical corporate management policies and plans			
(I) Has the Company specified its policy and method for the implementation of ethical corporate management in its internal rules and regulations and external documents, and have the Board and the management of the Company promised to pursue the policy of ethical corporate management?	V	(I) The Company established the “Ethical Corporate Management Best Practice Principles” in 2014 and submitted them to the Board of Directors for approval in 2015 (for details, please refer to the Yulon Motor website - Investor Relations - Corporate Governance - Ethical Corporate Management section). In accordance with the Company’s organizational structure, the Company has established departmental manuals for each department, requiring all employees of the Company, including the Board of Directors and management, to actively implement honest management, treat shareholders with care and loyalty, and use professional and diligent management of shareholders’ investments to ensure fair, sustainable and competitive returns to create We will ensure fair, sustainable and competitive returns on our shareholders’ investments to create the best interests of our shareholders.	Compliance with the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company”
(II) Has the company established an assessment mechanism of risk from unethical behavior to regularly analyze and assess business activities with higher risk of involvement in unethical behavior and preventive programs for unethical behaviors containing at least the preventive measures stated in Paragraph 2 of Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies?”	V	(II) In order to clearly regulate the relationship between the rights and obligations of employees and management, and to improve the organization and establish the management system, the Company has established various internal work regulations according to the relevant laws and regulations to provide a framework for corporate and employee actions. In the event of unethical behavior of the Company's personnel, the Company will notify the judicial and prosecution authorities in accordance with the relevant facts, and notify the governmental ethics departments in the event that a public authority or public official is involved. The Company has established and submitted to the board of directors for approval ethical corporate management best practice principles as a basis for preventing unethical conduct and they are implemented.	Compliance with the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company”
(III) Whether the Company has specified operating procedures, conduct guidelines, and disciplinary and complaint systems for violations in the plan to prevent unethical conduct and implemented the plan as well as regularly reviews and amends it?	V	(III) The Company has established the “Management Measures for Preventing Insider Trading,” the “Regulations for Management Review,” and the “Operating Standards for Management Meetings” as the relevant regulations for the implementation of the Ethical Corporate Management Best Practice Principles and has implemented them, and amended them in accordance with the laws and regulations.	Compliance with the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company”

Items for assessment	Actual governance (Note 1)		Deviation From the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company” and the Reasons	
	Yes	No		
<p>II. Implementation of ethical corporate management</p> <p>(I) Does the company have the integrity of the trade counterparty assessed and with the code of integrity expressed in the contract signed?</p> <p>(II) Does the Company have a dedicated unit under the Board of Directors to promote ethical corporate management and report regularly (at least once a year) to the Board of Directors on its ethical management policy and plan to prevent unethical conduct and monitor their implementation?</p> <p>(III) Does the Company have developed policies to prevent conflicts of interest, provided adequate channel for communication, and substantiated the policies?</p>	V	V	<p>(I) The contracts entered into by the Company are reviewed by legal professionals, and the Company may terminate or cancel the contracts if the counter-parties are involved in unethical acts.</p> <p>(II) The Company’s code of ethics is planned and coordinated by the corporate governance officer and implemented by the management team. Department manuals are prepared for each department, outlining specific requirements for ethical conduct. All company personnel, including the Board of Directors and management, are required to actively adhere to the code of ethics. Implementation status was reported to the Board of Directors at least once a year, and was last reported on November 7, 2025.</p> <p>In 2025, the following items were promoted for ethical corporate management.</p> <ol style="list-style-type: none"> 1. Promoted ethical corporate management measures to new employees and conducted education and training. 2. Promoted ethical corporate management to new managerial officers and had them signed the statement of the ethical corporate management best practice principles. 3. In accordance with the ethical corporate management best practice principles, the independent directors shall act as the mailbox administrators, and the independent directors shall periodically confirm the reporting of unethical acts to ensure the implementation of the anonymous reporting system. 4. On-the-job training for directors: <ol style="list-style-type: none"> (1) Trump’s policies and their impact on global affairs and Taiwan, along with corporate sustainability in a changing world (3 hours) -> organized by the Taiwan Corporate Governance Association (2) Risks and information security issues in the age of AI, and sustainability-driven risk management (3 hours) -> organized by the Taiwan Corporate Governance Association <p>(III) In addition to the “Procedure for Board of Directors Meetings” for relevant stipulations for recusal due to conflict of interest, the Company has provided appropriate channels for the Board of Directors to proactively state whether there is a conflict of interest.</p>	<p>Compliance with the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company”</p> <p>Compliance with the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company”</p> <p>Compliance with the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company”</p>

Items for assessment	Actual governance (Note 1)		Deviation From the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company” and the Reasons	
	Yes	No		
(IV) Whether the Company has established an effective accounting system and internal control system for the implementation of ethical corporate management, and the internal audit unit draws up relevant audit plans based on the evaluation results of risk of unethical conduct, and audits the compliance of the plan to prevent unethical conduct or entrusts a CPA to perform the audit?	V		(IV) In addition to the Company's best practice principles and regulations on ethical corporate management, the Company has established an internal control system for related party transactions and insider trading. In addition to conducting regular internal audits, the Internal Audit Office will immediately notify members of the Board of Directors and the relevant authorities if it receives any reports of illegal activities and conduct inspections at any time to ensure that the system is designed and implemented effectively.	Compliance with the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company”
(V) Does the Company regularly organize internal and external education and training on ethical corporate management?	V		(V) In accordance with the resolution of the Board of Directors and the updates of the relevant laws and regulations, the Company has held centralized education and training at least annually, and has repeatedly made education propaganda about its implementation at various meetings of the Company to achieve the purpose and spirit of ethical corporate management. Related courses held in 2025: 1. New Occupational Safety and Health Act You Must Know – Practice of Workplace Illegal Infringement and Workplace Sexual Harassment (online course): 137 participants, totaling 53.8 person-hours. 2. New Occupational Safety and Health Act You Must Know – Practice of Workplace Illegal Infringement and Workplace Sexual Harassment (in-person course): 53 participants, totaling 106 person-hours. 3. 2025 “Newly Revised Yulon Group Personal Data Protection and Management Policy”: 31 participants, totaling 31 person-hours. 4. Workplace unlawful infringement awareness and prevention (online course): 13 participants totaling of 2 hours. 5. Tip to insider trading: 12 participants, 2.2 hours session. 6. Intellectual property rights (common video/audio): 12 participants, totaling 9.6 hours. 7. Understanding trade secrets: 12 participants totaling 4 hours. 8. Personal Information Protection Awareness - Overview of Personal Data Protection Act: 26 participants totaling 8.8 hours. 9. 2025 TIPS (Grade A) and intellectual property legal compliance training course for corporate governance: 1 participant, totaling 16 participant-hours.	Compliance with the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company”

Items for assessment	Actual governance (Note 1)		Summary	Deviation From the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company” and the Reasons
	Yes	No		
<p>III. Implementation of the whistle-blowing system</p> <p>(I) Does the Company have a specific report and reward system stipulated, a convenient report channel established and a responsible staff designated to handle the individual being reported?</p> <p>(II) Has the Company established the standard operation procedures for the investigation of complaints as reported, follow-up actions after the investigation, and related mechanisms for confidentiality?</p> <p>(III) Has the Company taken proper measures to protect the whistleblowers from suffering any consequence of reporting an incident?</p>	V		<p>(I) The Company has established “Work Rules” and “Employee Compliant Handling Measures;” for violations of the rules and regulations, if the investigation by the Complaint Committee is substantiated, the work rules will be enforced. If necessary, we will seek damages through legal proceedings to protect the Company's reputation and rights.</p> <p>(II) The Company has established a whistleblower system and an internal independent whistleblower mailbox, which is managed by an independent director, who will assign the receiving unit for each whistleblower case. The record and preservation of whistleblowing cases, and their investigation process, results and related documents.</p> <p>(III) The Company has established measures to protect the identity of the whistleblower and the content of the report, to protect the whistleblower from improper treatment and to reward the whistleblower for the report.</p>	<p>Compliance with the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company”</p> <p>Compliance with the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company”</p> <p>Compliance with the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company”</p>
<p>IV. Enhancement of information disclosure</p> <p>(I) Does the Company have the contents of corporate management and its implementation disclosed on the website and MOPS?</p>	V		<p>(I) The Company has published the relevant corporate governance rules on the Company's website, which investors can download and read. The Company discloses information to the competent authorities or to the public in a complete, appropriate, accurate, timely and understandable manner, and has a corporate spokesperson and an acting spokesperson, and a standardized speaking procedure that requires management and employees to keep financial and business secrets and not to disseminate information arbitrarily. In addition, the Company discloses relevant and reliable information in its annual reports and sustainable reports.</p>	<p>Compliance with the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company”</p>
<p>V. For the companies which have established ethical corporate management best practice principles in accordance with the “Ethics Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies,” please describe the implementation practices and the deviation from the Principles established: The Company has established the Rules of Procedures for Shareholders' Meetings, the Procedure for Board of Directors Meetings, the Procedures for the Management of Confidential Documents, the Procedures for Disclosure and Handling of Confidential Information, the Standard Operating Procedures for the Announcement Process, the Internal Control System, and the implementation of the operating systems have all met the requirements of the Principles. As of the publication of this annual report, the Company has prepared a “Ethical Corporate Management Best Practice Principles,” submitted to and approved by the Board of Directors in May, 2014, and requested all subsidiaries to refer to the principles for thorough implementation.</p>				
<p>VI. Other vital information that helps to understand the practice of business integrity of the Company (e.g., the review and revision of the best-practice principles of the Company in business integrity) The Company discloses its ethical corporate management practices in its internal regulations, annual reports, and corporate website, and announces them at external events, such as product launches and corporate briefings, so that suppliers, customers, shareholders, and other business-related organizations and personnel can clearly understand the Company's ethical corporate management philosophy and standards.</p>				

Note 1: Whether the Company selects “Yes” or “No” in the operating condition, it should explain the situation in the summary space.

(VIII) Other important information that is helpful to understand the implementation of ethical corporate management:

Under the corporate governance evaluation mechanism jointly developed by the TWSE and the TPEX, the Company was ranked among the top 5% in the first to 11th evaluations and received awards from the organizers.

(IX) The implementation of internal control system

1. Internal control system statement: Please refer to the (<https://mopsov.twse.com.tw/>) "Statement of Internal Control" announcement in the "Corporate Governance" section of the Market Observation Post System (path is Single Company -> Corporate Governance -> Internal Control -> Statement of Internal Control).
2. If the internal control policy was reviewed by an external auditor, the report of such a review must be disclosed: Not applicable.

(X) Important resolutions of the shareholders' and board meetings in the most recent year to the day this Annual Report was published in 2025.

1. Important resolutions of the shareholder and board meetings:

Date	Meeting type	Important motions
2025/3/6	14th interim meeting of the 17th Board of Directors	Discussions: 1. Preparations for the 2025 shareholders' meeting 2. The Company's 2024 final operating reports 3. For the distribution of earnings of the Company in 2024 4. The distribution of profit sharing remuneration to employees and directors for 2024 5. Proposal for reelection of the 18th Board of Directors 6. Proposal to lift the 18th Board of Directors from prohibition of business strife. 7. Candidates for the seats of the 18th Board of Directors nominated by the Board and qualification reviews. 8. Amendment to certain provisions of the Company's "Articles of Incorporation." 9. The Company's endorsement and guarantee facility for 2025 10. The Company's bank facility application for 2025 11. The Company's issuance of Letter of Operating Support (LOS) in 2025. 12. Appointment and professional fees of CPAs and evaluation of their Independence and competence for 2025 13. The Company's Statement of Internal Control System for 2024 14. To adjust the Chief Information Security Officer, Head of Finance, Head of Accounting, and the Chief Sustainability Officer. 15. 4th meeting of the 9th Board of Directors of Yulon Nissan Motor Co., Ltd. 16. Amendment to the Company's "Internal Control System for the Payroll Cycle and Detailed Rules for Internal Audit Implementation of the Payroll Cycle"
2025/5/8	15th interim meeting of the 17th Board of Directors	Proposals: 1. 5th meeting of the 9th Board of Directors of Yulon Nissan Motor Co., Ltd. Discussions: 1. Financial statements of the Company for 2025 Q1
2025/5/27	General Meeting of shareholders	Proposals: 1. Adoption of the 2024 Financial Statements. 2. Adoption of the Distribution of 2024 profits. Discussions: 1. Amendment to certain provisions of the Company's "Articles of Incorporation." Election: 1. For the election of the 18th Board of Directors Other agenda items: 1. Proposal to lift the 18th Board of Directors from prohibition of business strife.
2025/5/27	1st interim meeting of the 18th Board of Directors	Election: 1. Election of the Chairman and Vice Chairman of 18th Board of Directors
2025/8/7	2nd interim meeting of the 18th Board of Directors	Proposals: 1. 7th meeting of the 9th Board of Directors of Yulon Nissan Motor Co., Ltd. Discussions: 1. Financial statements of the Company for 2025 Q2 2. Appointment of the members of the sixth session of the Remuneration Committee 3. Appointment of the members of the second session of the Sustainable Development Committee

Date	Meeting type	Important motions
		<ol style="list-style-type: none"> 4. Proposal for the Company to adjust the spokesperson, acting spokesperson, and corporate governance officer 5. The appointment of the Company's managerial officer 6. The Company's 2024 sustainability report preparation
2025/11/7	3rd interim meeting of the 18th Board of Directors	<p>Discussions:</p> <ol style="list-style-type: none"> 1. Financial statements of the Company for 2025, Q1-Q3 2. The Company's donation to the Wu Shun-Wen's News Scholarship Foundation 3. The Company's 2026 audit plan 4. Amendments to certain provisions of the internal control systems for stock operations of the Company 5. Amendment to certain provisions of the Company's "Corporate Sustainable Development Best Practice Principles" 6. Amendment to certain provisions of the Company's "Articles of Incorporation." 7. Proposal for 2025 executive salary adjustment 8. 8th meeting of the 9th Board of Directors of Yulon Nissan Motor Co., Ltd.
2025/12/19	4th interim meeting of the 18th Board of Directors	<p>Discussions:</p> <ol style="list-style-type: none"> 1. The Company's 2026 business objectives 2. Proposal for the Company's organizational adjustment plan and personnel promotions 3. Amendments to the Company's "Regulations Governing Approval Authority" 4. Disposal of the Company's equity interest in its subsidiary, Luxgen Motor Co., Ltd. 5. Estimation of the Company's purchases and sales with related parties in 2026 6. Amendments to certain provisions of the Company's "Regulations Governing the Issuance and Conversion of the 3rd Domestic Unsecured Convertible Corporate Bonds"
2026/3/5	5th interim meeting of the 18th Board of Directors	<p>Discussions:</p> <ol style="list-style-type: none"> 1. Preparations for the 2026 shareholders' meeting 2. The Company's 2025 final operating reports 3. For the distribution of earnings of the Company in 2025 4. The distribution of profit sharing remuneration to employees and directors for 2025 5. The Company's endorsement and guarantee facility for 2026 6. The Company's bank facility application for 2026 7. The Company's issuance of Letter of Operating Support (LOS) in 2026. 8. Appointment and professional fees of CPAs and evaluation of their Independence and competence for 2026 9. The Company's Statement of Internal Control System for 2025 10. To adjust the Chief Information Officer and the dedicated manager for Information Security 11. 9th meeting of the 9th Board of Directors of Yulon Nissan Motor Co., Ltd.

2. Review of the implementation of the resolutions of the 2025 annual general meeting

Resolutions	Review of the implementation
Adoption of the 2024 Financial Statements.	According to the voting result, the number of vote rights in favor of the motion met the statutory requirements, and the motion was adopted as submitted.
Adoption of the Distribution of 2024 profits.	According to the voting result, the number of vote rights in favor of the motion met the statutory requirements, and the motion was adopted as submitted. NTD 1.3 was distributed per share, and August 29, 2025 was set as the record date for cash dividend distribution.
Amendment to certain provisions of the Company's "Articles of Incorporation."	The voting results show that the number of affirmative voting rights met the statutory requirements, and the motion was Approved as proposed. The revised Articles of Incorporation were posted on the Company's website on May 27, 2025
For the election of the 18th Board of Directors	According to the voting results, the term of office of the 18th directors (including independent directors) is 2025/07/01–2028/06/30, and the list of directors was simultaneously announced on the Company's official website.
Proposal to lift the 18th Board of Directors from prohibition of business strife.	The voting results show that the number of affirmative voting rights met the statutory requirements, and the motion was Approved as proposed.

- (XI) Any directors or independent directors have different opinions on the resolutions reached by the Board of Directors with a record or written statement made in 2025 through the publication date of the annual report:
None of the directors or independent directors disagreed with the important resolutions passed by the Board of Directors.
- (XII) Other matters to be disclosed: None.

III. Information on CPA Fees

(I) Information on CPA Fees

Currency unit: NTD 1,000

CPA firm	CPA name	CPA auditing period	Audit fee	Non-audit fee	Total	Note
Deloitte & Touche	Chen Pei-Te	January 1, 2025 to December 31, 2025	18,292	5,408	23,700	Others consist of NTD 34 thousand for supervision of scrapping, NTD 2,465 thousand for sustainability IFRS implementation, NTD 1,453 thousand for advanced payments, NTD 1,100 thousand for tax certification-related services, and NTD 356 thousand for sustainability report assurance.
	Tai Shun-Wai	January 1, 2025 to December 31, 2025				

Note: If there is any CPA or CPA Firm being replaced in current year, the auditing period should be indicated separately and the reason for such replacement should be detailed in the remark column; also, the information regarding the audit and non-audit fee paid should be disclosed. Non-audit CPA fees should be annotated to explain the service content.

- (II) In the event of changing the accounting firm and the resulting CPA fee is less than that of the previous year, the CPA fees before and after the change of accounting firm and the reason for the change should be disclosed: N/A.
- (III) If the auditing fee is reduced by more than 10% than the previous year, disclose the reduced amount and proportion of the auditing fees and the reason for reduction: Not applicable

IV. Information on change of CPAs:

If there is a change of CPAs in the last two years and the subsequent period, the following information should be disclosed.

(I) Predecessor CPA

Date of change	I. Approved by the Board of Directors on November 12, 2024 II. Approved by the Board of Directors on March 5, 2026		
Reason for change and explanation	I. The attesting CPAs appointed by the Company were formerly Guo Li-Wen and Tai Shun-Wai from Deloitte & Touche. In accordance with the internal rotation requirement of Deloitte & Touche, the appointed CPAs of the Company have been changed from Guo Li-Wen and CPA Tai Shun-Wai to Tai Shun-Wai and Chen Pei-Te from the fourth quarter of 2024. II. The attesting CPAs appointed by the Company were formerly Tai Shun-Wai and Chen Pei-Te from Deloitte & Touche. In accordance with the internal rotation requirement of Deloitte & Touche, the appointed CPAs of the Company have been changed from Tai Shun-Wai and CPA Chen Pei-Te to Tai Shun-Wai and Chang Li-Chun from the first quarter of 2026.		
Indicate whether the appointment is terminated or not accepted by the client or CPA	Party involved		CPA
	Condition		Appointer
	Proactively terminate the appointment	Not applicable	Not applicable
	Not accept (continue) the appointment	Not applicable	Not applicable
Opinions in and reason for audit reports issued other than unqualified opinion in the last two years	None		
Disagreement with the issuer (Yes/No)	Yes	Accounting principles or practices	
		Disclosure of financial statements	
		Audit scope or procedure	
		Other	
	None	✓	
Other disclosures (Matters to be disclosed as set out in Item 1-4 to 1-7, Subparagraph 6 of Article 10 of these Regulations)	Description	Not applicable	
		None	

(II) Successor CPAs:

CPA firm	Deloitte & Touche
CPA name	I. CPAs Tai Shun-Wai and Chen Pei-Te II. CPAs Tai Shun-Wai and Chang Li-Chun
Date of engagement	I. November 12, 2024, II. March 5, 2026
Subjects of consultation and consultation results in case, prior to the formal engagement of the successor certified public accountant, the company consulted the newly engaged accountant regarding the accounting treatment of or application of accounting principles to a specified transaction or the type of audit opinion that might be rendered on the company's financial report	Not applicable
Written opinion of the successor CPA on matters on which the successor CPA disagreed with the predecessor CPA	Not applicable

(III) Reply letter from the predecessor CPAs: Not applicable.

V. Where the company's Chairman, President, or any managerial officer in charge of finance or accounting matters has in the preceding year held a position at the accounting firm of its certified public accountant or at an affiliate of such accounting firm, the name and position of the person and the period during which the position was held shall be disclosed: None.

VI. Changes in the transfer or equity pledge of shares by directors, managers, and shareholders holding more than ten percent of the shares for 2025 and up to the annual report publication date

- (I) Changes in shareholdings of directors, managerial officers, and major shareholders: For related information, please refer to the announcements on the “Market Observation Post System” website (<https://mops.twse.com.tw/>) (path: Single Company -> Changes in Shareholding/Securities Issuance -> Inquiry on Equity Transfer Information -> Ex Post Facto Declaration Form for Changes in Insider Shareholding, and Single Company -> Changes in Shareholding/Securities Issuance -> Insider Share Pledge/Release -> Announcement of Insider Share Pledge/Release)
- (II) Information on the related party of the equity transfer: None.
- (III) Information on the related party of the equity pledge: None.

VII. Information on the top ten shareholders who are related to each other or are spouses or relatives within the second degree of kinship:

March 29, 2026

Name (Note 1)	Shareholder		Shareholding of spouse and minor children (Note 2)		Total shareholding in the name of others (Note 2)		The name of and relationship among the top 10 shareholders if anyone is a related party, a spouse or a relative within second degree of kinship of another. (Note 3)		Note
	Number of shares	Shareholdings ratio (%)	Number of shares	Shareholdings ratio (%)	Number of shares	Shareholdings ratio (%)	Name	Relation	
Tai Yuen Textile Co., Ltd. Representative: Yen Chen Li-Lien	186,508,584 34,174,253	17.43 3.19	-	-	-	-	China Motor Corporation	Same chairperson	-
							Yen Ching-Ling's Foundation	Same chairperson	-
							Diamond Hosiery & Thread Co., Ltd.	Same chairperson	-
China Motor Corporation Representative: Yen Chen Li-Lien	171,382,445 34,174,253	16.02 3.19	-	-	-	-	Tai Yuen Textile Co., Ltd.	Same chairperson	-
							Yen Ching-Ling's Foundation	Same chairperson	-
							Diamond Hosiery & Thread Co., Ltd.	Same chairperson	-
Yen Chen Li-Lien	34,174,253	3.19	33,933,985	3.17	-	-	Taipei Branch of UBS received Pei-Yu Yen Trust Property Account	Mother and daughter	-
							Taipei Branch of UBS received Hsiang-Nan Yen Trust Property Account	Mother and son	-
Taipei Branch of UBS received Pei-Yu Yen Trust Property Account	33,933,985	3.17	-	-	-	-	Yen Chen Li-Lien	Mother and daughter	-
							Taipei Branch of UBS received Hsiang-Nan Yen Trust Property Account	Sister and brother	-

Name (Note 1)	Shareholder		Shareholding of spouse and minor children (Note 2)		Total shareholding in the name of others (Note 2)		The name of and relationship among the top 10 shareholders if anyone is a related party, a spouse or a relative within second degree of kinship of another. (Note 3)		Note
	Number of shares	Shareholdings ratio (%)	Number of shares	Shareholdings ratio (%)	Number of shares	Shareholdings ratio (%)	Name	Relation	
Taipei Branch of UBS received Hsiang-Nan Yen Trust Property Account	33,933,985	3.17	-	-	-	-	Yen Chen Li-Lien	Mother and son	-
							Taipei Branch of UBS received Pei-Yu Yen Trust Property Account	Sister and brother	-
Fande Investment Co., Ltd. Representative: Mao Xiao-Ling	22,474,678	2.10	-	-	-	-	Tai Yuen Textile Co., Ltd.	The chairman of Pan German Universal Motors is a board director of Tai Yuen Textile	-
Yen Ching-Ling's Foundation Representative: Yen Chen Li-Lien	10,990,936 34,174,253	1.03 3.19	-	33,933,985	-	3.17	China Motor Corporation	Same chairperson	-
							Tai Yuen Textile Co., Ltd.	Same chairperson	-
							Diamond Hosiery & Thread Co., Ltd.	Same chairperson	-
Weitai Investment Co., Ltd. Representative: Mao Xiao-Ling	9,838,515	0.92	-	-	-	-	Tai Yuen Textile Co., Ltd.	The chairman of Weitai Investment Co., Ltd. is a board director of Tai Yuen Textile	-
Wavin Investment Co., Ltd. Representative: Mao Xiao-Ling	9,282,651	0.87	-	-	-	-	Tai Yuen Textile Co., Ltd.	The chairman of Wavin Investment Co., Ltd. is a board director of Tai Yuen Textile	-
Diamond Hosiery & Thread Co., Ltd. Representative: Yen Chen Li-Lien	7,803,362 34,174,253	0.73 3.19	-	33,933,985	-	3.17	Tai Yuen Textile Co., Ltd.	Same chairperson	-
							China Motor Corporation	Same chairperson	-
							Yen Ching-Ling's Foundation	Same chairperson	-

Note 1: Illustrate the top-ten shareholders. The name of the corporate shareholders and the name of its representative should be illustrated separately.

Note 2: The calculation of shareholding ratio refers to the shareholding ratio calculated in accordance with the shareholding of the shareholders, spouse, minor children, and in the name of others.

Note 3: The relationship among the shareholders (including legal person and natural person) in the preceding paragraph should be disclosed in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

VIII. The total number of shares and the consolidated equity stake percentage held in any single reinvested enterprise by the Company, its directors, supervisors, managerial officers, or any companies controlled either directly or indirectly by the Company

December 31, 2025

Investee (Note)	Investment by the Company		Investment by directors, supervisors, managerial officers and directly or indirectly controlled enterprises		Total investment	
	Number of shares (Investment amount, thousands of NTD*)	Shareholding percentage	Number of shares (Investment amount, thousands of NTD*)	Shareholding percentage	Number of shares (Investment amount, thousands of NTD*)	Shareholding percentage
China Motor Corporation	44,592,177	8.05%	183,564,199	33.16%	228,156,376	41.21%
Taiwan Acceptance Corporation	246,449,050	42.81%	9,773,055	1.70%	256,222,105	44.51%
Taiwan Acceptance Corporation - preferred stock A	0	0.00%	25,359,608	25.36%	25,359,608	25.36%
Yueki Industrial Co., Ltd.	12,766,887	65.58%	2,985,888	15.34%	15,752,775	80.92%
Yue Sheng Industrial Co., Ltd.	28,800,000	100.00%	0	0.00%	28,800,000	100.00%
Sin Chi Co., Ltd.	80,500,000	100.00%	0	0.00%	80,500,000	100.00%
China Cast Iron Pipe Co., Ltd.	24,855	77.67%	6,109	19.09%	30,964	96.76%
Uni Auto Parts Manufacture Co., Ltd	21,728,516	25.01%	13,033,137	15.00%	34,761,653	40.01%
Uni-Calsonic Corp.	5,982,575	30.68%	6,883,525	35.30%	12,866,100	65.98%
Yu Chang Motor Co., Ltd.	13,998,500	64.99%	1,000	0.01%	13,999,500	65.00%
Coc Tooling & Stamping Co., Ltd.	25,469,581	37.76%	41,986,541	62.23%	67,456,122	99.99%
Yuanlong Automobile Co., Ltd.	7,999,000	20.00%	1,000	0.00%	8,000,000	20.00%
Yu Ching Business Co., Ltd.	42,660,000	60.00%	28,440,000	40.00%	71,100,000	100.00%
Yu Pong Business Co., Ltd.	19,968,365	100.00%	0	0.00%	19,968,365	100.00%
Yung Hang Investment Co., Ltd.	35,500,000	100.00%	0	0.00%	35,500,000	100.00%
Yushin Motor Co., Ltd.	19,999,000	99.99%	1,000	0.01%	20,000,000	100.00%
China Engine Corporation	16,113,500	38.16%	21,999,750	52.10%	38,113,250	90.26%
Chenglong Automobile Service Limited	13,935,351	27.00%	1,714	0.00%	13,937,065	27.00%
Director of R O C SPICER LTD	102,302	20.46%	148,096	29.62%	250,398	50.08%
Yutang Automobile Co., Ltd.	7,117,075	20.33%	1,675	0.01%	7,118,750	20.34%
EMPOWER MOTORS CO., LTD.	5,998,780	20.00%	8,101,220	27.00%	14,100,000	47.00%
Yulon It Solutions Inc.	16,663,998	87.71%	2,336,002	12.29%	19,000,000	100.00%
Esinn Co., Ltd	17,999,000	99.99%	1,000	0.01%	18,000,000	100.00%
Yulon Overseas Investment Co., Ltd.	1,057,214,366	100.00%	0	0.00%	1,057,214,366	100.00%
Nissan Motor Co., Ltd.	143,500,000	47.83%	11,029,000	3.68%	154,529,000	51.51%
Y-Teks Co., Ltd.	602,124	34.00%	212,388	11.99%	814,512	45.99%
Tokio Marine Nawa Insurance Co., Ltd.	223,517,245	18.63%	370,190,497	30.85%	593,707,742	49.48%
Hua-Chuang Automobile Information Technical Center Co., Ltd.	2,073,600,107	99.99%	0	0.00%	2,073,600,107	99.99%
Huilian Automobile Co., Ltd.	6,116,138	20.34%	1,000	0.01%	6,117,138	20.35%
Luxgen Motor Co., Ltd.	92,700,000	100.00%	0	0.00%	92,700,000	100.00%
Yulon Construction Co., Ltd.	144,078,000	100.00%	0	0.00%	144,078,000	100.00%
YU HSIN INT'L INVESTMENT (HK) CO., LTD.	1,584,917	20.50%	2,288,459	29.60%	3,873,376	50.10%
Fujian Taiya Automobile Industry Co., Ltd.	USD 5,166 thousand*	20.50%	USD 7,308 thousand*	29.00%	USD 12,474 thousand*	49.50%
Advance Power Machinery Co., Ltd.	22,400,000	100.00%	0	0.00%	22,400,000	100.00%
Yu Ke Technology Co., Ltd.	1,500,000	100.00%	0	0.00%	1,500,000	100.00%
Waterstone Corporation Limited	0	0.00%	1,500,000	100.00%	1,500,000	100.00%
New Energy World Motor CO., LTD.	7,375,000	20.00%	29,500,000	80.00%	36,875,000	100.00%

Note: The Company's equity-method investments.

III Status of Capital Planning

I. Capital and Shares

(I) Sources of shares and dividends

1. Formation of capital

March 31, 2026

Unit: NTD

Year and month	Issuing price	Authorized capital		Paid-up capital		Note		
		Number of shares	Amount	Number of shares	Amount	Sources of shares and dividends	Paid in properties other than cash	Other
1997.09	10	1,300,000,000	13,000,000,000	1,186,800,000	11,868,000,000	Capital increase by cash	-	(1997) Tai-Cai-Sheng (I) No. 70410 on 1997.9.22.
1998.06	10	1,780,000,000	17,800,000,000	1,424,160,000	14,241,600,000	Capital increase from earnings	-	(1998) Tai-Cai-Sheng (I) No. 48031 on 1998.6.2.
1999.05	10	1,780,000,000	17,800,000,000	1,566,576,000	15,665,760,000	Capital increase from earnings	-	(1999) Tai-Cai-Sheng (I) No. 49148 on 1999.5.26.
2000.12	10	2,000,000,000	20,000,000,000	1,644,904,800	16,449,048,000	Capital increase from earnings	-	(2000) Tai-Cai-Sheng (I) No. 102246 on 2000.12.26.
2001.06	10	2,000,000,000	20,000,000,000	1,726,300,040	17,263,000,400	Capital increase from earnings	-	(2001) Tai-Cai-Sheng (I) No. 136949 on 2001.6.11.
2002.09	10	2,000,000,000	20,000,000,000	1,829,146,403	18,291,464,030	Capital increase from earnings	-	Jing-Shou-Shang-Zi No. 09101377780 on 2002.9.16.
2004.01	10	2,000,000,000	20,000,000,000	1,371,216,258	13,712,162,580	Capital reduction	-	Jing-Shou-Shang-Zi No. 09301008840 on 2004.1.20.
2004.08	10	2,000,000,000	20,000,000,000	1,391,784,501	13,917,845,010	Capital increase from earnings	-	Jing-Shou-Shang-Zi No. 09301155140 on 2004.8.26.
2005.09	10	2,000,000,000	20,000,000,000	1,412,603,608	14,126,036,080	Capital increase from earnings	-	Jing-Shou-Shang-Zi No. 09401173740 on 2005.9.6.
2006.09	10	2,000,000,000	20,000,000,000	1,433,760,592	14,337,605,920	Capital increase from earnings	-	Jing-Shou-Shang-Zi No. 09501198260 on 2006.9.4.
2007.03	10	2,000,000,000	20,000,000,000	1,445,538,359	14,455,383,590	Convertible corporate bonds	-	Jing-Shou-Shang-Zi No. 09601052210 on 2007.3.19.
2007.08	10	2,000,000,000	20,000,000,000	1,449,897,329	14,498,973,290	Convertible corporate bonds	-	Jing-Shou-Shang-Zi No. 09601201720 on 2007.8.21.
2007.12	10	2,000,000,000	20,000,000,000	1,477,262,657	14,772,626,570	Conversion of corporate bonds, capital increase from earnings	-	Jing-Shou-Shang-Zi No. 09601304650 on 2007.12.12.
2008.04	10	2,000,000,000	20,000,000,000	1,537,426,961	15,374,269,610	Convertible corporate bonds	-	Jing-Shou-Shang-Zi No. 09701090620 on 2008.4.18.
2008.08	10	2,000,000,000	20,000,000,000	1,547,343,087	15,473,430,870	Convertible corporate bonds	-	Jing-Shou-Shang-Zi No. 09701194450 on 2008.8.11.
2008.09	10	2,000,000,000	20,000,000,000	1,570,404,491	15,704,044,910	Capital increase from earnings	-	Jing-Shou-Shang-Zi No. 09701249270 on 2008.8.11.
2009.09	10	2,000,000,000	20,000,000,000	1,570,435,418	15,704,354,180	Convertible corporate bonds	-	Jing-Shou-Shang-Zi No. 09801203160 on 2009.9.7.
2010.01	10	2,000,000,000	20,000,000,000	1,570,686,264	15,706,862,640	Convertible corporate bonds	-	Jing-Shou-Shang-Zi No. 09901006830 on 2010.1.18.
2010.04	10	2,000,000,000	20,000,000,000	1,572,919,909	15,729,199,090	Convertible corporate bonds	-	Jing-Shou-Shang-Zi No. 09901069120 on 2010.4.12.
2020.08	10	2,000,000,000	20,000,000,000	1,000,000,000	10,000,000,000	Capital reduction	-	Jing-Shou-Shang-Zi No. 10901157830 on 2020.8.18.
2023.07	10	2,000,000,000	20,000,000,000	1,070,000,000	10,700,000,000	Capital increase by cash	-	Jing-Shou-Shang-Zi No. 11230126730 on 2023.7.10
2023.12	10	2,000,000,000	20,000,000,000	1,070,001,251	10,700,012,510	Convertible corporate bonds	-	Jing-Shou-Shang-Zi No. 11230222050 on 2023.12.1.

Note 1: Information is presented up till the publication date of this annual report.

Note 2: Date and document reference of effected (approved) incremental capital have been presented.

Note 3: Shares issued at prices lower than face value have been labeled in a visible manner.

Note 4: In-kind capital payments such as monetary debt and technology are described separately with details on the types and amounts of contribution provided.

Note 5: Private placements have been highlighted in a visible manner.

2. Information on the aggregate reporting system: None
3. Share category

Unit: shares

Stock Type	Authorized capital			Note
	Shares in circulation (TWSE-listed)	Unissued Shares	Total	
Common stock	1,070,001,251	929,998,749	2,000,000,000	

Note: Please indicate whether the stock is listed on TWSE or TPEx (add a note if it is restricted from being listed or traded on TWSE or TPEx).

(II) List of Dominant Shareholders

List of major shareholders (shareholding of 5% or more or shareholding of the top ten major shareholders)

March 29, 2026

Names of Major Shareholders	Shares	Number of shares held	Shareholding percentage
Tai Yuen Textile Co., Ltd.		186,508,584	17.43%
China Motor Corporation		171,382,445	16.02%
Yen Chen Li-Lien		34,174,253	3.19%
Taipei Branch of UBS received Pei-Yu Yen Trust Property Account		33,933,985	3.17%
Taipei Branch of UBS received Hsiang-Nan Yen Trust Property Account		33,933,985	3.17%
Fande Investment Co., Ltd.		22,474,678	2.10%
Yen Ching-Ling's Foundation		10,990,936	1.03%
Weitai Investment Co., Ltd.		9,838,515	0.92%
Wavin Investment Co., Ltd.		9,282,651	0.87%
Diamond Hosiery & Thread Co., Ltd.		7,803,362	0.73%

(III) Dividend Policy and Execution

1. The Company's dividends policy

The payment of dividends is important to shareholders' interests. To clarify the dividend policy, the Company's Articles of Incorporation provide as follows:

With the earnings surplus of the Company shown in the final accounting reports in a fiscal year, after the sum to make good loss in previous year(s) and to pay taxes, a sum 10% shall be first withheld as legal reserve and as special reserve as required by the competent authority. The final balance, if any, in combination with the beginning unappropriated retained earnings, shall be distributable surplus.

Where the Company operates business amidst an environment as a mature and stable industry, given such facts notably the Company's profitability, future operating plans, funding needs and changes in the industrial environments and taking into account the long-term shareholders' equity and the Company's long-term financial planning, the Company's dividends distribution plan is mapped out not below 10% of the total surplus available for distribution in the current year in principle. The dividends are distributed in either cash or in stocks among which the proportion of cash dividends shall not be less than 20% of the aggregate total dividends. Eventually, the Board of Directors shall work out the percentage of distribution to be resolved in the shareholders' meeting.

2. Dividends distribution proposed for the next annual general meeting:

The Company shall propose to distribute cash dividends of NTD 0.56 per share at the 2026 regular shareholder meeting and set August 31, 2026 as the base date for cash dividend distribution.

3. Significant changes in the expected dividend policy are described below.

The Company's dividends policy for the next three years is intended to be implemented in accordance with the aforementioned distribution policy without significant changes.

(IV) Impacts on business performance and earnings per share if the stock dividend proposal is approved during the annual general meeting:

This is not applicable as no issuance of bonus shares is carried out in the present fiscal year.

(V) Profit sharing remuneration for employees and directors

1. Proportion or range of employees' bonuses and Directors' remuneration specified in the Articles of Incorporation:

The Company shall set aside profit sharing remuneration as enumerated below for a year with profit:

1. Remuneration to directors: At 0.5% maximum, provided, that the independent directors shall not participate in the distribution of the aforementioned remuneration.
2. Employee remuneration has not been less than 0.1%, with at least 0.05% distributed to rank-and-file employees. The aforementioned remuneration to employees shall be duly distributed in either stocks or in cash as resolved by the Board of Directors. The distribution of remuneration to employees and directors should be reported in the shareholders' meeting.
3. The amount to make up such loss shall be retained beforehand before distribution based on the percentages mentioned in the preceding Paragraphs.

In addition to the profit sharing remuneration to employees, the Company also provides incentive bonuses such as three festival bonuses, additional annual bonuses, and bonuses for the management team based on the operating performance and individual performance of employees to encourage employees to achieve better performance for the Company and shareholders.

2. The basis to estimate remunerations for employees and directors in the current period, the basis to estimate the number of shares for employee compensations distributed by stocks, and the accounting practice for discrepancies between actually distributed from estimated amounts:
 - (1) Based on the 2025 pretax profit, 0.5318% was allocated for the employee compensations and 0.4941% for the director's remunerations.
 - (2) In the event of discrepancies between actually distributed and estimated amounts, adjustments will be made in the following year according to the changes of accounting estimates.
3. Remuneration proposals approved by the board of directors:
 - (1) The proposed NTD 6,350 thousand of employees' compensations and NTD 5,900 thousand of director's remunerations had no discrepancy from the 2025 estimates.
 - (2) The compensations and remunerations proposed for employees and directors approved by the board of directors were all paid in cash, with no stock dividends.
4. Appropriation of employees' and directors' profit sharing remuneration from prior year's earnings:

In 2024, NTD 50,005 thousand of employees' remuneration and NTD 22,000 thousand of directors' remuneration were paid on June 9, 2025 and October 31, 2025, respectively, and the actual amount paid was the same as the amount resolved at the shareholders' meeting.

(VI) Repurchase of treasury shares: The Company has no repurchase of treasury shares, therefore, it is not applicable.

II. Issuance of corporate bonds

Type of corporate bonds	2018 1st domestic unsecured ordinary corporate bonds	3rd domestic unsecured convertible corporate bonds
Issue Date	2018.12.25	2023.05.25
Face value	NTD 1,000,000	NTD 100,000
Place of Issue and Trading	Domestic	Domestic
Issuing price	Issued at 100% of face value	Issued at 102% of face value
Total amount	NTD 5,300,000,000	NTD 7,000,000,000
Interest rate	Bond A 5-year interest rate of 1.18% per annum Bond B 10-year interest rate of 1.80% per annum	Interest rate for the 5th installment: 0%
Maturity	Bond A 5-year \$3.6 billion due on 2023.12.25. Bond B 10-year \$1.7 billion due on 2028.12.25.	5-year \$7 billion due on 2028.05.25.
Guarantee Institution	None	None
Trustee	Mega International Commercial Bank Co., Ltd.	Bank SinoPac
Consignee	Yuanta Securities Co., Ltd.	KGI Securities Co., Ltd.
Certified Lawyer	Zhongda International Law Firm Wang Huai-Yu, lawyer	Handsome Attorneys-at-Law Chiu Ya-Wen, lawyer
Attesting CPA	Deloitte & Touche Tai Shun-Wai, Fan You-Wei, CPAs	Deloitte & Touche Guo Li-Wen, Fan You-Wei, CPAs
Repayment Methods	One-off repayment of principal at maturity from the date of issue	One-off repayment of principal at maturity from the date of issue
Outstanding amount to be repaid	NTD 1,700,000,000	NTD 6,999,900,000
Clause on redemption or earlier redemption	None	Please refer to the prospectus for this convertible bond
Restrictive clause	None	None
Name of the credit rating agency Rating date, corporate bond rating results	Taiwan Ratings Co., Ltd. September 23, 2025, twA-	Taiwan Ratings Co., Ltd. September 23, 2025, twA-
Other equity attached	Amount of common stock, foreign depositary receipts or other marketable securities converted (exchanged or subscribed)	Not applicable
	Rules for issuing and conversion (either by exchange or purchase)	Not applicable
Possible dilution of shareholdings and impact on existing shareholders' equity	Not applicable	The convertible corporate bonds do not have the dilution effect on the equity before the creditors demand the exercise of the conversion right. The creditors can choose to convert at a more favorable time point during the convertible period, so the dilution has the effect of deferred dispersion. If the outstanding corporate bonds are fully converted at the current conversion price, the equity expansion rate is expected to be about 8.38%, with limited impact on shareholders' equity.
Custody Agency Name for the Exchange Target	None	Not applicable

Information on convertible corporate bonds

Type of corporate bonds		3rd (term) domestic unsecured convertible corporate bonds	
Year		2025	The current year up to March 31, 2026
Market price of convertible bonds	Highest	100.00	100.00
	Lowest	94.00	99.60
	Average	97.00	99.80
Conversion price		82 80.8 (Note 1) 79.9 (Note 2) 78.1 (Note 3) 75.0 (Note 4)	75.0 (Note 4)
Date of issuance (process) and conversion price at the time of issuance		Issue Date: May 25, 2023 Conversion price at issuance: NTD 82	Issue Date: May 25, 2023 Conversion price at issuance: NTD 82
Method of performing the conversion obligation		Issuance of new shares	Issuance of new shares

Note 1: Due to the capital increase in cash, the conversion price was adjusted to NTD 80.8 on June 30, 2023.

Note 2: Due to the ex-dividend cash dividend distribution, the conversion price was adjusted to NTD 79.9 on August 31, 2023.

Note 3: Due to the ex-dividend cash dividend distribution, the conversion price was adjusted to NTD 78.1 on August 30, 2024.

Note 4: Due to the ex-dividend cash dividend distribution, the conversion price was adjusted to NTD 75.0 on August 29, 2025.

III. Preferred stock: None.

IV. Disclosure relating to depository receipts: None.

V. Status of employee stock certificates: None.

VI. The new shares from restricted employee stock option: None.

VII. Disclosure on new shares issued in exchange of other company shares: None.

VIII. Progress on the use of funds:

(I) Contents of the plan:

For each previous issuance or private placement of marketable securities that has not yet been completed or has been completed within the last three years and the benefits of the plan have not yet been demonstrated, please provide details of the plan: None

(II) Implementation Status:

For each plan, if the implementation progress or benefits do not meet the estimated target, the reasons should be specified: None.

IV. Operation Overview

I. Description of business

(I) Scope of business

1. Main business content

- (1) Manufacture and sales, design, testing, inspection, processing, repair of a variety of automobiles and related raw materials, parts & components, molds, fixtures, tools, and other mechanical parts and the like; operation of type A auto repair shops, sales of auto parts (accessories), vehicular body refitting and sales, agency services rendered for car inspection business as well as car sales business.
- (2) A variety of raw materials and components oriented to automobiles to be supplied to Nissan Motor Co., Ltd. and those overseas automobile-affiliated enterprises.
- (3) Installation, sales and import & export of low-power radio frequency motor equipment as oriented to vehicles.
- (4) Wholesale of Telecommunication Apparatus
- (5) Retail of Telecommunication Apparatus
- (6) General import and export trade related businesses (excluding such businesses subject to special permits)
- (7) Technical consultation & advisory services linked up with the aforementioned business lines.
- (8) Consulting for general corporate management (except for accounting business) (except for securities investment consulting).
- (9) Housing and Building Development and Rental
- (10) Factory/plant leasehold services.
- (11) Warehouse leasehold services.
- (12) Office building leasehold services.
- (13) Electrical industry
- (14) Energy technology services.
- (15) All business items that are not prohibited or restricted by law, except those that are subject to special approval.

2. Major business items and proportion

The manufacture and sale of various automobiles and related components accounted for 87.7% of business.

3. The Company's major products

(1) NISSAN:

SENTRA series: 5th generation X-CVT automatic transmission sedan.
X-TRAIL series: 5th-generation X-CVT RV.
X-TRAIL e-POWER series: VC-TURBO 1.5L engine power RV.
KICKS series: 5th generation X-CVT, non-shift, automatic transmission RV
KICKS e-POWER Series: HR12DE 1.2L engine-powered SUV.
NEW JUKE: DCT dual-clutch transmission with 7-speed automated manual transmission.
ALTIMA series: VC-Turbo variable compression ratio turbocharged engine sedan.
LEAF models: Lithium-ion battery electric car.

(2) INFINITI:

Q50 series: V6 twin-turbocharged engine sports car.
QX50 series: VC-Turbo variable compression ratio engine RV.
QX55 models: VC-Turbo inline 4-cylinder variable compression ratio turbo engine sports car.
QX60 series: Naturally aspirated V6 engine RV.

(3) LUXGEN:

URX models: 1.8L twin-scroll turbocharged engine utility vehicle.
U6 models: AISIN intelligent six-speed automated manual transmission sports SUV.
n⁷ range: Lithium iron phosphate battery electric SUV

(4) Foxtron:

Bria series: lithium iron phosphate battery electric five-door hatchback sport utility vehicle.

(5) MG Taiwan:

G50 Plus series: MEGA Tech 1.5T direct-injection turbocharged gasoline engine multi-purpose vehicle.

(II) Industrial Overview

1. Analysis of the macro economic environment:

(1) International Situation:

International institutions estimate the global economic growth rate to be in the 2.60% - 3.30% range, mainly due to uncertainties such as international political conflicts, monetary policy interest rate cuts, and slowdown of inflation, resulting in a slowdown of international economic growth.

The estimated global economic growth rate for 2026 is shown in the following table:

	OECD	IMF	The World Bank
Global Economic Growth Rate	2.90% ('114/12)	3.30% ('115/01)	2.60% ('115/01)

Note: () for the forecast date.

(2) Domestic Economy.

Taiwan's economic growth rate is expected to be in the range of 2.69% - 3.67%, mainly due to the slowdown of inflation, the growth of foreign trade and export, and the gradual increase in domestic private consumption, which makes the domestic economic growth rate increase.

The following table shows the estimated economic growth rate of Taiwan in 2026:

	Directorate-General of Budget, Accounting and Statistics	Central Bank	S&P Global
Taiwan's economic growth rate	3.54% ('114/01)	3.67% ('114/12)	2.69% ('114/12)

Note: () for the forecast date.

2. Industry condition and development

Taiwan's automobile industry has been developing for more than 60 years and has reached the standards of advanced countries in terms of R&D, design, manufacturing quality and management capabilities. However, in recent years, fluctuations in international oil prices, stagnant growth in real income, lengthening of the life cycle of vehicles, saturation of the domestic market and other unfavorable factors, resulting in low capacity utilization and rising production costs; in addition, in recent years, the surge in demand for imported vehicles, but also a serious share of domestic car manufacturers market share, business difficulties have worsened year by year. Looking ahead, Taiwan's automobile market is gradually maturing and there is limited room for significant growth. Therefore, all car manufacturers are committed to strengthening their R&D capabilities and technical standards, improving the added value of their products, and expanding their export markets in order to break through the bottleneck of survival and development. In recent years, the Company has continuously invested in product management and technological research and development, actively monitored market trends, strengthened product competitiveness and industry cooperation, and continued to expand its overseas market presence while deepening its presence in the Taiwan market.

3. Association between upstream, midstream, and downstream industry participants

The automobile industry is technology and capital intensive, involving the industries of steel, plastics, rubber, glass, machinery, electrics, electronics, finance, and services, requiring professionals for R&D, manufacturing, procurement, marketing, management, and maintenance, which can create industrial outputs in hundreds of billions of NT dollars every year, driving economic growth and providing hundreds of thousands jobs. Export of whole cars and components that can bring in huge trade surplus is literally the locomotive of economic development. In recent years, the Company has continuously invested in research and development, technology, and product development, and has actively strengthened industrial chain cooperation. In addition to driving the development of Taiwan's automotive value chain and related industries, this also helps enhance overall industrial competitiveness and increase employment opportunities, generating positive benefits for society, the government, and the market as a whole.

4. Product development trend and competition situation

In response to changes in the industry environment and future development opportunities, Yulon Group has initiated the strategic transformation of its private brand since 2019, opening up the vehicle platform and R&D energy in the automobile R&D value chain to external parties in order to compete for diversified customers, create scale and reduce costs through the sharing of resources. Under the strategy of open platform transformation, the Company has been able to secure the OEM business of overseas brands such as MUSE, a French electric commercial vehicle, and ADIVA, an Italian three-wheeled heavy motorcycle brand, to actively expand the diversified customer markets. We hope to be the first to take advantage of our strengths in the transformation process and create a solid base for our company.

In 2020, the Company established the joint venture, Foxtron Vehicle Technologies, with Hon Hai. Through the joint venture, we promote the new business model of MIH open platform and sharing in the global automobile

industry, combining the complementary advantages of both companies in vehicle research and development and ICT industry resources to provide electric vehicle solutions to our global target customers.

(III) Technological research and development

1. Research and development expenses from 2025 through to the publication date of the annual report

Unit: Thousands of NTD

Year	R&D expenses	Operating revenues	R&D expenses as a percentage of operating revenues (%)
2025	349,516	72,355,107	0.48%

2. Work results in the last three years

- (1) Feb. 2021: Nissan TIIDA 2021 Model was officially launched.
- (2) Mar. 2021: Luxgen U6 AR Limited Edition was launched.
- (3) Jul. 2021: Nissan TIIDA J was officially launched.
- (4) Aug. 2021: Luxgen URX ADAS Cruise Model was launched.
- (5) Sep. 2021: Nissan KICKS New Limited Edition was launched.
- (6) Oct. 2021: Nissan X-TRAIL New Acoustic Gentleman Model Limited Edition was launched.
- (7) Nov. 2021: Nissan ALL NEW SENTRA "Black Belt Charm Edition" Limited Edition was launched.
- (8) Dec. 2021: Luxgen URX ADAS New Gentleman Model was launched.
- (9) Feb. 2022: Yulon NISSAN KICKS NIGHT EDITION was launched in limited quantities.
- (10) Feb. 2022: Yulon NISSAN X-TRAIL NIGHT EDITION was launched in limited quantity.
- (11) Mar. 2022: Luxgen URX new model of Panorama LOHAS Edition was launched.
- (12) Mar. 2022: NISSAN ALL NEW SENTRA Black Jazz Edition was launched in limited quantity.
- (13) Mar. 2022: NISSAN TIIDA J Black Jazz Edition was launched in limited quantity.
- (14) Apr. 2022: Luxgen U6 GT AERO was launched.
- (15) Jun. 2022: Luxgen URX WILDFUN Edition was launched.
- (16) Oct. 2022: A new facelift of NISSAN KICKS was launched.
- (17) Nov. 2022: Luxgen NEO was launched.
- (18) Feb. 2023: Yulon NISSAN KICKS TRENDY edition was launched in limited quantities.
- (19) Apr. 2023: NISSAN ALL NEW SENTRA Dazzling Black Edition was launched in limited quantity.
- (20) May 2023: U6 NEO was launched.
- (21) Jul. 2023: Yulon NISSAN KICKS Radium edition was launched in limited quantities.
- (22) Sep. 2023: Yulon Nissan X-TRAIL diesel fuel gas diesel fuel model was launched.
- (23) October 2023: Launch of Luxgen N7 electric SUV.
- (24) October 2024: Launch of Luxgen N7 Long Range (LR) electric SUV.
- (25) September 2025: MG Taiwan G50 Plus MPV series was launched
- (26) December 2025: Foxtron Bria electric vehicle was launched

3. Future R&D plan

- (1) Inspection of electric vehicle components, vehicle production and testing capabilities
- (2) Motor power and battery total verification capability
- (3) Construction of process production capacity of the energy storage system
- (4) The process detection capability developed for the energy storage cabinet
- (5) Industry-university cooperation research and development of laser welding technology

The Company has budgeted approximately \$317 million for 2026 capital expenditures and expenses for the above R&D programs, including approximately \$102 million for professional and technical personnel costs, labor costs and other expenses for R&D programs.

(IV) Long and Short-term Business Development Plans

Short-term business development plans.

1. Transformation of automotive intelligence:

- (1) Smart manufacturing: Continue working with customers to deepen the EV manufacturing layout, actively introduce heterogeneous combined labor methods and intelligent manufacturing technology, establish a highly automated flexible manufacturing base, and utilize big data technology to develop and manage the quality of mass production dynamics, thereby steadily promoting the transformation to smart manufacturing.

- (2) Diversified OEM: In response to market changes and to achieve economies of scale, Yulon has actively transformed its professional OEM strategy and developed multi-brand OEM services to deepen its EV manufacturing capabilities, making Yulon the most representative electric vehicle manufacturer in Taiwan.
2. Diversified brand service:

In order to effectively increase capacity utilization and make product lines more complete, thereby reducing overall manufacturing costs, we continue to combine Group resources in the value chain to achieve the all-around manufacturing technology of the new generation of vehicles.
3. Enhance customer satisfaction:

Yulon strives to improve the manufacturing quality, cost, delivery time and service satisfaction of each brand and provide customized services for each brand as well as the most competitive manufacturing quality, so that the brand companies, Yulon and consumers can create a win-win-win situation and make Yulon the best professional automobile manufacturer.
4. Internal process improvement:

The Company continues to improve the effectiveness of risk management, control and monitoring processes through internal process improvement and internal audits. We also use the Kernel Objectives Management (OKR) and KOM (Kernel Objectives Management core objective management system) management system to dynamically grasp the Company's various objective implementation results, and to effectively improve the Company's operational performance management quality.
5. Quality resource integration.

Connect the industrial supply chain with the assembly factory as the center. We will take the initiative to go to the collaborative factories for quality management, implement a comprehensive quality management system, inventory system and customer service system one by one, and form the operation mechanism of the quality value chain, and adopt a two-way control mode to drive the overall industrial value chain.

Long-term business development plans.

1. Complete vehicle solutions: Through the joint venture, Foxtron Vehicle Technologies, which the Company established with Hon Hai, we promote the new business model of MIH open platform and sharing in the global automobile industry, combining the complementary advantages of both companies in vehicle research and development and ICT industry resources to provide complete vehicle design and manufacturing solutions
2. Value chain strategic transformation and diversified manufacturing services: seeking opportunities of passenger vehicles other than four-wheeled ones, deeply cultivating the green energy storage business, expanding the export orders and production technology of energy storage cabinets, and continuous evaluation and acquisition of other OEM opportunities.
3. Energy business development
 - (1) Yulon's Sanyi Plant has continued to install solar power generation equipment, and will reach the level of power generation > electricity consumption in the plant in 2024. In the future, we will join hands with the Group's Shinshin Credit Corporation to actively participate in energy market deployment.
 - (2) In the energy storage business, the Company has developed the OEM business for energy storage cabinets since 2021 and has cumulatively achieved 2.2 GWh to date. In the future, it will continue to develop the OEM and energy storage cabinet sales businesses and promote overseas market diversification and business growth.
4. Asset revitalization and utilization

For the development of YES!LIFE Xindian Yulong City, which was officially opened on September 28, 2023, the operating results have been better than originally expected, bringing the Company stable long-term rental income. On this basis, the Company will continue to focus on the redevelopment of its land and building assets at home and abroad for revitalization of land and building assets, in order to expand the asset value.
5. Group value integration
 - (1) The goal is to integrate the abundant resources of the Yulon Group in the automotive industry chain, and establish a Mobility as a service (MaaS) platform that meets the diverse mobility needs of consumers. By integrating the core business of the Group, we are committed to providing consumers with one-stop services.
 - (2) We will combine the Group's channel business entities to establish an after-sales service ecosystem from part import/export trading, channel sales and after-services for maintenance and repair, to provide consumers with more diverse parts and components and after-service channel options.

II. Market and Sales Overview

(I) Market Analysis

1. Sales areas of main products

The Company's products are medium and small sedans, RVs, etc. The main sales area is mainly Taiwan. In 2025, the Company's total sales volume in Taiwan reached 16,970 units (including Nissan & Luxgen), down 39.5% from 2024, with a total market share of 4.2%.

The overall sales situation of the automobile market in Taiwan in 2025 is shown in the following table:

Sales year	2024	2025
Total sales volume	448,985	405,358
Domestic cars	228,499	203,539
Imported cars	220,486	201,819

2. Market supply and demand situation

(1) Market Overview and Outlook

The total market sales for 2025 were approximately 405,000 units, a 9.7% decrease over 2024. In 2025, the sales of domestically produced cars and imported cars were about 204,000 units and about 202,000 units. Both domestically produced cars and imported cars have decreased compared to the previous year. The sales of vehicles and imported vehicles accounted for 50.2% and 49.8% of the total market.

Looking ahead to 2026, sales in the Taiwan auto market are expected to return to previous levels. This year, the Company will actively strengthen its operational structure, continue to innovate business models, create opportunities amid challenges, and pursue stable business growth.

(2) Competitive niche

The Company has joint venture brands with Nissan and its own private brand, Luxgen, professional OEM plants and its own R&D team for vehicle models with a complete value chain of automobile R&D, production and sales, and is able to generate stable revenue by putting Nissan's joint venture brands and Luxgen's own brand into the vehicle market.

In the face of unfavorable factors such as the increasing proportion of imported cars in Taiwan's car market and the growth of luxury cars due to the M-shaped society's car buying behavior, although imported cars have a good brand image from the consumer's point of view, domestic brands not only have the advantage of high quality and medium price, but also can provide a perfect service mechanism and affordable prices. Therefore, in the face of the threat of imported vehicles, the Luxgen brand, with its technological advantage of independent research and development, and the Nissan brand, combined with the marketing experience of localized partners, will continue to provide differentiated products to meet consumer demand.

3. Development prospect and favorable and unfavorable factors

Favorable factors:

(1) New Energy Technology Application

Taiwan's high degree of urbanization, high population density, and widespread distribution of electric power systems, coupled with domestic policy support, are particularly suitable for the development of electric vehicles, and the Company has more than 60 years of manufacturing technology capabilities, and in line with the government's exemplary pilot run and power companies to adopt cross-industry cooperation to jointly develop new energy application technologies for electric vehicles.

In response to global climate change, the use of renewable energy in the industry is growing significantly, and the demand for energy storage equipment is increasing along with the trend of electricity liberalization, the Company has integrated the resources of new energy vehicle R & D, assembly technology, and common use to build a new production line of energy storage products and strive for business opportunities in the energy storage market.

(2) Alliances with ICT industry, solutions and eco-system services

The joint venture, Foxtron Vehicle Technologies, which the Company established with Hon Hai, promotes the new business model of MIH open platform and sharing in the global automobile industry, combining the complementary advantages of both companies in vehicle research and development and ICT industry resources to provide overall solutions to our global target customers. With the advanced open platform and shared resources of Foxtron Vehicle Technologies, Luxgen will continue to cultivate its private brand, focus on brand sales and channels, and launch new products that are competitive and meet market demand.

(3) Combine innovative thinking to improve differentiated added value

Innovation has always been our corporate culture. In response to the rapid changes in the global market, our

company will uphold innovative technology, innovative product design, innovative thinking and service to meet the changing needs of our customers and enhance our competitiveness and added value of our products with innovation, so that our company can transform into an innovative manufacturing service industry.

- (4) Manufacturing capability and quality standards are on par with those of major international manufacturers
The Company has accumulated several decades of automobile manufacturing technology, manufacturing capacity and quality standards have reached a considerable level, and has the ability to produce a small amount of multiple samples flexibly. In terms of production management, we specialize in various process improvement techniques to maintain a high degree of product stability, and have won numerous international quality awards, which have been recognized and favored by international manufacturers.
- (5) Strive for regional economic cooperation opportunities
Through global economic and trade regional integration or the signing of inter-regional FTAs, barriers to the flow of products, talents, capital and information can be effectively reduced. In the face of the Mainland China market, the Company has adopted an aggressive competitive and cooperative strategy to pursue opportunities for cross-strait cooperation in the automobile industry. Since the cross-strait automobile industry is highly complementary in R&D, manufacturing and marketing, the construction of a cooperation platform can effectively reduce production costs, expand the production scale of a single vehicle model, reduce R&D, mold sharing costs and the cross-strait division of labor mechanism, etc., bringing into play complementary effects and jointly enhancing the regional competitiveness of both sides.
- (6) Government Preferential Policies
The government policy to extend the excise tax reduction for replacing old cars with new ones for another five years up to 2030 reduced the economic burden of people buying cars, along with the launches of new models by all car manufacturers, a prosperous in 2026 car market was as expected.

Unfavorable factors:

- (1) Uncertainty in the international situation
In 2024, the economies of various countries gradually bouncing back helped stabilize the operations of various industries. However, the global political and economic situation, monetary and tariff policies pose many uncertainties, and the supply chain problems derived from them will have a significant impact on the automotive industry. We will continue to keep a close eye on the international situation in the future.
- (2) The domestic car market cycle has reached its peak, and the growth rate is limited
The growing popularity of mass transit systems, the extended life span of automobiles, and the impact of a child-less/aging society are all factors that may change consumer habits.
- (3) Increase in operating costs due to relevant regulations and policies
The government's promotion of energy-saving and carbon-reduction policies and related regulations, such as: emission regulations, implementation of formal safety certification, waste vehicle disposal fees, air pollution fees, and luxury taxes and other fees, have all contributed to the increase in business operating costs.
- (4) High end cars getting affordable
In recent years, international manufacturers have successfully penetrated the domestic mid-range car market through premium car entry models, coupled with affordable prices, and new consumer groups have been re-formed, gradually affecting domestic car sales.

4. Countermeasures:

In the face of increasing competition in the domestic car market, the Company will continue to maintain its market position through various strategies and core competencies in response to global market and industry changes, as shown in the table below.

<p><u>Advantages:</u></p> <ol style="list-style-type: none"> 1. Multi-brand professional manufacturing capability, flexible production technology 2. High quality & international factory standard vehicle assembly technology 3. Ability in the development of electric vehicle core technology independent capacity / mass production 	<p><u>Disadvantages:</u></p> <ol style="list-style-type: none"> 1. Synchronization and digital integration with companies in the value chain need to be further enhanced 2. A large number of customization and new technology into the car prompt the need for a more effective quality control program 3. In response to the emergence of a large number of IT and new energy vehicles and the improvement of production technology, quality inspection needs to be improved
<p><u>Opportunities:</u></p> <ol style="list-style-type: none"> 1. AI artificial intelligence and big data to enhance the competitiveness of the Group's value chain 	<p><u>Threats:</u></p> <ol style="list-style-type: none"> 1. Taiwan's auto market is maturing and growth is limited

2. Industry chain open architecture and platform sharing 3. The popularity of handheld smart devices and accelerated data transmission	2. Major car manufacturers are competing to invest in digital/intelligent manufacturing 3. Shortened time to market for product development 4. Climate change threats that require Taiwan to reach the target of net-zero carbon emissions by 2050
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The following challenges are what Yulon must address:

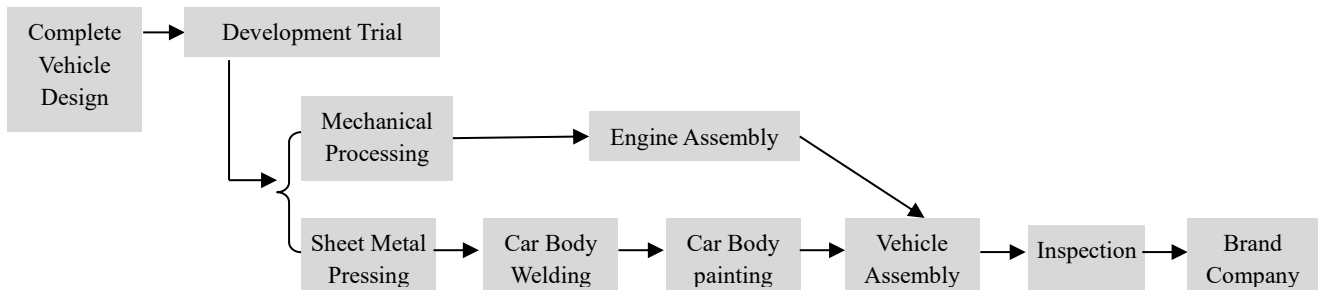
- (1) Set up smart production lines/intelligent warehouses and other related indicators in line with the Internet trend.
- (2) Shorten the test assembly time through design review verification and digital simulation.
- (3) Establish a mechanism to strengthen supplier counseling and rounds to ensure the quality of parts development.
- (4) Combine network and reality integration, smart networking technology, intelligent mobility and huge amount of data, and create a comprehensive system integration solution for industrial development.
- (5) The open structure of the industrial chain can improve the efficiency of vehicle manufacturing.
- (6) Carbon management capabilities, full-scale solar energy installations, and carbon footprint self-inspection mechanism are all required to move towards carbon neutrality.

(II) Key applications and production processes of major products

1. Key applications of major products

The Company mainly designs, develops and produces various kinds of sedans and RVs, which are mainly used for transportation of passengers, leisure and travels, and produces parts for automobile assembly and maintenance.

2. Production processes of major products



(III) The supply of main raw materials

The Company's raw materials are mainly purchased from Nissan Japan and domestic and foreign collaborative suppliers. Due to their long-term cooperation and long-term supply contracts, we can ensure stable raw material prices and secure the supply of raw materials.

(IV) The names of suppliers and customers who have accounted for more than 10% of the total purchases (sales) in any of the most recent 2 years, their purchases (sales) amount and proportion, and the reasons for the increase or decrease

1. Information on the major suppliers in the most recent 2 years:

Unit: Thousands of NTD

Item	2024				2025			
	Name	Amount	Percentage in the net annual percentage of purchase (%)	Relation with the issuer	Name	Amount	Percentage in the net annual percentage of purchase (%)	Relation with the issuer
1	Yulon Nissan Motor	11,256,223	12.5	Invested company measured using the equity method	Yulon Nissan Motor	5,865,701	7.7	Invested company measured using the equity method
2	Other	78,643,618	87.5		Other	69,903,938	92.3	
	Net purchase amount	89,899,841	100		Net purchase amount	75,769,639	100	

Note 1: Name of supplier representing more than 10% of total purchases in the previous two years, and the amount and percentage of purchase; code names can be used instead if any contract prohibits the Company from disclosing the supplier's name, or if the counterparty is a non-related party.

Analysis of the increase and decrease ratio: no significant changes with major suppliers.

2. Information on the major customers in the most recent 2 years:

Unit: Thousands of NTD

Item	2024				2025			
	Name	Amount	Ratio of annual net sales (%)	Relation with the issuer	Name	Amount	Ratio of annual net sales (%)	Relation with the issuer
1	Yulon Nissan Motor	8,915,320	20.1	Invested company measured using the equity method	Yulon Nissan Motor	4,706,726	14.1	Invested company measured using the equity method
2	Other	35,358,791	79.9		Other	28,642,570	85.9	
	Net sales	44,274,111	100		Net sales	33,349,296	100	

Note 1: Name of customer representing more than 10% of total purchases in the previous two years, and the amount and percentage of sales; code names can be used instead if any contract prohibits the Company from disclosing the customer's name, or if the counterparty is a non-related party.

Analysis of the change in the increase or decrease percentage: There is no significant change in major sales customers, and the percentage of increase or decrease is still reasonable

III. Employees

March 31, 2026

Year		2024	2025	2026 up to March 31
Number of employees	Staff	339 people	287 people	276 people
	Technician	842 people	783 people	760 people
	Administrative Assistant	19 people	18 people	18 people
	Total	1200 people	1088 people	1054 people
Average age		41.93 years old	43.18 years old	43.63 years old
Average years of service		14.28 year	14.91 year	16.03 year
Education distribution	Doctor	0.25%	0.28%	0.28%
	Master	17.92%	16.73%	16.70%
	University and College	36.92%	36.21%	36.34%
	Senior high school	43.17%	45.13%	45.16%
	Below senior high school	1.75%	1.65%	1.52%

Note: The data for 2024 and 2025 is cut off at December 31 of the year.

Year	2024	2025	2026 up to March 31
Number of employees of the Company and its subsidiaries	9,975 people	9,842 people	10,024 people

Note: The data for 2024 and 2025 is cut off at December 31 of the year.

IV. Information on environmental protection expenditures

- (I) Losses due to environmental pollution in 2025 and as of the report date: None
- (II) Future countermeasures and possible expenditures:

Item \ Year	2026	2027	2028
Estimated improvement	In compliance with environmental regulations & international trends	In compliance with environmental regulations & international trends	In compliance with environmental regulations & international trends
The proposed pollution prevention and control equipment and expenditure Estimated amount (NTD thousand)	Investment in energy saving and pollution control equipment 35,000	Investment in energy saving and pollution control equipment 35,000	Investment in energy saving and pollution control equipment 35,000
Expenditure Estimated amount (NTD thousand)	Environmental fee 14,000	Environmental fee 14,000	Environmental fee 14,000
Expenditure Estimated amount (NTD thousand)	Management fee 13,500	Management fee 13,500	Management fee 13,500
Total estimated amount (NTD thousand)	62,500	62,500	62,500

- (III) The impact of the improvement:

Item \ Year	2026	2027	2028
Effect on net profits	Increase in depreciation expense by \$7,500 thousand per year	Increase in depreciation expense by \$7,500 thousand per year	Increase in depreciation expense by \$7,500 thousand per year
Effect on Competitive Position	Save energy and reduce waste, enhance corporate image and contribute to social welfare	Same as the left	Same as the left

- (IV) Whether the Company has a policy of energy saving and carbon reduction, greenhouse gas reduction, water reduction or other waste?

- GHG reduction: Since the establishment of the “Energy Saving and Carbon Reduction Promotion Project” in 2007, the annual target of reducing carbon emissions has been reduced by 2%, and the target has been tightened to 4.2% since 2023; Annual Scope 1 and Scope 2 emissions were 16,456 tonnes CO_{2e} in 2021, 12,602 tonnes CO_{2e} in 2022, 10,986 tonnes CO_{2e} in 2023, 8,816 tonnes CO_{2e} in 2024, and reached 7,467 tonnes CO_{2e} in 2025, contributing to efforts to slow global warming.
- Reduction of water consumption: In 2025, water consumption per unit increased by 22% compared with the consumption in 2024 (11.51 metric tons/unit → 14.05 metric tons/unit), mainly due to aging and leaking pipelines in the plant area. Leak control and repair of various pipeline systems were carried out, a water balance diagram was drawn up, and water-saving measures were proposed based on the water consumption in each area; a rainwater recycling system was established and the recycling rate was increased to reduce the consumption of the Earth’s water resources and lower the environmental burden.
- Waste Reduction: In 2025, the total amount of waste was 3,167.8 metric tons, a decrease of 40.6% from 2024 (5,330 metric tons → 3,167.8 metric tons) due to electric vehicle products. Our baseline target is to achieve a continuous 2% annual reduction in emissions; the waste recycling rate exceeded 90%
- The Company's energy saving and carbon reduction activities such as greenhouse gas reduction, water reduction, waste production reduction, VOCs emission reduction, etc. are carried out in accordance with ISO-14001 norms in a continuous PDCA cycle.

5. Yulon Motor's ongoing environmental objectives

- (1) GHG emission intensity: Reduction of 4.2% every year
- (2) Volatile organic gas emissions per unit: more than 2% reduction per year
- (3) Water consumption per unit: more than 3% reduction per year
- (4) Waste resource: 100% recycled and reused
- (5) General waste: Reduce the total amount of waste by more than 2% per year
- (6) Toxic chemical substance: Not used
- (7) Noise control: the introduction of new equipment noise shall not exceed 90 decibels control

For the specific environmental policies of the Company, please refer to the section of “Implementation status of promoting sustainable development” in Chapter II.

V. Labor relations

(I) Current significant labor-management agreements, employee benefits and their implementation

1. Labor-management agreements

- (1) The company holds regular labor-management meetings to fully communicate and improve various problems between labor and management.
- (2) Send staff to attend the union directive and supervisory meetings to understand and respond to the union's demands and promote labor management harmony.
- (3) Regularly consult and discuss relevant issues with labor administration officials, experts, scholars, or consultants.
- (4) Continuously strengthen the labor education of the union's leaders, so that employees and management can have more consistent ideas.
- (5) Assist employees to resolve work difficulties and protect their rights and interests through the employee complaint handling system.
- (6) Cultivate the management mindset in department heads consistent with the Company's corporate culture and build consensus, in addition to conducting consensus camps for supervisors and holding talks with the union leaders..
- (7) In order to stabilize labor-management relations, promote labor-management harmony, and improve labor welfare, the collective agreement, procedure was initiated on February 19, 2024. During the process, both parties uphold the spirit of labor-management autonomy and the principle of good faith, and negotiated on labor-related matters covering labor conditions, welfare measures, occupational safety, internal grievance system, operation of labor unions, and the use of facilities in the enterprise, etc. After 4 months and 2 meetings, the two parties finally concluded a collective agreement, on May 21, 2024. The labor conditions set forth in the collective agreement remain in effect from the date of signing to the time when the contract has not been renewed or a new contract has been signed, and the coverage rate of the collective agreement is 100%. Our collective bargaining agreement provides better terms compared to labor regulatory requirements. For example, “For employees who have served the Company for 25 years or more, the Company provides a one-time travel subsidy of NTD 20,000 for their long-term service and contribution.” “The Company provides comprehensive insurance for employees and their dependents. Insurance premiums are covered by the Company. Insurance policies include accidental injury cover, term life insurance, hospitalization cover for employees, their spouses and children, and cancer cover for employees, their spouses and children.” “Leave is granted in accordance with customary rules, such as leave for children attending elementary school, and leave for the marriage/death of employees’ siblings or spouses.” “Employees who give birth are invited to participate in newborn activities organized by the Company and are given a childbirth subsidy of NTD 6,000.” The Company also fully recognizes that corporate profits should be shared with employees at the same time. According to the collective agreement, it is stipulated that the profit should be settled at the end of the business year. If there is profit, we will take into account the situation of the industry, the salary adjustment of civil servants, and the price level, etc. in the course of sharing profits. The salary, bonus, and remuneration of employees are adjusted in accordance with their performance in a timely manner.

2. Employee Welfare Services

- (1) Provide winter and summer uniforms, safety shoes, commuter transportation in Miaoli and the central part of the country, and a shuttle bus to the north.
- (2) We provide a safe, convenient and quiet environment for free dormitory.
- (3) Set up a welfare park for employees, including indoor basketball court, badminton court, recreational vegetable garden, swimming pool, outdoor tennis court, basketball court, health trail, audio-visual center, reading room, restaurant, welfare club and gymnasium, and other recreational and leisure facilities.

- (4) The Company has two employee cafeterias that provide diverse dining services, normally offering buffet meals, and also providing special meals through an online ordering mechanism, with healthy meals, noodles, Vietnamese baguettes, and other diverse options offered from time to time, ensuring that colleagues can flexibly choose according to their needs and enhancing dining convenience and satisfaction; the Company also provides refreshments for staff working 3 hours consecutively overtime on site.
- (5) Large-scale sports activities such as basketball leagues, Family Day, and plant road runs are regularly held, as well as diverse club activities such as yoga, aerobics, jogging, music, baking, handicrafts, and mountain climbing, to promote employees' physical and mental health and cultivate diverse interests.
- (6) Annual employee-care events are given, including welcome party for newcomers, parenting workshops, summer camp for employees' children, year-end dinner party lottery, and outstanding employees' awards.
- (7) Establish a volunteer club to plan volunteer service activities such as mountain clean-ups, blood donation, orphanage support, disadvantaged children care, community service, and year-end donation every year.
- (8) The Employee Welfare Committee was established to subsidize the employees for their children's education, family vacations, car purchases, health examination, car warranties and car rental and year-end bonuses, as well as organize employee engagement activities (e.g., Family Day and running events), local and overseas company trips, and May Day and festive celebrations.
- (9) Provide group insurance covering employees and family dependents.
- (10) In addition to statutory leave, paid leave is also provided based on customary needs, such as on children's school enrollment day, children's wedding, siblings' wedding day, and 4 days of childcare adaptation leave in the 1st month after returning from maternity leave and leave without pay
- (11) In accordance with production equipment maintenance, adjust the rest days and arrange long vacations such as spring break and summer vacation, and travel with domestic and foreign employees to increase the time for employees to spend with their families and promote parent-child interaction while relieving work pressure.
- (12) In order to promote work-life balance, implement a "punctual off-duty day" in which each production line is scheduled to have 8 hours of productivity and no overtime work is scheduled on that day. We hope that our employees can arrange family activities, self-growth courses and sports activities.
- (13) In order to implement maternity protection and to be considerate of the inconvenience of working for pregnant female colleagues, provide exclusive parking spaces in the factory for pregnant women.
- (14) In accordance with the announcement and the implementation of the amended "Act of Gender Equality in Employment", the Company shall grant pre-maternity medical leave for 7 days during the pregnancy of an employee of the Company, and each pre-maternity medical leave shall be granted by unit of 30 minutes with pays.
- (15) In compliance with the "Gender Employment Equality Act", the plant has set up lactation rooms for mothers with children less than two years old. The time spent in the lactation is adjusted according to individual needs and not subject to the 60-minute rule as prescribed by law.
- (16) A total of 7 days of paid paternity inspection leave and paternity leave are granted during the spouse's pregnancy and within 15 days before or after the day of childbirth.
- (17) Employees are given 8 days of wedding leave for marriage, they are allowed to take the leave by units of days within 3 months from 10 days before marriage registration, and their wages are paid during the wedding leave.
- (18) Cooperate with Lifeline Association to promote Employee Assistance Program (EAP) and provide free employee psychological counseling services.
- (19) For employees as new parents, packaged parenting care is given with a variety of caring benefits in different stages from pregnancy, to childbirth and parenting, including pregnancy care manuals, subsidies for self-funded prenatal checkups, parenting seminars, and newborn baby gifts from corporate executives.
- (20) The Company continues to expand subsidies for club activities, encouraging employees to develop interests after work and promoting cross-departmental exchanges. Club types cover diverse themes such as music, sports, handicrafts, and stress relief, including ukulele, yoga, mountain climbing, jogging, baking, and crafts, enabling employees to develop expertise and improve their physical and mental health through relaxed participation, further realizing work-life balance and creating a more cohesive workplace culture.
- (21) In the event of a wedding celebration, employees may apply to the Company for a company car to be used as a limousine.
- (22) New employees are subsidized conditionally for purchase of new cars of local brands to facilitate their commuting and to keep talented employees.
- (23) Employees are provided with 4 absences of childcare leave during their maternity and after maternity leave, enabling mothers to take care of their children if there is an emergency.

- (24) The Company provides a flexible leave system beyond the legal requirements by integrating family care leave and personal leave, allowing employees to apply for up to 14 days each year, so that colleagues can have greater flexibility and peace of mind in balancing family needs and work arrangements.

3. Retirement system:

To protect the pension rights of employees, the Company has handled these matters in accordance with the relevant provisions of the Labor Pension Act and the retirement system under the Labor Standards Act.

- (1) The pension system under the Labor Pension Act (new scheme) is subject to the following regulations.
- A. Employees of the Company who started working on or after July 1, 2005 are subject to the pension system of the Labor Pension Act.
 - B. In accordance with Article 14 of the Labor Pension Act, the Company shall contribute 6% of the monthly salary of the employees under the new scheme to a personal pension account established in the Bureau of Labor Insurance, which is owned by the employee. The employees may also make voluntary contributions to their pensions within 6% of their monthly salary.
- (2) The pension system under the Labor Standards Act (old scheme) is subject to the following regulations.
- A. After the Labor Pension Act came into effect on July 1, 2005, if an employee chooses to continue to be under the pension provisions of the Labor Standards Act (the old scheme) or chooses to be under the pension system of the Labor Pension Act (the new scheme) and retains his or her years of service in the old scheme, his or her pension benefits for his or her years of service in the old scheme shall be governed by the provisions of the Labor Standards Act.
 - B. In accordance with Article 56(1) of the Labor Standards Act, the Company contributes 7% of the monthly salary of the employees for their years of service under the old scheme to the Labor Retirement Reserve Fund, which shall be deposited in a special account for the exclusive use and is owned by the Company, and the Bank of Taiwan (Trust Department) is responsible for the receipt, custody and use of the fund. When an employee with years of service under the old scheme applies for a pension, the Company withdraws from the special account for the Labor Retirement Reserve Fund and pays the pension to the employee.
 - C. In accordance with Paragraph 2 of Article 56 of the Labor Standards Act and IAS 19, the Company reviews the balance of the Labor Retirement Reserve Fund before the end of the year to see if it is sufficient to cover employees eligible for retirement under the old pension scheme in the following year and submit to the Labor Retirement Reserve Fund Supervisory Committee of the Company for review; if the balance is insufficient, the Company shall make a lump sum make-up of the difference before the end of March of the following year.
 - D. The Company has established the “Labor Retirement Reserve Fund Supervisory Committee,” which consists of three representatives from management and six representatives from employees, and holds quarterly meetings to jointly supervise the use of the retirement reserve fund.
 - E. The standard for calculating pensions for employees in accordance with the Labor Standards Act is as follows:
 - Two bases will be awarded for each year of service. However, for each year of service in excess of 15 years, one base is given for each year of service, up to a maximum of 45 bases. Services less than half a year are counted as half a year; services more than half a year are counted as one year.
 - If an employee retires due to mental or physical disability as a result of performing his or her duties, he or she shall be paid 20% more in accordance with the preceding paragraph.
 - The standard of pension base refers to the average monthly salary at the time of approved retirement.
- (3) Retirement standards for employees are in accordance with the following rules.
- A. Employees may apply for retirement on their own in one of the following circumstances.
 - a. Those who have worked for the Company for at least 15 years and are at least 55 years old.
 - b. Those who have worked for the Company for at least 25 years
 - c. Those who have worked for the Company for at least 10 years and are at least 60 years old.
 - B. Employees shall not be compelled to retire unless one of the following applies.
 - a. Aged 65 or older.
 - b. Mentally or physically incapacitated for work.

4. Employee conduct or code of ethics

In order to clearly regulate the relationship between the rights and obligations of employees and management, and to improve the organization and establish the management system, the Company has established various internal work regulations according to the relevant laws and regulations to provide a framework for corporate and employee actions. For the above purposes, the Company has these rules:

- (1) Rules and regulations for promotion, performance appraisal, attendance and salary management, and related internal control operations, in order to ensure that all employees understand and comply with them.
 - (2) Work rules for employees: All of the hiring, salary, leave, overtime, rewards and punishments of the Company's employees, and related office regulations have been clearly regulated to govern the behavior of our employees.
 - (3) In order to effectively manage internal network and Internet resources, respect intellectual property rights, and maintain the company's corporate image, we specifically promote and require employees to sign the "Affidavit for Prohibition of Illegal Software" and the "Agreement on Intellectual Property Rights and Confidentiality;" and in order to comply with the relevant laws and regulations on personal data protection, new employees are informed of the personal data management methods when they report to work, and they are asked to authorize the use of personal data.
 - (4) In order to make the company's internal document management, data formulation and review, and operation process specification follow, the "Document Management Measures" are formulated to provide continuous improvement of the Company's internal operation and to improve the management system.
5. Employee health and safety
- (1) The Company provides labor insurance for each employee in accordance with the labor related laws.
 - (2) Group insurance for employees, covering the employees themselves, their spouses and children, at the expense of the Company.
 - (3) Set up "Employee Clinic" as a special clinic for universal health insurance to provide medical, surgical and quit smoking clinics as well as health education and consultation on various medical and health care services to enhance the convenience of medical treatment and the health of employees and their family dependents.
 - (4) In accordance with the labor protection related rules, the Company conducts regular employee health checks to maintain employee health.
 - (5) The company employs a medical specialist in occupational medicine to take care of the occupational safety and health of its employees and to assist the company in promoting individual employee care and protection practices.
 - (6) Provide a good and safe working environment.
 - In accordance with the fire prevention laws and regulations, we have established complete protective equipment, an automatic regional fire prevention monitoring and reporting system, and conduct annual fire prevention training for our staff to strengthen their emergency response capabilities.
 - Access is controlled and patrolled by security personnel around the clock and dynamically. The main intersections in the area are monitored by a network of surveillance systems to ensure the movement of people and vehicles throughout the area to maintain safety.
 - (7) Pay attention to the physical and mental health of our employees, and regularly provide health promotion themed literature and conduct health education seminars to provide comprehensive health management for our employees.
6. Staff Development: Education and Training

The Company adheres to the four guiding principles of "Lifelong Learning, Diversified Development, Deep Cultivation Spirit, and Human Orientation" to cultivate and develop human resources. We actively provide a learning and development environment for our employees, construct a training system through the Talent Development Quality Management System (TTQS), and develop education and training programs based on the strategic planning of the Company's vision for medium- and long-term goals. According to the needs of the business category, we implement multiple learning channels such as on-the-job training, nanny system, job rotation, project work, digital learning, and on-the-job training to enhance the skills required for the profession. Use multiple training outcome assessments, including L1 response assessment, L2 learning assessment, L3 behavior assessment and L4 outcome assessment, to ensure that employees learn and grow before and after training and apply what they have learned in the workplace.

According to the skills required for the job, provide common, professional and management training courses. Training costs in 2025 were about \$4,397 thousand, the average training costs per employee were about 4,041, and the total training hours were 14,150; the training courses provided by our company include:

- (1) Training for newcomers: In order to familiarize newcomers with the company's corporate culture and working environment, we arrange unified training for newcomers and arrange vehicle disassembly and test assembly courses for newcomers from R&D, production and quality management departments, so that newcomers can better understand the overall structure of vehicles and the relationship between various components.
- (2) Training on professional ability: In order to improve the professional ability of colleagues, offer basic and advanced courses of technical progress, TPM training, Myes training, expert cultivation, ILU skills training, professional and skill training of each workshop, the supervisor of each unit confirms the knowledge, skills and attitudes that colleagues should have, and conducts education and training through internal and external training, OJT, and learning methods.

- (3) Management skill training: Various management training themes are planned according to the management capabilities of department heads at different levels, including motivational consensus camps for middle and senior department heads; management skills courses for middle-level department heads and seminars on management practices; and on-site management skills courses for management trainees.
 - (4) Annual special training: Training exclusively designed for the Company's vision, business philosophy, business strategy, medium and long-term plan, annual business plan and meet the requirements of the managers (inclusive) or above supervisors for ability of employees.
 - (5) Environmental safety and health training: Enhance colleagues' concept of labor safety and health, and avoid unconscious exposure to hazardous working environments, resulting in accidents and major injuries, physically and mentally.
 - (6) Ethical management and compliance advocacy: In response to the amendments to the Company's ethical management procedures and in line with the amended law, the Company organizes courses on workplace sexual harassment prevention and illegal infringement. By doing this, we improve the employees' understanding of the updates of laws and regulations, so as to prevent any violations.
 - (7) Common capacity training: Common training courses for all company employees, including international business law series seminars, patent discovery courses, Excel computer operation courses, Power BI data analysis, RPA robotic process automation
 - (8) Self-development training: encourage colleagues to learn about knowledge and concepts out of the work scope after work, and arrange self-development training, such as life lectures, experience seminars, sports seminars, financial management seminars, stress relief lectures and other courses.
- (II) Losses incurred due to labor disputes in 2025 and up to the annual report publication date: There were no major labor disputes this year.
- (III) Employee communication channels:
- The Company is committed to providing open and transparent channels of communication between supervisors and employees to promote labor-management harmony and create a win-win situation for both companies and employees. Multiple communication channels include:
1. From time to time, hold employee care seminars to understand and value the needs and voices of employees and promote labor harmony.
 2. Hold regular employee satisfaction surveys every year and make improvements on items with low satisfaction scores.
 3. If employees find major management negligence, illegal or unethical behavior, they can directly complain to the human resources unit, and the investigation will be conducted by the human resources unit or a task force according to the type of incident, and a project meeting will be held for consideration.
 4. Set up EIP "Employee Information Portal" system, so that employees can immediately receive the company's major dynamic announcements, and can also put forward their personal opinions and ideas at any time, and the relevant units will assist in handling them and then immediately reply to colleagues on the results.
 5. Provide employee care service line as a channel for employees to reflect their opinions on work, environment and life assistance.
 6. Sexual harassment prevention and occupational safety and health management: The Company is committed to building a safe and friendly working environment. To protect employees' workplace dignity and basic rights, implement gender equality, and prevent workplace illegal infringement, the Company has established the "Workplace Sexual Harassment Prevention, Complaint, and Disciplinary Measures" and the "Prevention Plan for Illegal Infringement Encountered in the Performance of Duties." Through clear complaint channels and a committee investigation mechanism, any form of sexual harassment, gender discrimination, or workplace bullying is strictly prohibited. If employees encounter any of the foregoing situations while performing their duties, they may seek relief and protection in accordance with the Company's complaint procedures. The Company will also ensure the fairness of the investigation process and the privacy of the victims.

(IV) Workplace environment and employee personal safety and health protection measures

In view of the importance of safety protection measures at working environment and for employees. Based on the ISO 14001 (certification effective 2023/7/6-2026/7/5) & ISO 45001 (certification effective 2024/7/25-2027/7/24), risk control on major environmental considerations/occupational safety and health was executed with target and program management to prioritize improvement, while operations with lower risks are managed with operational control methods, and all the measures have been improved to result in significant control efficacy. Major goals and management programs are as follows:

Objective/Target	Program	Current Status	Implementation Status
Reduce CO2 emission intensity by over 4.2%	Electricity - change the frequency of motor, change the lighting to LED, change the fixed frequency to variable frequency air compressor at night, change the continuous operation of conveyor belt to induction operation, do not operate the compressor below 25 degrees Celcius for air conditioning temperature control. Reduce fresh air intake, shorten oven warm-up time and earlier shutdown for natural gas-fired incineration (RTO) systems. Heavy oil: change to natural gas boiler, shorten warm-up time, reduce steam pressure, improve heat dissipation.	1. Motor without variable frequency control, additional inverter variable frequency control according to the end demands. 2. Traditional lamps, mercury lamps changed to low-power LED, additional point extinguisher, etc. 3. Regenerative Thermal Oxidizer (RTO) to introduce a lower proportion of fresh air. 4. Shorten the daily warm-up time and early shutdown for ovens, RTOs and boilers.	+13.68% 2024: 0.3708 ↓ 2025: 0.4216 (Scope 1 and Scope 2 metric tons of CO ₂ e per total product sales quantity) Note: Because the number of units changed by approximately 25%, the carbon density value increased compared with last year; however, total carbon emissions have been reduced.
Domestic waste reduced to 1%	Nine garbage sorting boards for all staff education and training, reuse of resources, regular audits of sorting scores and promotion	Through the environmental safety executive meeting to promote and regularly audit the classification situation, the three green a beauty committee monthly meeting to control and promote.	+26.03% (19.61 →26.51 ton/year)
Injuries at the factory 4 (incidents/year)	Regular implementation of 5S inspection, TOP survey, and improvement of false alarms.	Through various routine inspections and improvements, to reduce the occurrence of harm.	1 (incidents/year)
Equipment safety function effectiveness 100 (%)	Develop automatic inspection method to perform safety function test of equipment in daily use operation	The on-site operation unit performs the safety function test of the equipment during the operation to ensure the normal function and reduce the occurrence of hazards.	100 %
Water quality monitoring of plant discharge water COD < 100 mg/L Total Chrome < 1.5 mg/L Copper < 1.5mg/L Zinc < 3.5mg/L Cadmium < 0.02mg/L Nickel < 0.7mg/L	Analyze discharge water COD (1~2 times/day) Total chromium, copper, zinc, cadmium, nickel, heavy metals (2 times/week)	Water quality is regularly sampled and analyzed to ensure that discharge water meets and exceeds regulations.	COD 13.1 mg/L Total Chromium ND Copper 0.02 mg/L Zinc 0.01 mg/L Cadmium ND Nickel 0.14 mg/L

Employee personal safety and health protection management programs and implementation status:

1. Access control security: For day, night and holiday, security companies are hired to maintain the security of the factory and staff dormitories around the clock and set up surveillance systems.

2. Equipment maintenance and inspection: In accordance with the Fire Services Law, the on-site units will inspect the firefighting facilities on their own every month, and then appoint external firefighting agencies to carry out inspection and reporting every quarter. Regular (daily, weekly, monthly, quarterly, semi-annually, annually) maintenance and inspection of machines (cranes, elevators, presses, etc.) or equipment (boilers, high and low voltage electrical equipment, etc.).
3. Disaster prevention measures and contingency planning: In accordance with the “Emergency Preparedness and Contingency Management Regulations,” the responsibilities of each relevant unit, contingency measures, notification procedures, task contents, etc. are clearly defined and drills are conducted twice a year. For fire prevention and control, hot work operations are classified and managed in accordance with the “Plant Hot Work Control Operating Standards” and the “Work Permit Regulations,” and continuous disaster prevention inspection and improvement are carried out through multiple operating standards such as the “Paint Shop Disaster Prevention Operating Regulations” and the “Hazardous Materials Storage Methods.” No fire incidents occurred in 2025.
4. Prevention of workplace unlawful infringement: In accordance with Paragraph 2 of Article 6 of the Occupational Safety and Health Act, which stipulates that, “employers shall take measures to prevent physical or mental unlawful infringement suffered during the performance of duties due to the conduct of others,” and the Ministry of Labor’s “Guidelines for the Prevention of Unlawful Infringement During the Performance of Duties,” the Company established the “Measures for Preventing Unlawful Infringement During the Performance of Duties” to implement measures for the prevention and handling of workplace unlawful infringement, including incidents of abuse, threats, attacks, or harassment that explicitly or implicitly pose a challenge to personal safety, well-being, or health.
5. Work environment safety management: Based on the relevant laws and regulations and occupational disaster cases from other factories, the “Factory Safety Evaluation Benchmark SES” has been established. This benchmark divides potential hazards into two major categories: unsafe acts (including inspection, fixed-point checks, use of personal protective equipment, work inside equipment, license and certification qualifications, logistics operations, hoisting operations, and other work activities) and unsafe conditions (covering safety devices, auxiliary equipment, hoisting equipment, electrical equipment, logistics equipment, and other facilities). A team of 19 safety personnel has been assembled to implement a monthly evaluation plan, with two sessions per month. Using consistent evaluation criteria, the team jointly identifies safety risk factors for proactive improvement and provides monthly progress reports to senior management. As of 2025, 711 potential safety hazards have been eliminated, effectively reducing the risk of occupational disasters.
6. Health care:
 - (1) Health Checkups: New recruits undergo a physical examination; general employees receive regular health checkups as required; special operations personnel undergo annual special health checkups. A total of 180 health checkups were completed in 2025, and health risk stratification and individual health education follow-up management were implemented based on the results.
 - (2) Health Education Promotion and On-Site Services: The Company hires factory and occupational physicians to provide on-site services more than twice a month, covering occupational disease prevention, health education, health promotion, and emergency care.
 - (3) Vector control and plant disinfection are carried out every six months to maintain public health.
 - (4) Specify smoking ban in indoor places and limit smoking to designated area (24 places in the whole factory).
 - (5) Promoted the 2nd-generation smoking cessation services and successfully assisted 55 people in participating throughout 2025, with cumulative services reaching 155 person-times. Through one-on-one health education, medication counseling, motivational counseling, and withdrawal support, together with the launch of smoking cessation courses, employees’ willingness to quit smoking and success rate were comprehensively enhanced. Won 2nd place in Miaoli County for clinic smoking cessation services by virtue of ongoing care, support, and promotion effectiveness.
 - (6) The Company operates an employee clinic that provides general internal medicine and surgery services, health consultations, and emergency treatment services as one of the employee workplace health care mechanisms.
 - (7) In response to the policy of the Health Promotion Administration, the employee clinic has actively promoted the “Metabolic Syndrome Prevention and Control Program” for plant employees since July 2022. Through health screenings, individual health education consultations, and health promotion activities, it assists employees in establishing healthy lifestyles and reducing the risk of chronic diseases. Its promotion results were recognized, and in 2025 it received the “2022–2024 Excellent Clinic for Metabolic Syndrome Prevention and Control Award” from the Health Promotion Administration, Ministry of Health and Welfare.

VI. Information security management

(I) Information and communication security measures and management framework:

The Company has established relevant internal operation regulations in accordance with Article 9, "Computerized Information System Processing," of the "Regulations Governing Establishment of Internal Control Systems by Public Companies" in order to reduce the risk of unknown information security threats arising from emerging information technology applications and environmental changes. In order to grasp the information security risk management, the response and prevention of risk incidents are dealt with from three aspects: (1) Before occurrence: regular autonomous inventory inspections, from the process and technical aspects, to proactively prevent information security incidents; (2) when incidents occur: damage control, emergency response, establishment of an effective disaster response mechanism, rapid damage control hemostasis, application of drill experience, return to normal in the shortest time possible, and maintenance of continuous corporate operations; (3) after occurrence: trace and include in the prevention, check the system records to track the cause of the problem, formulate new preventive measures, and introduce weakness detection teams to offset blind spots and improve the reliability of the internal control mechanism.

(II) Management programs and resources engaged:

To strengthen overall information security, a number of information security enhancement projects have been specifically carried out, including "anti-hacking for internal and external transmission networks," "enhancement of employee information security awareness," "control and prevention of malicious websites," "remote work connection protection," "system vulnerability improvement/penetration testing," "data leakage protection," "cross-company remote computer room/backup reinforcement," "enhanced IT management framework (ISO/ISMS)," "portable storage device control," "mail system optimization," "trade secret document management," and "production line OT network enhancement." In addition, a 2025–2027 blueprint for promoting the "Internal Control Management Measures for Information Security Risks" has been planned to steadily advance the overall strategic deployment of information security and continuous optimization. In response to the transformation of the Yulon Group in the context of "full openness, customer diversity, and resources sharing.", the idea of "confidentiality risk" is accentuated to reinforce the information security, and the protection is upgraded to international standards for prevention of sensitive data leakage and higher customer trust. The audit unit reports the status and future plans of information security management to the board of directors every year to implement information security risk management.

Information security has been the key operation assurance item of the Company. The required information security management matters and the resource input plan are as follows:

1. Information security governance: The ISO 27001 standard information security management methods and processes are promoted to implement and continuously strengthen information security. To enhance the level of the information security management system, ISO 27001 information security management certification was obtained in 2024, with the latest certification valid from 2024/5/16 to 2027/5/15, certificate number (IS805492), and the surveillance audit was completed in April 2026. Information security organization: the establishment of a Chief Information Security Officer, including one Chief Information Security Officer, one information security supervisor, and four dedicated information security personnel, is responsible for the Company's overall information security planning, technology introduction, and related audit matters, and holds monthly information security meetings on a regular basis. A report shall be submitted to the Board of Directors at least once a year (the submission date to the Board of Directors in 2025 was 11/07).
2. Customer satisfaction: 0 major information security incidents and 0 customer complaints.
3. Education and training: All new employees are required to complete 1 hour of information security training before joining the Company. Physical information security education and training are provided to information security staff and high-risk personnel. An information security assessment is performed for all employees every year. In 2025, all employees passed the assessment. In 2025, two information security community engineering phishing email tests were conducted, resulting in a total of 37 employees accidentally clicking on the phishing link, which reflects a rate of 6.1%.
4. Information security announcement: An information security announcement is issued every quarter to convey various information security protection regulations, emerging information security situation information and precautions to all employees.
5. Terminal security: The Company has introduced an employee network security mechanism. Colleagues' computers are protected from virus/EDR and other interception functions when they are online using their mobile phones (4G) or broadband on business trips or working from home, extending the protection net to anywhere and anytime.
6. Data security: The introduction of the computer data backup mechanism for Yulon employees ensures that all administrative personnel in the plant are protected.
7. Mainframe protection: External websites are protected by web application firewalls, offline backup system and log management system.

8. Information security of production lines: Continue to manage the security of production lines, and check the network firewall policies of each site, reducing the risk of lateral movement after being hacked.
9. Mail information security: Yulon Mail's global detection service continued to be implemented to stop phishing emails. A total of 1,307 emails were detected and prevented in 2025.
10. Risk detection: Before all newly introduced information systems went online, at least 2 vulnerability scanning and patching operations were completed to prevent exposure of potential vulnerabilities.
11. Talent cultivation: Information security professionals are in short supply and difficult to recruit, so advance planning and cultivation are carried out to ensure future needs. In 2025, Yulon actively promoted iPAS information security certificates. Yulon already has five personnel who have obtained certificates, and another two have obtained ISO 27001 lead auditor qualifications.
12. Integrated joint defense: The information security team has completed alliances with four organizations (including Taiwan Computer Emergency Response Team/Coordination Center, TWCERT/CC, Ministry of Digital Affairs National Cyber Security Center, NCCSC, Financial industry F-ISAC, and Investigation Bureau Cybersecurity Task Force).
13. Asset monitoring: Establish a security operations center (SOC) to integrate information systems and cybersecurity protection equipment, including firewalls, intrusion prevention systems (IPS), web application firewalls (WAF), network traffic, endpoint protection, and antivirus systems. This integration provides comprehensive asset visibility and risk identification, enabling 7×24 real-time monitoring, analysis, and event notification to enhance overall cybersecurity protection and incident response capabilities.

(III) In 2025 and as of the report date, there were no major information security risks and incidents.

VII. Major contracts

Nature	Party involved	Effective period	Major contents	Restrictive clause
Vehicle OEM contract	Nissan Motor Co., Ltd.	From 2015.5.1 to 2020.4.30, the contract will be automatically extended for one year without written notice of non-renewal three months prior to the expiration date, and thereafter. As of December 31, 2025, it is the 6th year of automatic extension.	Assembly OEM for Nissan brand vehicles and components	1. Non disclosure of confidential information 2. Restrictions on the Transfer of Rights and Obligations
Vehicle OEM contract	Luxgen Motor Co., Ltd.	From 2015.5.1 to 2020.4.30, the contract will be automatically extended for one year without written notice of non-renewal three months prior to the expiration date, and thereafter. As of December 31, 2025, it is the 6th year of automatic extension.	Assembly OEM for Luxgen brand vehicles and components	1. Non disclosure of confidential information 2. Restrictions on the Transfer of Rights and Obligations
Vehicle OEM contract	Foxtron Vehicle Technologies Co., Ltd.	From 2024.6.7 to 2030.6.6, the contract will be automatically extended for one year without written notice of non-renewal three months prior to the expiration date, and thereafter.	D31 range assembly OEM for Luxgen (Honghua Advanced Technology) brand vehicles and components.	1. Non disclosure of confidential information 2. Restrictions on the Transfer of Rights and Obligations
Vehicle OEM contract	China Motor Corporation	From August 1, 2024 to July 31, 2030, the contract will be automatically extended for one year without written notice of non-renewal three months prior to the expiration date, and thereafter.	Assembly and contract manufacturing of MG brand vehicles and components	1. Non disclosure of confidential information 2. Restrictions on the Transfer of Rights and Obligations

V. The review and analysis of financial position and financial performance, and the risk matters

I. Financial status

Comparative Analysis of Consolidated Financial Status

Unit: Thousands of NTD

Item \ Year	2025	2024	Difference	
			Amount	%
Current assets	257,376,995	268,911,966	(11,534,971)	(4.29%)
Non-Current assets	109,569,557	108,903,384	666,173	0.61%
Total assets	366,946,552	377,815,350	(10,868,798)	(2.88%)
Current liabilities	257,086,727	258,150,299	(1,063,572)	(0.41%)
Non-current liabilities	15,956,432	25,553,661	(9,597,229)	(37.56%)
Total liabilities	273,043,159	283,703,960	(10,660,801)	(3.76%)
Capital stock	10,700,013	10,700,013	0	0.00%
Capital surplus	16,093,643	16,067,891	25,752	0.16%
Retained earnings	35,595,757	35,981,729	(385,972)	(1.07%)
Total shareholders' equity	93,903,393	94,111,390	(207,997)	(0.22%)

Analysis of the change in the increase or decrease percentage:

- The decrease in current assets was mainly due to the decrease in the quality of the asset management business of Taiwan Acceptance Corporation, and the decrease in notes and accounts receivable.
- Total liabilities decreased primarily due to loan repayments.

Comparative Analysis of Parent company only Financial Status

Unit: Thousands of NTD

Item \ Year	2025	2024	Difference	
			Amount	%
Current assets	10,675,455	11,887,359	(1,211,904)	(10.19%)
Non-Current assets	73,157,196	75,634,623	(2,477,427)	(3.28%)
Total assets	83,832,651	87,521,982	(3,689,331)	(4.22%)
Current liabilities	14,057,538	8,977,696	5,079,842	56.58%
Non-current liabilities	6,529,547	14,490,600	(7,961,053)	(54.94%)
Total liabilities	20,587,085	23,468,296	(2,881,211)	(12.28%)
Capital stock	10,700,013	10,700,013	0	0.00%
Capital surplus	16,093,643	16,067,891	25,752	0.16%
Retained earnings	35,595,757	35,981,729	(385,972)	(1.07%)
Total shareholders' equity	63,245,566	64,053,686	(808,120)	(1.26%)

Analysis of the change in the increase or decrease percentage:

- The increase in current liabilities was mainly due to the corporate bonds due within one year reclassified to current liabilities.
- The decrease in non-current liabilities was mainly due to corporate bonds due within one year reclassified to current liabilities.

II. Financial Performance Analysis

Comparative Analysis of Consolidated Financial Performance

Unit: Thousands of NTD

Item	Year	2025		2024		Increase (decrease) amount	Variation (%)
		Subtotal	Total	Subtotal	Total		
Operating revenues			72,355,107		85,776,046	(13,420,939)	-15.65%
Operating costs			49,010,119		58,894,837	(9,884,718)	-16.78%
Gross profits			23,344,988		26,881,209	(3,536,221)	-13.15%
Realized (unrealized) profits or losses on sales			408		920	(512)	-55.65%
Net operating margin			23,345,396		26,882,129	(3,536,733)	-13.16%
Operating expenses			17,439,380		19,612,880	(2,173,500)	-11.08%
Net operating profits (losses)			5,906,016		7,269,249	(1,363,233)	-18.75%
Non-operating income and expenses			(612,790)		2,071,358	(2,684,148)	-129.58%
Other income		980,465		1,239,513		(259,048)	-20.90%
Other profits and losses		(610,633)		452,224		(1,062,857)	-235.03%
Financial costs		(569,852)		(467,457)		(102,395)	21.90%
Shareholding in the affiliated companies and joint ventures under the equity method		(412,770)		847,078		(1,259,848)	-148.73%
Profit before income tax			5,293,226		9,340,607	(4,047,381)	-43.33%
Income tax expense			1,699,276		2,412,880	(713,604)	-29.57%
Net profits (losses) for the period			3,593,950		6,927,727	(3,333,777)	-48.12%
Other comprehensive profit and loss (net)			(596,297)		2,246,129	(2,842,426)	-126.55%
Titles not reclassified as profit and loss accounts:							
Reevaluation of determined benefit plan		(14,756)		187,155		(201,911)	-107.88%
Unrealized valuation gains or losses on investments in equity instruments measured at fair value through other comprehensive income		43,371		183,989		(140,618)	-76.43%
The share of other comprehensive income of affiliates and joint ventures recognized in equity method		54,259		23,982		30,277	126.25%
Accounts to be reclassified to profit or loss subsequently:							
Exchange differences on the translation of financial statements of foreign operations		(422,541)		1,295,289		(1,717,830)	-132.62%
Profit or loss on hedging instruments not subject to basis adjustment		7,199		(8,092)		15,291	-188.96%
The share of other comprehensive income of affiliates and joint ventures recognized in equity method		(263,829)		563,806		(827,635)	-146.79%
Total comprehensive income for the period			2,997,653		9,173,856	(6,176,203)	-67.32%

Analysis of the change in the increase or decrease percentage:

1. Gross profit decreased, mainly due to Taiwan Acceptance Corporation's adjustment of its business structure, resulting in a decline in gross profit.
2. Remeasurements of defined benefit plans decreased, mainly due to actual salary increases in 2025.
3. Exchange differences on translation of foreign operations decreased, mainly due to the significant appreciation of the New Taiwan dollar in 2025.
4. Unrealized gains or losses on equity instrument investments measured at fair value through other comprehensive income decreased, mainly due to a reduction in unrealized valuation gains on such investments in 2025.
5. Share of other comprehensive income of associates and joint ventures accounted for using the equity method decreased, mainly due to the significant appreciation of the New Taiwan dollar in 2025, which led to a decrease in cumulative translation adjustments of subsidiaries.

Comparative Analysis of Parent company only Financial Performance

Unit: Thousands of NTD

Item	Year	2025		2024		Increase (decrease) amount	Variation (%)
		Subtotal	Total	Subtotal	Total		
Operating revenues			16,655,312		25,910,182	(9,254,870)	(35.72%)
Operating costs			14,264,410		23,349,336	(9,084,926)	(38.91%)
Gross profits			2,390,902		2,560,846	(169,944)	(6.64%)
Realized (unrealized) profits or losses on sales			(1,448)		(7,073)	5,625	79.53%
Net operating margin			2,389,454		2,553,773	(164,319)	(6.43%)
Operating expenses			1,860,225		1,809,028	51,197	2.83%
Net operating profits (losses)			529,229		744,745	(215,516)	(28.94%)
Non-operating income and expenses			652,555		3,586,004	(2,933,449)	(81.80%)
Other income		42,675		65,133		(22,458)	(34.48%)
Other profits and losses		(436,703)		306,995		(743,698)	(242.25%)
Financial costs		(265,663)		(333,197)		67,534	20.27%
Shareholdings in the subsidiaries, associates and joint ventures under the equity method		1,241,107		3,460,878		(2,219,771)	(64.14%)
Interest revenue		71,139		86,195		(15,056)	(17.47%)
Profit before income tax			1,181,784		4,330,749	(3,148,965)	(72.71%)
Income tax expense			202,771		376,070	(173,299)	(46.08%)
Net profits (losses) for the period			979,013		3,954,679	(2,975,666)	(75.24%)
Other comprehensive profit and loss (net)			(420,322)		1,666,549	(2,086,871)	(125.22%)
Exchange differences on the translation of financial statements of foreign operations		0		0		0	0.00%
Unrealized valuation gains or losses on investments in equity instruments measured at fair value through other comprehensive income		39,278		45,561		(6,283)	(13.79%)
Reevaluation of determined benefit plan		(30,800)		120,863		(151,663)	(125.48%)
The share of other comprehensive income of subsidiaries, associates and joint ventures recognized in equity method		(428,800)		1,500,125		(1,928,925)	(128.58%)
Total comprehensive income for the period			558,691		5,621,228	(5,062,537)	(90.06%)

Analysis of the change in the increase or decrease percentage:

1. Other losses increased primarily due to asset impairment evaluated based on equipment utilization rates in 2025.
2. The decrease in remeasurements of defined benefit plans primarily reflects actual salary growth in 2025, leading to a decrease in the recognized amount of actuarial gains and differences compared to 2024.
3. The decrease in the share of other comprehensive income of subsidiaries, associates, and joint ventures accounted for using the equity method was primarily attributable to the depreciation of the U.S. dollar and RMB, resulting in a decrease in exchange differences on the translation of financial statements of foreign operations recognized in 2025 compared to 2024.

III. Cash flow analysis

(I) Liquidity analysis for the most recent 2 years

Item	Year	2025	2024	Increase (decrease) amount
Cash flow ratio		7.40	7.52	(1.60%)
Cash flow adequacy ratio		(57.63)	(91.35)	36.91%
Cash reinvestment ratio		13.50	11.21	20.43%
Analysis of the change in the increase or decrease percentage: The increase in all indicators of cash flow in 2025 from those in 2024 was mainly due to the fact that the annual growth rate of receivables of the company Taiwan Acceptance Corporation was slower than that of last year, which affected the decrease of net cash outflow from operating activities in 2025.				

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

(II) Cash liquidity analysis for the coming year

Unit: Thousands of NTD

Cash balance at the beginning of the period ①	Estimated cash inflow for the whole year ②	Estimated cash outflow for the whole year ③	Estimated cash balance (shortfall). ①+②+③	Remedy for estimated cash shortage	
				Investing plan	Financing plan
1,474,162	21,831,080	(32,925,127)	(9,619,885)	-	Bank borrowings
1. Analysis of changes in cash flows in the coming year: (1) Annual cash inflow: mainly cash inflow from the Company's operations, dividend income and sale of equity, etc. (2) Cash outflow for the year: Mainly due to operating expenses, tax payments, capital expenditures, and repayment of bank loans. 2. Remedy for estimated cash shortage and liquidity analysis: In addition to cash inflows and expenditures from operating activities, bank borrowings will be used to cover insufficient cash balances.					

Note: The information presented in the table is based on the parent company only financial statements.

IV. Material capital expenditures in the latest year and impacts on business performance

(I) Status of major capital expenditures and sources of funds for the most recent year:

Unit: Thousands of NTD

Plans	Actual and expected funding source	Actual and expected completion date	Total fund required	Actual or expected uses of funds						
				2022	2023	2024	2025	2026	2027	2028
Expansion of machinery and	Self-owned Capital	2028.12.31	\$1,448,453	\$342,519	\$199,052	\$305,296	\$217,587	\$94,023	\$129,585	\$111,804
Production equipment	Self-owned Capital	2028.12.31	\$1,578,824	\$389,256	\$278,572	\$74,181	\$212,043	\$61,124	\$42,800	\$51,962
Environmental protection	Self-owned Capital	2028.12.31	\$31,907	-	\$942	\$3,292	\$11,324	\$2,700	\$6,143	\$4,421
IT Equipment	Self-owned Capital	2028.12.31	\$272,213	\$140,755	\$78,491	\$27,144	\$8,022	\$2,588	\$5,305	\$3,947
Quality assurance equipment	Self-owned Capital	2028.12.31	\$192,913	\$19,593	\$35,678	\$37,249	\$23,805	\$13,968	\$17,327	\$15,648
Construction and Maintenance	Self-owned Capital	2028.12.31	\$2,906,266	\$703,340	\$91,437	\$242,512	\$28,859	\$47,621	\$32,422	\$37,341

(II) Expected benefits from major capital expenditures in the most recent year:

1. Strengthen the multi-brand OEM strategy, and with the introduction of mass production of new models of each brand, through the expansion of machinery and equipment, in order to improve the efficiency and quality of each production line, and further increase the competitiveness of products in the market.
2. Renew and replace old production systems and equipment according to the project schedule of new vehicle models of each brand to achieve the development schedule and quality target of each product.
3. In line with the government's "energy transition" policy, expand solar energy installation and solar energy storage, and in order to comply with Taipower regulations, add protection stations and establish communication loops to maintain the operation of the transmission system, with a view to increasing the power generation of the Sanyi plant.
4. Introduce and improve information equipment software and hardware, update production information system, financial information system, management information system, to improve data integration efficiency and cyber security protection.
5. By updating and improving the quality inspection equipment, we can reduce the defects arising from the production process to ensure the stability of the whole production process.
6. Improve the efficiency of the Company's land resources and consider the development of the overall cityscape, in addition to the construction of commercial complexes, we will also build parks and green areas to beautify the overall environment, further creating a comprehensive business effect and driving the new consumer life circle in the areas surrounding the new factory.

V. Investment policy for 2025, the main reasons for profit or loss, improvement plan and investment plan for the coming year:

The Company's reinvestment policy focuses on investments that complement its core business development and prioritizes businesses with strategic value or long-term return potential. For investments with poor performance or low alignment with the Group's strategy, the Company will accelerate impairment recognition, governance improvement, and exit mechanisms to improve capital utilization efficiency.

In 2025, the Company recognized investment income under the equity method of NTD 1,241,107 thousand. The Company's future investment plans will build on its existing core businesses in automobiles, energy, and assets, and, through strategic investments and cross-industry cooperation, deploy in areas such as energy storage, automotive after-sales services, and asset development to create diversified sources of revenue and strengthen overall competitiveness.

VI. Risk management and assessment:

(I) Organizational structure of risk management

The execution and the units of authority and responsibility for risk management of the Company are as follows.

Units of authority and responsibility	Content of execution
Risk and Compliance Department	Responsible for identifying the Company's risk dimensions, establishing risk indicators and a risk-level assessment mechanism, and implementing risk mitigation actions through indicator-based management and regular reviews to ensure that the Company's long-term operational risks remain within a controllable range.
Internal Audit office	Based on the risk assessment results, incorporate main audit items in the annual audit plan, and audit the internal control system, and disclose the audit results in the audit report, and deliver it or notify each supervisor in accordance with the regulations, and follow up for improvement.
Safety and health office	Regularly perform labor environmental inspection and monitoring. Conduct industrial safety and health related business in accordance with the company's regulations, prevent occupational disasters, and guide relevant units to implement related plans to reduce work related risks for employees
Operations Management Department	1. Plan the Company's business strategies, goals, and management, and provide information for decision-making as quickly as possible; keep track of technological changes, industry trends, and regulatory dynamics to reduce business risks. 2. Build a safe and credible digital environment to fully protect the Company's digital assets through a comprehensive information security policy, risk assessment, system construction, employee education and training, and full-time information security monitoring.
Financial Management Headquarters	1. Optimize the Company's capital management system, conduct in-depth analyses of tax policies to reduce tax liabilities and enhance the efficiency of capital utilization; regularly review the financial status of the Company and significant investees to strengthen the overall efficiency of capital utilization. 2. Establish a clear career development plan for employees and conduct regular surveys on employee satisfaction in order to grasp the needs of employees; build a comprehensive succession system to cultivate a team of talented employees for key positions and reduce the risk of talent loss.
Vehicle Manufacturing Center	Coordinate the overall production plan, material demand planning and control of delivery time; regular implement supplier evaluation management to reduce supply chain risks.
Production Technology Center	Planning and promotion of company-wide quality assurance strategy and quality assurance system; promotion and monitoring of product inspection and intelligence system; promotion of quality awareness and improvement activities. In addition, also manage the quality of automobile parts and components produced by suppliers to reduce the risk of assembled vehicles.

(II) The impact of changes in interest rates, exchange rates and inflation on the Company's profit and loss from 2025 up to the publication date of the annual report, and future countermeasures.

1. The impact of changes in interest rates on the Company's profit or loss and countermeasures:

The Company manages and maintains a sufficient portion of cash and cash equivalents to support the Group's operations by monitoring the availability and utilization of bank facilities and ensuring compliance with the terms of borrowing contracts. The interest rate risk arising is managed by maintaining an appropriate mix of

fixed and floating interest rates and by using interest rate swap contracts and forward interest rate contracts. The impact of changes in interest rates on profit or loss is limited, as the current cash position is still considered sufficient. Based on the analysis of the consolidated financial statements for 2025, if interest rates increase by 1%, with all other variables held constant, the Company's net profits before tax for 2025 will decrease by \$353,957 thousand.

2. The impact of changes in exchange rates on the Company's profit or loss and countermeasures.

The Company's material costs are affected by the double cross-exchange rates of USD, RMB, JPY and NTD. The impact on profit or loss is not fixed, but depends on a combination of (1) the correctness of foreign currency hedging operations (2) the level of imports (3) the size of inventory (4) the appreciation or depreciation of NTD (5) other factors. The Company has established a foreign exchange hedging operation group to be responsible for foreign exchange hedging operations in order to reduce the risk of exchange rate changes. We have an exchange rate risk sharing measure with Nissan Motor Co., Ltd., a major material supplier, to ensure stable and reasonable material supply prices. In addition, in order to reduce foreign exchange requirements and material prices, we also set annual targets for domestic procurement of parts. Based on the analysis of the consolidated financial statements for 2025, if the exchange rate of NTD had appreciated by 1%, with all other variables held constant, the Company's net profits before tax would have increased by \$58 thousand for 2025.

3. The impact of inflation on the Company's profit or loss and countermeasures.

According to the data released by the Directorate-General of Budget, Accounting and Statistics, Executive Yuan, the average total consumer price index for 2025 was 109.6, up 1.66% from the average of 107.81 for 2024. The total consumer price index increased to 110.2 in February 2026 from 110.91 in December 2025, an increase of 0.64%, and the average of 110.56 in February increased by 1.22% compared to 109.22 in the same period of 2025. Inflation showed a slight increase in 2026, which is still within an acceptable range. Therefore, the impact of inflation on the Company is not expected to be material.

- (III) Policies on high-risk, high-leverage investments, lending funds to others, endorsement and guarantee, and derivatives transactions from 2025 up to the publication date of the annual report, main reasons for gain or loss, and future countermeasures:

1. Engagement in high-risk and high-leverage investments

The Company has never engaged in high-risk and high-leverage investments

2. Engagement in lending funds to others, and endorsement and guarantee

These were handled in accordance with the "Operating Procedures for Lending Funds to Others" and "Management Measures for Endorsements and Guarantees." The relevant rules are disclosed on the Company's official website.

3. Engagement in derivative transactions

These were handled in accordance with the "Operating Procedures for Lending Funds to Others" and "Procedures for Derivative Transactions." The relevant rules are disclosed on the Company's official website.

- (IV) Future R&D plans and estimated R&D expenses to be incurred in 2025 and through the annual report publication date:

The Company is committed to transforming and upgrading from manufacturing to manufacturing service industry, and will move towards multi-brand OEM operation, expecting to create new profit model with new business model and service model to provide more value to consumers while creating greater benefits for the enterprise. For details, please refer to "(III) Technology and R&D Overview 3. Future R&D Plans" under Section I, Chapter IV, Business Overview, of this annual report.

- (V) The impact of important domestic and foreign policy and legal changes on the Company's finance and business from 2025 up to the publication date of the annual report and countermeasures

The Company has been paying close attention to the laws and policies affecting its business and operations. Currently, there are no significant domestic or foreign policy and legal changes that have a material impact on the Company's finance or business.

- (VI) The technological changes (including information security risks) as well as the impact of industrial changes on the corporate financing and corresponding measure in 2025 and as of the report date:

The Company's intellectual property management policies are: (1) Prevent and reduce intellectual property risks and enhance intellectual property protection awareness; (2) Actively cooperate with emerging businesses to improve technology layout and intellectual property protection. Therefore, the goals of the Company's intellectual property management plan are based on the Group's open platform and diversified product (customer) development strategy, including raising employees' awareness of intellectual property protection, strengthening technology R&D energy, and will re-inventory and review the intellectual property accumulated by the Group. Based on the results of business development in the future, the Company will conduct technical grouping and so

on. In the process of this transformation, the intellectual property protection and management mechanism applicable to diversified customers have been simultaneously reinforced, and enhanced through which are employees' awareness of intellectual property protection and risk prevention, as one of the key optimization tasks to achieve year by year.

The intellectual property management measures and operating standards have gradually been established since 2012, and the intellectual property-related matters have been reported to the board of directors at least once a year since 2018. The 2025 intellectual property related agenda included: (1) 169 registered trademarks, 10 registered patent and 1 patent pending application as of the report dated April 30, 2026; (2) 2 sessions of intellectual property seminars in 2025 to strengthen employees' awareness of respecting the intellectual property rights of others; (3) The Company passed the Taiwan Intellectual Property Management System (TIPS) A-level certification on 2024/12/31, and the validity period is through 2026/12/31..

For the information security risk structure, please see the "Information Security Management" in Chapter IV.

- (VII) The impact of change in corporate image on corporate crisis management from 2025 up to the publication date of the annual report and countermeasures

The Company immediately discloses all material information required by the competent authority and continues to focus on sustainable development and social responsibility issues to build a strong corporate image. We also have a dedicated unit to respond to valuable advice from stakeholders in order to effectively protect the reputation and image of the Company. In order to effectively control the quality of communication with the media and to prevent the corporate image from being affected by improper crisis management, the Company has implemented a spokesperson mechanism.

- (VIII) Expected benefits, possible risks and corresponding measures on mergers and acquisitions in 2025 and as of the report date: None.

- (IX) Expected benefits, possible risks and corresponding measures of the plant expansion in 2025 and as of the report date:

The current equipment capacity is still sufficient to supply the market demand, but the benefits and risks will be evaluated if there is a need for future capacity expansion.

- (X) Risks and corresponding measures related to concentrated purchases or sales in 2025 and as of the report date:

The Company's purchased are mainly made from Nissan Japan and domestic and foreign collaborative suppliers. Due to their long-term cooperation and long-term supply contracts, therefore, the Company's supply of raw materials is normal and stable, and there is no risk of concentration of purchases.

In addition to the Nissan and Luxgen brands, the Company has continuously leveraged its expertise and advantages in production and manufacturing to serve as a contract manufacturing service provider in the domestic market, selling to various brand companies in accordance with contractual requirements. In overseas markets, the Company will continue to expand its international contract manufacturing business and broaden its business footprint. It is confident that it will continue to generate revenue with no risk of sales concentration.

- (XI) From 2025 up to the publication date of the annual report, impact, risks and corresponding measures related to large-scale equity transfers or replacement by directors, or major shareholders with more than 10% of total shares issues: None.

- (XII) The impact of changes in control on the Company in fiscal year 2025 and up to the annual report publication date, including any risks and response measures:

- (XIII) For litigious and non-litigious matters from 2025 up to the publication date of the annual report, please list major litigious, non-litigious or administrative disputes that have been resolved or are still proceeding involving the Company and/or any director, supervisor, the president, any person with actual responsibility for the firm and any major shareholder holding a more than 10% of the shares, and the affiliated companies. Moreover, where such a dispute could materially affect shareholders' equity or the prices of the securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the publication date of the annual report:

- (XIV) Other major risks and corresponding measures: None.

VII. Other important matters:

The Company's personnel involved in the transparency of financial information obtain the relevant licenses specified by the competent authorities:

Type of license	Department	No. of People
Passed the Higher Examination for Specialized Occupational and Technical Personnel (HESPP) 2006 for CPAs. (License No. (2006) Zhuan-Gao-Kuai-Zi No. 000850)	Cost Accounting Department	1
Passed the Higher Examination for Specialized Occupational and Technical Personnel (HESPP) 2013 for CPAs. (License No. (2013) Zhuan-Gao-Kuai-Zi No. 000328)	Strategic Development Division	1
Passed the Higher Examination for Specialized Occupational and Technical Personnel (HESPP) 2019 for CPAs. (License No. (2019) Zhuan-Gao-Kuai-Zi No. 000227)	Internal Audit office	1

VI. Special Notes

I. Information on Affiliates

- (I) Consolidated business reports of affiliated enterprises: Announced in the “Special Section for Three Statements of Related Enterprises” on the Market Observation Post System (<http://mops.twse.com.tw/>) (path: Single Company → Electronic Document Download), and available for direct inquiry.
- (II) Consolidated financial statements of affiliated enterprises: The consolidated financial statements of parent and subsidiary companies under the same parent company have been announced under “Financial Statements” on the Market Observation Post System (<http://mops.twse.com.tw/>).
- (III) Relations Report: Not applicable

II. From 2025 up to the publication date of the annual report, private placement of marketable securities: No such matter.

III. Other supplementary information: None.

IV. Any of the situations listed in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholder equity or the price of the Company's securities, which has occurred during 2025 or during the current year up to the date of publication of the annual report: No such matter.



Yulon Motor Co., Ltd.

Yen Chen Li-Lien, Chairman



