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MERIDA INDUSTRY CO., LTD.

# 2024 Annual Report

Date of Publication June 1 2025

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Name of Accounting Firm: Deloitte & Touche Taiwan  
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Chinese Website: <https://www.merida.tw>  
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## **I. Report to the Shareholders**

### **i. Business Report of 2024**

Per Taiwan Bicycle Association (TBA) statistics, the total quantity and sales volume by the entire Taiwanese bicycle industry, electrical power assist bicycle (hereinafter “electrical bicycle”) and conventional bicycles (hereinafter “bicycle”) decreased YoY by 37% and 35%, respectively, demonstrating the post-pandemic reorganizations of orders across the industry in the previous year (2024). In the meantime, the nation’s export in both volume and amount showed noticeable recess, which results from multiple factors such as international conflicts, shipping difficulties, inflation, and shortages of key parts and components. Under such context, companies have been addressing destocking issues proactively and, through promotional campaigns and price-cutting strategies, easing inventory buildup; nevertheless, in spite of the challenging environment, businesses have demonstrated remarkable resilience and proactively adjusted their strategies to pave the way for future market recovery. As the global market gradually stabilizes, the industry remains confident and looks forward to stronger growth momentum in the upcoming year.

In 2024, the Company’s premium bicycle marketed in self-owned brand showed gains in quantity of units sold and sales volume in China by 39.1% and 50.8% YoY, respectively; in the meantime, our Taiwanese plant primarily engaged in export of premium bicycles to Europe and America was impacted by the continued destocking across the industry, recording a reduction YoY by 18% and 8%, respectively; the annual consolidated and parent-only [Taiwanese plant] came in, respectively, 1.42 million units and 380 thousand units (incl. electrical bicycle at approx. 149 thousand units), contributing to increase by 21.5% and decrease by 17.8% YoY, respectively; the annual consolidated and parent-only revenues were NTD 29.63 billion and 18.22 billion, respectively, indicating an annual increase of 8.7% and an annual decrease of 9.0%. Despite market challenges, the Company has remained focused on improving operational efficiency, actively investing in the R&D of new technologies, and promoting plastic-free product packaging. Through flexible adjustments to production plans and enhanced inventory reduction strategies, we have successfully navigated through market fluctuations and ensured the stable

operation.

We would like to show our earnest appreciation for the support by all our shareholders and directors, as well as the hard work and efforts of all employees. We will uphold our great sense of responsibility towards the ESG aspects and actively promote sustainable measures; looking forward, we will persist on the path to sustainable development despite all challenges and attempt to innovate and improve; meanwhile, we work hand in hand with all our customers, suppliers, and partners to strive toward success together!

The consolidated and Standalone operating conditions of the Company for the year 2024 are hereby reported as follows:

(1) Implementation Results of the Business Plans:

Unit: 10,000 Units

Item	Forecast	Actual	Fill Rate
Consolidated	121	142	117%
Standalone	46	38	83%

(2) Implementation Conditions:

1. Consolidated:

Unit: NT\$ thousands, except for Sales Quantity in 10,000 Units

Item \ Year	2024	2023	YoY	
Sales	141.81	116.69	25.12	21.53%
Net Sales Revenue	\$29,633,132	\$27,261,117	2,372,015	8.70%
Operating Cost	24,252,901	22,147,087	2,105,814	9.51%
Operating Margin	5,380,231	5,114,030	266,201	5.21%
Realized (Unrealized) Gain on Sales	(31,581)	509,805	(541,386)	(106.19%)
Net Operating Margin	5,348,650	5,623,835	(275,185)	(4.89%)
Operating Expenses	2,315,675	2,237,892	77,783	3.48%
Net Operating Profit	3,032,975	3,385,943	(352,968)	(10.42%)
Non-Operating Income and (Expense)	(3,765,633)	(636,286)	(3,129,347)	491.81%
Net Profit(Loss) before Tax	(732,658)	2,749,657	(3,482,315)	(126.65%)
Net Profit(Loss) after Tax	(766,174)	1,798,762	(2,564,936)	(142.59%)

2. Standalone:

Unit: NT\$ thousands, except for Sales Quantity in 10,000 Units

Year Item	2024	2023	YoY	
Sales	38.00	46.28	(8.28)	(17.89%)
Net Sales Revenue	\$18,215,546	\$20,008,786	(1,793,240)	(8.96%)
Operating Cost	15,938,591	17,607,545	(1,668,954)	(9.48%)
Operating Margin	2,276,955	2,401,241	(124,286)	(5.18%)
Realized (Unrealized) Gain on Sales	(79,132)	311,441	(390,573)	(125.41%)
Net Operating Margin	2,197,823	2,712,682	(514,859)	(18.98%)
Operating Expenses	618,931	711,087	(92,156)	(12.96%)
Net Operating Profit	1,578,892	2,001,595	(422,703)	(21.12%)
Non-Operating Income and (Expense)	(2,508,409)	350,083	(2,858,492)	(816.52%)
Net Profit(Loss) before Tax	(929,517)	2,351,678	(3,281,195)	(139.53%)
Net Profit(Loss) after Tax	(699,103)	1,691,823	(2,390,926)	(141.32%)

(3) Profitability Analysis:

1. Consolidated:

Item	2024	2023	YoY
Return on Assets	(1.52%)	4.91%	(130.96%)
Return on Equity	(3.66%)	8.35%	(143.83%)
Operating Profit to Paid-In Capital	101.44%	113.25%	(10.43%)
Profit before Tax to Paid-In Capital	(24.50%)	91.97%	(126.64%)
Profit Margin	(2.59%)	6.60%	(139.24%)
Earnings per Share (NT\$)	(2.34)	5.66	(141.34%)

2. Standalone:

Item	2024	2023	YoY
Return on Assets	(1.93%)	4.92%	(139.23%)
Return on Equity	(3.51%)	8.23%	(142.65%)
Operating Profit to Paid-In Capital	52.81%	66.95%	(21.12%)
Profit before Tax to Paid-In Capital	(31.09%)	78.66%	(139.52%)
Profit Margin	(3.84%)	8.46%	(145.39%)
Earnings per Share (NT\$)	(2.34)	5.66	(141.34%)

(4) R&D Status:

1. "SILEX" clinched Silver Award in the 2025 Taiwan Excellence Awards, TAIPEI CYCLE d&i awards 2024, and DESIGN & INNOVATION AWARD 2024 (Germany).
2. "SCULTURA 9000" was rated "Best Value Race Bike of the Year 2024" by CyclingWeekly, an international cycling publication.
3. "SCULTURA ENDURANCE 4000" earned 5 out of 5 stars in the review by international cycling media BikeRadar.
4. "BIG. TRAIL 600" was rated MTB of the Year 2024 by international cycling media OFFROAD.CC.

**ii. Outline for 2025 Business Plans**

(1) Management Guideline:

By continuously optimizing the system and improving management efficiency, the Company actively promotes plastic reduction, waste reduction, and eco-friendly packaging, and utilize low-carbon energy. We are dedicated to meet the product development and global market needs of various Group brands while simultaneously developing our own brands and strategically allied (invested) brands to secure a leading position and market share in the mid-to-high-end bicycle and electrical bicycle markets to achieve our annual operational goals. At the same time, we are committed to the harmonious coexistence of our enterprise with society and the environment, moving toward sustainable operations and fully realizing our vision of net-zero emissions.

(2) Expected Sales and Its Foundation:

1. Based on evaluations of the European and American bicycle markets, as inventory gradually clears, demand is expected to recover, and order growth is anticipated to steadily increase. Sales of our proprietary high-end bicycle brand in China are expected to remain stable. Overall, according to the Group's annual analysis of global market conditions, the production and sales scale of mid-to-high-end bicycles in the Chinese market is expected to remain steady. Mid-to-high-end electrical bicycles and bicycles manufactured and exported from our Taiwan plant are likely to regain growth momentum in the second half of the year, following the normalization of industry inventory levels in the first half.



## 2. Business Goals:

Unit: 10,000 Units

Type	Business Items	Estimated Sales
Consolidated	Bike (incl. electrical bicycle)	118
Standalone	Bike (incl. electrical bicycle)	43

### (3) Production & Marketing Strategies:

1. Production: Each plant in the Group will respond to order demands from key markets such as Europe, America, and China, as well as other emerging markets, by further enhancing production line scheduling capabilities, rationally allocating human resources, and optimizing the order processing workflow to improve efficiency. While ensuring quality first, we will strengthen cost and expense control, aiming for an order fulfillment rate of over 95%.
2. Marketing: We continue to develop new products to meet global market demands, while utilizing brand marketing and service resources in an active manner to ensure smooth order execution, on-time delivery, and effective payment collection. Meanwhile, we will solidify our sales channels to achieve annual sales goals and continue promoting marketing activities to enhance brand positioning and market share.

### iii. Future Development Strategies

We are committed to creating brand value and enhancing the positioning of our broad brand portfolio (including proprietary and investee brands) in the global mid-to-high-end bicycle and electrical bicycle markets through global marketing. At the same time, we will effectively manage and expand our sources and production capacity of key electrical bicycle components to meet the needs of major markets and clients. To align with policies promoting efficient energy use, we will actively improve energy efficiency, continue enhancing energy performance, and thus enhance the sustainable operation of the Company.

### iv. The Impacts by the External Competitive Environment, Regulatory Environment, and Macroeconomic Circumstances

(1) The transformation in the bicycle market in China has proceeded with diversified consumption patterns and the development toward high-value sectors; in the future, there is potential demand for high-end bicycles used for leisure, sports, and competitions, and the associated high-end electrical bicycles. Especially post-pandemic, with adjustments in industrial supply chains and brand distribution channels, it is essential to seize the mid-to-long-term growth momentum after the market transformation. At this stage, we will prioritize stabilizing our brand and distribution channels, adjust production lines accordingly, and actively

build up capabilities in product development, production/sales, and channel management for continuous expansion in the mid-to-high-end market.

(2) Echoing the global issues concerning environmental protection, health, energy saving, carbon reduction and others, as well as the trend of sports and leisure for the senior citizens, as well as the differences in market demand in Europe, America, and Asia, the Company continues to cooperate with a number of professional electrical bicycle systems module suppliers across Europe and Asia to actively develop new high-end electrical bicycle for market supply; furthermore, in response to trade barriers (tariffs) imposed by key markets such as Europe and the U.S. on exports from China (as the country of origin), most of our global export orders are now produced in our Taiwan plant. We are also closely monitoring and flexibly adjusting the production origin to effectively distribute export orders and production capacity. Currently, the Taiwan plant has integrated the production lines of e-bikes and bicycles to be complementary, with some of the final (module) assembly processes of e-bikes extended (distributed) to the German plant to enhance overall operational efficiency. Based on our assessment of the supply capacity of our supply chain, we will strategically deploy and gradually expand our e-bike production capacity to meet the increasing annual order demand and promote steady growth in the Group's production scale and profitability.

## II. Company Governance Report

### i. Information of Directors, Independent Directors, President, Vice Presidents, Associate Managers, and Supervisors of Departments and Branches

#### (1).1 Information of Directors and Independent Directors:

April 27, 2025

Title (Note 1)	Nationality or Country of Incorporation	Name	Gender Age (Note 2)	Date Elected (Assumed)	Term	Date First Elect (Note 3)	Shares Held when Elect		Current Number of Shares		Current Number of Shares Held by Spouse or Minor Children		Shares Held under Nominees		Main Experience (Education Background) (Note 4)	Concurrent Roles in the Company and Other Companies	Other Supervisor, Director or Supervisor having a spousal relationship or 2 <sup>nd</sup> Degree of Kinship			Remarks (Note 5)
							Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Title	Name	Relationship	
Chairman	Taiwan	Tseng Song-Zhu	Male 61~70	2024.06.26	3	1994.6.6	48,664,715	16.27%	48,664,715	16.27%	9,000,819	3.01%	0	0%	13 <sup>th</sup> MBA Program for Entrepreneur, National Chengchi University	1. Director, Cheng Shin Rubber Industry Co. 2. Concurrently taking roles at affiliates of the Company. See Page. 160 for details.	Director	Tseng-Lu Min-Hua	Spouse	
																	President	Tseng Shang-Yuan	Father-Son	
Director	Taiwan	Tseng-Lu Min-Hua	Female 61~70	2024.06.26	3	2012.6.28	8,900,819	2.98%	9,000,819	3.01%	48,664,715	16.27%	0	0%	Graduated from Department of Accounting and Statistics, Taipei High School	Chairman, Ding-Hung Investment Co., Ltd.	Chairman	Tseng Song-Zhu	Spouse	
																	President	Tseng Shang-Yuan	Mother-Son	
Director	Taiwan	Luo Cai-Ren	Male 71~80	2024.06.26	3	2021.8.4	10,754	0%	80,754	0.03%	5,412,000	1.81%	50,000	0.02%	Department of Marketing and Materials Management, Newark College of Engineering	1. Deputy Chairman, Cheng Shin Rubber IND. Co., LTD. 2. Chairman of Cheng Shin Rubber (China) Co., Ltd.	None	None	None	

Director (Note6)	Taiwan	Ding-Sheng Investment Co., Ltd. Rep.: Jiang Jiaxuan	Male 41~50	2024.06.26	3	2024.06.26	7,314,925 54,825	2.45% 0.02%	7,314,925 54,825	2.45% 0.02%	0	0%	0	0%	M.A. in Marketing Communicat ion Management , National Sun Yat-sen University	Person in charge of Ziyou Luren Co., Ltd.	None	None	None	
Director (Note7)	Taiwan	Ding-Sheng Investment Co., Ltd. Rep.: Lai Jungu	Male 31~40	2024.06.26	3	2024.06.26	7,314,925 1,000	2.45% 0%	7,314,925 31,000	2.45% 0.01%	0	0%	0	0%	M.S. in Information Management , National Chi Nan University	Specialist of Computer Data Div of the company	None	None	None	
Director	Taiwan	Ding-Hung Investment Co., Ltd. Rep.: Zheng Wen- Xiang	Male 61~70	2024.06.26	3	2012.6.28	390,022 366,240	0.13% 0.12%	390,022 346,240	0.13% 0.12%	0	0%	0	0%	Graduated from Institute MBA, Dayeh University	1.Vice President of Marketing Affairs Department and Spokesperson of the Company(Retired on 2024/08/30) 2. Concurrently taking roles at affiliates of the Company. See P. 160 for details.	None	None	None	
Director	Taiwan	Ding-Hung Investment Co., Ltd. Rep.: Yuan Qi-Bin	Male 61~70	2024.06.26	3	2012.6.28	390,022 140,184	0.13% 0.05%	390,022 140,184	0.13% 0.05%	151	0%	0	0%	Graduated from Institute MBA, Dayeh University	1.Vice President of Production Management Center of the Company(retired on 2025/04/21)	None	None	None	
Director	Taiwan	Ding-Hung Investment Co., Ltd. Rep.: Lai Ru-Ding	Male 51~60	2024.06.26	3	2018.6.26	390,022 133,763	0.13% 0.04%	390,022 133,763	0.13% 0.04%	0	0%	0	0%	Graduated from Institute MBA, Dayeh University	1.Vice President of Manufacturing Affairs Department of the Company 2.Concurrently taking roles at affiliates of the Company. See P. 160 for details.	None	None	None	

Director	Taiwan	Ding-Hung Investment Co., Ltd. Rep.: Tseng Ching-Cheng	Male 61~70	2024.06.26	3	2021.8.4	390,022 108,789	0.13% 0.04%	390,022 108,789	0.13% 0.04%	0	0%	0	0%	Graduated from Power Div., Mechanical Engineering Dept. 2-Year Program, Nanya Institute of Technology	Vice President of Domestic Sales Department of the Company	None	None	None	
Independent Director	Taiwan	Chen Shui-Jin	Male 51~60	2024.06.26	3	2015.6.22	0	0%	0	0%	0	0%	0	0%	Master, Graduate School of Business Administration, National Chung Cheng University	Chief Accountant, Yuan-Sheng CPA Firm	None	None	None	
Independent Director	Taiwan	Chen Jian-Nan	Male 61~70	2024.06.26	3	2015.6.22	0	0%	0	0%	0	0%	0	0%	Master of Design, UCLA, University of California, Los Angeles	Associate Professor, Department of Industrial Design, Chaoyang University of Technology	None	None	None	
Independent Director	Taiwan	Tsai Wu-Ying	Male 61~70	2024.06.26	3	2021.8.4	1,389,450	0.46%	1,389,450	0.46%	25,539	0.01%	0	0%	Graduated from Department of Computer Science, Feng Chia University	Chairman, Fu-Chian Tire Co., Ltd.	None	None	None	
Independent Director	Taiwan	Lei Shin-Jung	Female 41~50	2024.06.26	3	2021.8.4	0	0%	0	0%	0	0%	0	0%	Graduated from Department of Information Management 5-Year Program, Tatung Institute of Commerce	Supervisor of Engineering Department, E-Tech Ltd.	None	None	None	

Note 1: A Institutional Shareholder shall be listed respectively by Name of Institutional Shareholder and its Representative (Name of Institutional Shareholder shall be noted where the person is a representative to an Institutional Shareholder), with the following Table 1-1 entered.

Note 2: Please enter the actual age, which can be expressed by intervals e.g. 41~50 yo or 51~60 yo.

Note 3: Please indicate the date the person first assumed as a director or an independent director of the Company. Indicate the circumstances of interruption, if any.

Note 4: The title and responsible position of a certified public accountant firm or affiliate shall be specified if the experience related to the current position has been held during the previous disclosure period.

Note 5: Where the Chairman of the Board of Directors and the President or person of an equivalent post (the highest level manager) of the Company are the same person, in spousal relationship, or is a relative within the first degree of kinship, the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (such as increasing the number of independent director seats, and more than half of all directors must not concurrently serve as employees or managers) must be disclosed:

The chairman of the Company is a relative of the 1<sup>st</sup> degree of kinship with the President to improve the operating efficiency and execution of decision-making; however, in order to implement corporate governance, the Company has established independent directors with number of seats on statutory basis to enhance the functions of the Board of Directors and strengthen the supervision function.

Concrete measures currently adopted by the Company are as follows:

- (1) The current four independent directors have expertise in the fields of Financial Accounting, Product Design, Business Administration, and Information System, and can effectively play their supervisory functions.
- (2) The Company has arranged directors' participations in professional courses of external organizations such as Taiwan Corporate Governance Association to enhance the effectiveness of the Board of Directors.
- (3) Independent directors may fully discuss and make recommendations for the Board of Directors in various functional committees to implement corporate governance.
- (4). More than half of the directors of the Board of Directors do not concurrently serve as employees or managers.

Note 6: Ding-Sheng Investment Co., Ltd. Rep.:Jiang Jiaxuan, Appointed as Board Director effective June 26, 2024.

Note 7: Ding-Sheng Investment Co., Ltd.Rep.:Lai Jungu ,Appointed as Board Director effective June 26, 2024.

(1) 1-1 Information of Directors and Independent Directors – Major Shareholder(s) of the Company’s Institutional Shareholders:

April 27, 2025

Name of Institutional Shareholder (Note 1)	Major Shareholder(s) of Institutional Shareholder (Note 2)	Shareholding Percentage
Ding-Hung Investment Co., Ltd.	Tseng-Lu Min-Hua	73.75%
	Tseng Song-Zhu	16.75%
Ding-Sheng Investment Co., Ltd.	Tseng Song-Ling	94.40%
	Changhua County Private Ai-Lian Social Welfare & Charity Foundation Representative: Tseng Song-Ling	4.80%

Note 1: Where a director or an independent director is an institutional shareholder, name of institutional shareholder shall be entered.

Note 2: Enter Name of Major Shareholder(s) of Institutional Shareholder (w/ Top-10 Shareholding) and their shareholding ratios. The following table 1-2 shall also be entered when the Major Shareholder is a corporate.

Note 3: Where the institutional shareholder is not a company or an organization, the shareholder name(s) and shareholding percentage(s) required to be disclosed above is (are) the name(s) and contribution/donation percentage(s) by contributor(s) or donor(s) (reference with queries of Judicial Yuan announcement); add note “deceased” if a donor has passed away.

1-2 Information of Directors and Independent Directors – Major shareholders of the Company’s Major Institutional Shareholders:

April 27, 2025

Name of Institutional Shareholders (Note 1)	Contributor/Donor (Note 3)	Contribution/Donation Percentage
Changhua County Private Ai-Lian Social Welfare & Charity Foundation Representative: Tseng Song-Ling	Tseng Song-Ling	100%

Note 1: Where a major shareholder of the Company’s major institutional shareholders is a corporation, name of institutional shareholder shall be entered.

Note 2: Enter Name of Major Shareholder(s) of Institutional Shareholder (w/ Top-10 Shareholding) and their shareholding ratios.

Note 3: Where the institutional shareholder is not a company or an organization, the shareholder name(s) and shareholding percentage(s) required to be disclosed above is (are) the name(s) and contribution/donation percentage(s) by contributor(s) or donor(s) (reference with queries of Judicial Yuan announcement); add note “deceased” if a donor has passed away.

(1) 2. Disclosure on Professional Qualifications of Directors and Independence of Independent Directors:

Criteria  Name	Professional Qualifications and Experience (Note 1)	Independence (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Tseng Song-Zhu	1. 13th Executives Program, MBA Program, National Chengchi University 2. Chairman of the Company 3. Director, Cheng Shin Rubber Industry Co., Ltd. 4. Chairman of Taiwan Bicycle Association 5. Is equipped with work experience, professional know-how and skills related to business administration as required in businesses of the Company 6. Does not meet any of the circumstances prescribed in subparagraphs of Article 30 of the Company Act.	Not Applicable	0
Tseng-Lu Min-Hua	1. Chairman, Ding-Hung Investment Co., Ltd. 2. Is equipped with work experience, professional know-how and skills related to business administration as required in businesses of the Company 3. Does not meet any of the circumstances prescribed in subparagraphs of Article 30 of the Company Act		0



Luo Cai-Ren	<p>1. Bachelor of Marketing and Materials Management, Connecticut Institution of Technology (US)</p> <p>2. Chairman, Cheng Shin/MAXXIS Group</p> <p>3. Is equipped with work experience, professional know-how and skills related to business administration as required in businesses of the Company</p> <p>4. Does not meet any of the circumstances prescribed in subparagraphs of Article 30 of the Company Act</p>		0
Ding-Sheng Investment Co., Ltd. Rep.: Jiang Jiaxuan	<p>1. M.A. in Marketing Communication Management, National Sun Yat-sen University</p> <p>2. Person in charge of Ziyou Luren Co., Ltd.</p> <p>3. Is equipped with work experience, professional know-how and skills related to marketing management as required in businesses of the Company</p> <p>4. Does not meet any of the circumstances prescribed in subparagraphs of Article 30 of the Company Act</p>		0
Ding-Sheng Investment Co., Ltd. Rep.: Lai Jungu	<p>1. M.S. in Information Management, National Chi Nan University</p> <p>2. Senior Specialist of Computer Data Div of the company</p> <p>3. Is equipped with work experience, professional know-how and skills related to information system as required in businesses of the Company</p> <p>3. Does not meet any of the circumstances prescribed in subparagraphs of Article 30 of the Company Act</p>		0
Ding-Hung Investment Co., Ltd. Rep.: Zheng Wen-Xiang	<p>1. Graduated from Institute MBA, Dayeh University</p> <p>2. Vice President of Marketing Affairs Department and Spokesperson of the Company</p> <p>3. Is equipped with work experience, professional know-how and skills related to marketing management as required in businesses of the Company</p> <p>4. Does not meet any of the circumstances prescribed in subparagraphs of Article 30 of the Company Act</p>		0

Ding-Hung Investment Co., Ltd. Ding-Hung Investment Co., Ltd Rep.: Yuan Qi-Bin	1. Graduated from Institute MBA, Dayeh University 2. Vice President of Production Management Center of the Company 3. Is equipped with work experience, professional know-how and skills related to production management/ logistics management as required in businesses of the Company 4. Does not meet any of the circumstances prescribed in subparagraphs of Article 30 of the Company Act		0
Ding-Hung Investment Co., Ltd. Rep.: Lai Ru-Ding	1. Graduated from Institute MBA, Dayeh University 2. Vice President of Manufacturing Affairs Department of the Company 3. Is equipped with work experience, professional know-how and skills related to industrial engineering/ production management as required in businesses of the Company 4. Does not meet any of the circumstances prescribed in subparagraphs of Article 30 of the Company Act		0
Ding-Hung Investment Co., Ltd. Rep.: Tseng Ching-Cheng	1. Graduated from Power Div., Mechanical Engineering Dept. 2-Year Program, Nanya Institute of Technology 2. Vice President of Domestic Sales Department of the Company 3. Is equipped with work experience, professional know-how and skills related to production management/ marketing management as required in businesses of the Company 4. Does not meet any of the circumstances prescribed in subparagraphs of Article 30 of the Company Act		0

Chen Shui-Jin	<p>1. Master, Graduate School of Business Administration, National Chung Cheng University</p> <p>2. Chief Accountant, Yuan-Sheng CPA Firm</p> <p>3. Has obtained certification as CPA and is equipped with work experience, professional know-how and skills related to finance and accounting as required in businesses of the Company</p> <p>4. Does not meet any of the circumstances prescribed in subparagraphs of Article 30 of the Company Act</p>	<p>All independent directors meet the following independence criteria:</p> <p>1. The independent director, including the independent director himself/herself, his/her spouse, or relatives within 2nd degree of kinship does not serve as director, supervisor or employee of the Company or its affiliates.</p> <p>2. For number of the Company's shares held by the independent director, together with those held by the director's spouse or minor children as well as their ratios, please refer to Page 10 "Information of Directors and Independent Directors". No director holds more than 1 percent of the Company's outstanding shares or is a top 10 shareholders.</p> <p>3. Does not serve as director, supervisor or employee at a company having specific relations with the Company.</p>	3
Chen Jian-Nan	<p>1. Master of Design, UCLA, University of California, Los Angeles</p> <p>2. Associate Professor, Department of Industrial Design, Chaoyang University of Technology</p> <p>3. Has qualification as an associate professor from related departments in universities and colleges and is equipped with work experience and skills related to product design and academic profession as required in businesses of the Company</p> <p>4. Does not meet any of the circumstances prescribed in subparagraphs of Article 30 of the Company Act</p>		0
Tsai Wu-Ying	<p>1. Chairman, Fu-Chian Tire Co., Ltd.</p> <p>2. Is equipped with work experience, professional know-how and skills related to business administration as required in businesses of the Company</p> <p>3. Does not meet any of the circumstances prescribed in subparagraphs of Article 30 of the Company Act</p>	<p>4. Does not perform any service concerning commerce, law, finance, or accounting to the Company or its affiliates and does not receive any remuneration incurred by such services from the Company or its affiliates.</p>	0

Lei Shin-Jung	1. Graduated from Department of Information Management 5-Year Program, Tatung Institute of Commerce 2. Supervisor of Engineering Department, E-Tech Ltd. 3. Is equipped with work experience, professional know-how and skills related to information system as required in businesses of the Company 4. Does not meet any of the circumstances prescribed in subparagraphs of Article 30 of the Company Act		1
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Note 1: Professional Qualifications and Experience: specify Professional Qualifications and Experience of each director and independent director. Where the individual is a member of the audit committee and has expertise in accounting or finance, his/her accounting or financial background and related working experiences as well as descriptions on the circumstances under Article 30 of the Company Act shall be specified.

Per Article 30 of the Company Act, a person who is under any of the following circumstances shall not act as a manager of a company. If he has been appointed as such, he shall certainly be discharged:

1. Having committed an offence as specified in the Statute for Prevention of Organizational Crimes and subsequently convicted of a crime, and has not started serving the sentence, has not completed serving the sentence, or five years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
2. Having committed the offence in terms of fraud, breach of trust or misappropriation and subsequently convicted with imprisonment for a term of more than one year, and has not started serving the sentence, has not completed serving the sentence, or two years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
3. Having committed the offense as specified in the Anti-corruption Act and subsequently convicted of a crime, and has not started serving the sentence, has not completed serving the sentence, or two years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
4. Having been adjudicated bankrupt or adjudicated of the commencement of liquidation process by a court, and having not been reinstated to his rights and privileges;
5. Having been dishonored for unlawful use of credit instruments, and the term of such sanction has not expired yet; or
6. Having no or only limited disposing capacity.
7. Having been adjudicated of the commencement of assistantship and such assistantship having not been revoked yet.

Note 2: Independent Directors shall be specified with the descriptions on compliance with Independence Criteria, which is composed of whether the independent director including the independent director himself/herself, his/her spouse, or relatives within 2nd degree of kinship serves as director, independent director or employee of the Company or its affiliates; number of the Company's shares held by the independent director, together with those held by the independent director's spouse or relatives within 2nd degree of kinship (or under the names of other parties) as well as their ratios; whether the independent director serves as director, independent director or employee of the Company or a company with specific relations to the Company (refer to Article 3, Paragraph 1, Subparagraphs 5~8 of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies"); amount of remuneration received for provision or services concerning commerce, law, finance, accounting, or others to the Company or its affiliates in the most recent two years.

### (1) 3. Diversity and Independence of the Board of Directors:

The nomination system is adopted in the selection of Board of Directors members, and acceptance, public announcement and other matters for compliance with respect to candidate nomination shall be handled in accordance with relevant regulations. The nomination for members of the Company's directors are handled via a rigorous selection process in consideration of the director's diverse

backgrounds, professional abilities and experiences as well as his/her ethics and conducts. Currently, 13 seats have been furnished in the Company's Board of Directors, of which contains 2 female directors. Due to the diverse backgrounds of board members – which include various work experiences, academic achievements, and professional knowledge – the number of female directors in this term does not reach one-third. However, the company plans to increase the number of female directors in the future while maintaining diversity. In addition, the Company places great importance on independence and will consider increasing the number of independent directors to appropriately balance supervisory and management roles and enhance the Board's oversight function. At present, there are 4 independent directors among the 13, accounting for 31% of Board seats.

For circumstances of spousal relationship or relationship within 2nd degree of kinship among directors, please refer to "Information of Directors and Independent Directors" on Pages10-11. 11 out of 13 directors do not have spousal relationship or relationship within 2nd degree of kinship with other directors, indicating the sufficient independence of the Company's Board of Directors.

Fulfillment of Member Diversification in the Board of Directors is as follows:

Core Diversity Items Director Title/Name		Basic Composition					Industrial Experience and Professional Capabilities							
Title	Name	Nationality	Gender	Age	Professional Background	Concurrently Serve as an Employee of the Company	Ability to make Judgments about Operations	Accounting and Financial Analysis Ability	Business Management Ability	Crisis Management Ability	Knowledge of the Industry	International Market Perspective	Leadership Ability	Decision-Making Ability
Chairman	Tseng Song-Zhu	Taiwan	Male	61~70	Business Administration	✓	✓	✓	✓	✓	✓	✓	✓	✓
Director	Tseng-Lu Min-Hua	Taiwan	Female	61~70	Business Administration		✓	✓	✓	✓	✓	✓	✓	✓
Director	Luo Cai-Ren	Taiwan	Male	71~80	Business Administration		✓	✓	✓	✓	✓	✓	✓	✓
Director	Ding-Sheng Investment Co., Ltd. Rep.: Jiang Jiaxuan	Taiwan	Male	41~50	Marketing Management		✓		✓	✓	✓	✓	✓	✓
Director	Ding-Sheng Investment Co., Ltd. Rep.: Lai Jungu	Taiwan	Female	31~40	Information System	✓	✓		✓	✓	✓	✓	✓	✓

Director	Ding-Hung Investment Co., Ltd. Rep.: Zheng Wen-Xiang	Taiwan	Male	61~70	Marketing Management		✓	✓	✓	✓	✓	✓	✓	✓
Director	Ding-Hung Investment Co., Ltd. Rep.: Yuan Qi-Bin	Taiwan	Male	61~70	Production Management/ Logistics Management	✓	✓		✓	✓	✓	✓	✓	✓
Director	Ding-Hung Investment Co., Ltd. Rep.: Lai Ru-Ding	Taiwan	Male	51~60	Industrial Engineering/ Production Management	✓	✓		✓	✓	✓	✓	✓	✓
Director	Ding-Hung Investment Co., Ltd. Rep.: Tseng Ching-Cheng	Taiwan	Male	61~70	Production Management/ Marketing Management	✓	✓		✓	✓	✓	✓	✓	✓
Independent Director	Chen Shui-Jin	Taiwan	Male	51~60	Finance/Accounting		✓	✓	✓	✓	✓	✓	✓	✓
Independent Director	Chen Jian-Nan	Taiwan	Male	61~70	Product Design/ Academic Profession		✓		✓	✓	✓	✓	✓	✓
Independent Director	Tsai Wu-Ying	Taiwan	Male	61~70	Business Administration		✓	✓	✓	✓	✓	✓	✓	✓
Independent Director	Lei Shin-Jung	Taiwan	Female	41~50	Information System		✓		✓	✓	✓	✓	✓	✓

## (2) Information of President, Vice Presidents, Associate Managers, and Supervisors of Departments and Branches:

April 27, 2025

Title (Note 1)	Nationality	Name	Date Elected (Assumed)	Gender	Shares Held		Number of Shares Held by Spouse or Minor Children		Shares Held under Nominees		Main Experience (Education Background) (Note 2)	Roles Concurrently Taken in Other Companies	Manager(s) having Spousal Relationship or Relationship within 2 <sup>nd</sup> Degree of Kinship			Remarks (Note 3)
					Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Title	Name	Relation	
President	Taiwan	Tseng Shang-Yuan	2023.02.01	Male	7,606,000	2.54%	600,000	0.20%	0	0%	Master of Marketing Management, University of La Verne (California, US)	Concurrently taking roles at affiliates of the Company. See P. 160 for details.	None	None	None	
V i c e President (Note 4)	Taiwan	Zheng Wen-Xiang	1998.05.01	Male	346,240	0.12%	0	0%	0	0%	Graduated from Institute MBA, Dayeh University	Concurrently taking roles at affiliates of the Company. See P. 160 for details.	None	None	None	
V i c e President (Note 5)	Taiwan	Yuan Qi-Bin	2004.01.01	Male	140,184	0.05%	151	0.00%	0	0%	Graduated from Institute MBA, Dayeh University	None	None	None	None	
V i c e President	Taiwan	Lai Ru-Ding	2007.09.01	Male	133,763	0.04%	0	0%	0	0%	Graduated from Institute MBA, Dayeh University	Concurrently taking roles at affiliates of the Company. See P. 160 for details.	None	None	None	

V i c e President	Taiwan	Tseng Ching- Cheng	2012.05.01	Male	108,789	0.04%	0	0%	0	0%	Graduated from Power Div., Mechanical Engineering Dept. 2-Year Program, Nanya Institute of Technology	None	None	None	None	
V i c e President	Taiwan	Liu Ming- Gen	2023.08.16	Male	9,000	0.00%	105	0.00%	0	0%	Graduated from Department of Public Finance, Feng Chia University	Concurrently taking roles at affiliates of the Company. See P. 160 for details.	None	None	None	
V i c e President (Note 6)	Taiwan	Daryl- Chang	2025.04.01	Male	50,075	0.02%	0	0%	0	0%	Graduated from Department of English, National Chengchi University	None	None	None	None	
Associate Manager	Taiwan	Lai Tong- Sha	2010.05.01	Male	3,042	0.00%	1,207	0.00%	0	0%	Graduated from Department of Mechanical Engineering, National Pingtung Institution of Technology	Concurrently taking roles at affiliates of the Company. See P. 160 for details.	None	None	None	
Associate Manager	Taiwan	Wu Yu-Fan	2010.05.01	Male	1,000	0%	415	0.00%	0	0%	Graduated from Department of Industrial Design, Da Yeh University	None	None	None	None	



Associate Manager	Taiwan	Wu Min-Fang	2012.09.01	Male	3,788	0.00%	0	0%	0	0%	Graduated from Department of Mechanics, Lunghwa Institution of Technology	Concurrently taking roles at affiliates of the Company. See P. 160 for details.	None	None	None	
Associate Manager	Taiwan	Tsai Wei-Sheng	2018.10.01	Male	2,100	0.00%	0	0%	0	0%	Graduated from Department of Industrial Engineering, Da Yeh University	Concurrently taking roles at affiliates of the Company. See P. 160 for details.	None	None	None	
Associate Manager	Taiwan	Shih Qi-Xiang	2022.06.01	Male	3,000	0.00%	0	0%	0	0%	Master of Industrial Management, National Chin-Yi University of Technology	Concurrently taking roles at affiliates of the Company. See P. 160 for details.	None	None	None	
Associate Manager	Taiwan	Shih Wen-Lin	2023.01.01	Male	2,000	0.00%	0	0%	0	0%	Graduated from Department of Mechanical Engineering, Kaohsiung Institute of Technology	Concurrently taking roles at affiliates of the Company. See P. 160 for details.	None	None	None	
Associate Manager (Note 7)	Taiwan	Lin You-Sheng	2025.04.01	Male	362	0.00%	0	0%	0	0%	Graduated from the Department of Mechanical Engineering, Yung Ta Institute of Technology and Commerce	None	None	None	None	

Note 1: The information herein shall encompass the disclosure of President, Vice President, Associate Manager, and Supervisors of Departments and Branches, as well as the

roles at the level equivalent to President, Vice President or Associate Manager, regardless of the role.

Note 2: The title and responsible position of a certified public accountant firm or affiliate shall be specified if the experience related to the current position has been held during the previous disclosure period.

Note 3: Where the President or person of an equivalent post (the highest-level manager) of the Company concurrently serves as the Chairman, in spousal relationship, or is a relative within the first degree of kinship, the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (such as increasing the number of independent director seats, and more than half of all directors must not concurrently serve as employees or managers) must be disclosed:

The chairman of the Company is a relative of the 1st degree of kinship with the President to improve the operating efficiency and execution of decision-making; however, in order to implement corporate governance, the Company has established independent directors with number of seats on statutory basis to enhance the functions of the Board of Directors and strengthen the supervision function.

Concrete measures currently adopted by the Company are as follows:

- (1) The current four independent directors have expertise in the fields of Financial Accounting, Product Design, Business Administration, and Information System, and can effectively play their supervisory functions.
- (2) The Company has arranged directors' participations in professional courses of external organizations such as Taiwan Corporate Governance Association to enhance the effectiveness of the Board of Directors.
- (3) Independent directors may fully discuss and make recommendations for the Board of Directors in various functional committees to implement corporate governance.
- (4) More than half of the directors of the Board of Directors do not concurrently serve as employees or managers.

Note 4: The Vice President Zheng Wen-Xiang announced his retirement on August 30, 2024.

Note 5: The Vice President Yuan Qi-Bin announced his retirement on April 21, 2025.

Note 6: The Vice President Daryl-Chang was promoted on April 1, 2025.

Note 7: The Associate Manager Lin You-Sheng was promoted on April 1, 2025

(3) Remuneration Paid to General Directors, Independent Directors, President and Vice Presidents, etc. in the Most Recent Year: (Individual Disclosure of Names and Remuneration Items)

1. Remuneration to General Directors and Independent Directors:

Unit: NT\$ thousand

Title	Name	Directors' Remuneration								Proportion of the Sum of A to D on Profit after Tax (Note 10)		Remuneration Received by Concurrent Employees								Proportion of the Sum of A to G on Profit after Tax (Note 10)		Receipt of Remuneration from Reinvestment Business out of Subsidiaries or the Parent Company (Note 11)
		Reward (A) (Note 2)		Pension(B)		Directors' Remuneration (C)(Note 3)		Expenses of Professional Practice(D)(Note 4)				Salary, Bonus, and Special Allowances (E) (Note 5)		Pension(F)		Employees' Remuneration(G) (Note 6)						
		The Company	All Companies in Financial Report (Note 7)	The Company	All Companies in Financial Report (Note 7)	The Company	All Companies in Financial Report (Note 7)	The Company	All Companies in Financial Report (Note 7)	The Company	All Companies in Financial Report (Note 7)	The Company	All Companies in Financial Report (Note 7)	The Company	All Companies in Financial Report (Note 7)	The Company		All Companies in Financial Report (Note 7)		The Company	All Companies in Financial Report (Note 7)	
																Cash Amount	Stock Amount	Cash Amount	Stock Amount			
Director	Tseng Song-Zhu	-	-	-	-	-	-	1,624	1,624	1,624 -0.23%	1,624 -0.23%	3,962	3,962	-	-	-	-	-	-	5,586 -0.80%	5,586 -0.80%	-
Director	Ding-Hung Investment Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Director	Tseng Song-Ling	-	-	-	-	-	-	191	191	191 -0.03%	191 -0.03%	-	-	-	-	-	-	-	-	191 -0.03%	191 -0.03%	-
Director	Tseng-Lu Min-Hua	-	-	-	-	-	-	36	36	36 -0.01%	36 -0.01%	-	-	-	-	-	-	-	-	36 -0.01%	36 -0.01%	-
Director	Luo Cai-Ren	-	-	-	-	-	-	36	36	36 -0.01%	36 -0.01%	-	-	-	-	-	-	-	-	36 -0.01%	36 -0.01%	-

Director	Ding-Hung Investment Co., Ltd. Rep.: Zheng Wen-Xiang	-	-	-	-	-	-	36	36	36 -0.01%	36 -0.01%	2,839	2,839	7,205	7,205	-	-	-	-	10,080 -1.44%	10,080 -1.44%	-
Director	Ding-Hung Investment Co., Ltd. Rep.: Yuan Qi-Bin	-	-	-	-	-	-	36	36	36 -0.01%	36 -0.01%	3,731	3,731	-	-	-	-	-	-	3,767 -0.54%	3,767 -0.54%	-
Director	Ding-Hung Investment Co., Ltd. Rep.: Lai Ru-Ding	-	-	-	-	-	-	36	36	36 -0.01%	36 -0.01%	3,649	3,649	-	-	-	-	-	-	3,685 -0.53%	3,685 -0.53%	-
Director	Ding-Hung Investment Co., Ltd. Rep.: Tseng Ching-Cheng	-	-	-	-	-	-	36	36	36 -0.01%	36 -0.01%	3,339	3,339	-	-	-	-	-	-	3,375 -0.48%	3,375 -0.48%	-

Director	Ding-Sheng Investm ent Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Director	Ding-Sheng Investm ent Co., Ltd. Rep.: Tseng Hui-Juan	-	-	-	-	-	-	15	15	15 0.00%	15 0.00%	-	-	-	-	-	-	-	-	15 0.00%	15 0.00%	-
Director	Ding-Sheng Investm ent Co., Ltd. Rep.: Jiang Jiaxuan	-	-	-	-	-	-	21	21	21 0.00%	21 0.00%	-	-	-	-	-	-	-	-	21 0.00%	21 0.00%	-
Director	Ding-Sheng Investm ent Co., Ltd. Rep.: Lai Jungu	-	-	-	-	-	-	21	21	21 0.00%	21 0.00%	746	746	-	-	-	-	-	-	767 -0.11%	767 -0.11%	-
Independen t Director	Chen Shui-Jin	900	-	-	-	-	-	77	77	977 -0.14%	977 -0.14%	-	-	-	-	-	-	-	-	977 -0.14%	977 -0.14%	-
Independen t Director	Chen Jian-Nan	900	-	-	-	-	-	72	72	972 -0.14%	972 -0.14%	-	-	-	-	-	-	-	-	972 -0.14%	972 -0.14%	-
Independen t Director	Tsai Wu-Ying	900	-	-	-	-	-	62	62	962 -0.14%	962 -0.14%	-	-	-	-	-	-	-	-	962 -0.14%	962 -0.14%	-

Independent Director	Lei Shin-Jung	900	-	-	-	-	-	62	62	962 -0.14%	962 -0.14%	-	-	-	-	-	-	-	-	962 -0.14%	962 -0.14%	-
<p>1. Please specify the payment policy, system, standards, and structure of independent directors' remuneration, as well as correlation with the amount of remuneration according to the responsibilities, risks, time invested and other factors:</p> <p>The payment of the remuneration of independent directors of the Company pursuant to Article 34 "Regulations Governing Payment of Remunerations to Directors" of the Articles of Incorporation, along with the assessment of the Company's annual revenue, total assets and its responsibilities, risks, investment time, and other factors as well as reference to standards of the same industry and is approved by the Board of Directors to ensure the reasonableness of the salary.</p> <p>2. The remuneration received by the directors of the Company in the most recent year for the services (e.g. non-employee consultant for the Company/ All Companies in Financial Report/ Reinvestment Business, etc.) other than as disclosed in the above table: None.</p>																						

\*Please enter respective entries the information with respect to directors (who are non-independent general directors) and independent directors.

Note 1: The names of directors should be listed separately (A corporate shareholder shall be listed respectively by Name of Corporate Shareholder and its Representative) and the amounts paid should be disclosed in summaries. If a director is concurrently the President or a Vice President, this table and the following table2. shall be entered additionally.

Note 2: Refers to Remuneration (incl. Directors' Salary, Special Disbursement for Role, Severance Pay, Various Bonuses, Incentive, etc.) received by a director in the most recent year.

Note 3: Refers to the directors' remuneration distributed by the Board of Directors in the most recent year.

Note 4: Refers to expenses of professional practice (incl. Transportation Allowance, Special Allowance, Various Allowances, Dormitory, Company Car or Provisions of Other Physical Items) received by a director in the most recent year. In the case of the provision of housing, motor vehicles and other means of transport or for personal expenses, the nature and cost of the assets, rent, fuel and other payments actually or at fair market prices provided shall be disclosed. In addition, if a driver has been assigned, please note the relevant remuneration paid to the driver by the Company, which shall not be counted toward the remunerations.\*The Company assigns one Company Car for Chairman at the annual rent of NT\$1,588 Thousand.

Note 5: Refers to items including Salary, Special Disbursement for Role, Severance Pay, Various Bonuses, Incentive, Transportation Allowance, Special Allowance, Various Allowances, Dormitory, Company Car or Provisions of Other Physical Items claimed by a director who concurrently serves as an employee (including concurrent roles of President, Vice President, other manager and employee) in the most recent year. In the case of the provision of housing, motor vehicles and other means of transport or for personal expenses, the nature and cost of the assets, rent, fuel and other payments actually or at fair market prices provided shall be disclosed. In addition, if a driver has been assigned, please note the relevant remuneration paid to the driver by the Company, which shall not be counted toward the remunerations. In addition, salary expenses recognized under IFRS 2 "Share-based Payment" including acquisition of Employee Share Subscription Warrants, Restricted Stock Awards, and participation in shares subscriptions for cash capital increase shall be counted toward remunerations.

Note 6: Where a director concurrently serves as an employee(Including President, Vice President, other manager and employee) and receives employee remuneration (including stock and cash) in the most recent year, the amount of employee remuneration distributed by the Board of Directors in the most recent year shall be disclosed; where the amount cannot be estimated, the proposed amount of distribution this year shall be calculated according to the proportion of the actual amount of distribution last year, and the part 3 of Appendix 1 shall be entered.

Note 7: The total amount of various remunerations paid to directors of the Company (including the Company) in the consolidated report shall be disclosed.

Note 8: The total amount of remuneration paid by the Company to each director shall be disclosed by the name of each director in the appropriate bracket.

Note 9: The total amount of remuneration paid to each director of the Company by all companies (including the Company) in the consolidated report shall be

disclosed, and the names of the directors shall be disclosed in the appropriate bracket.

Note 10: After-tax net profit refers to the after-tax net profit as indicated in the Company's standalone or independent financial report for the most recent year.

Note 11: a. This column shall clearly indicate the amount of remuneration received by a director of the Company in connection with the reinvestment business outside the subsidiaries or parent company (if none, please enter "None") b. Where any director receives remuneration related to investments in a business other than a subsidiary or parent company, the remuneration received by the director the Company for investment in a business other than a subsidiary or parent company shall be incorporated into column I of the Table of Remuneration Brackets and the column name shall be changed to "Parent Company and All Re-investment Businesses". c. Remuneration refers to the remuneration and Remuneration (including remuneration of employees, directors and supervisors) and expenses of professional practice paid to a director of the Company by serving as a director, independent director or manager of the reinvestment undertakings other than the subsidiaries of the Company or the parent company.

\*The content of remunerations disclosed in this table is prepared under the concept in discrepancy from that of Income Tax Act; therefore, this table serves as information disclosure and may not be adopted as reference of taxation.

2. Remuneration to the President and Vice Presidents: (in Summary with Disclosure of Names by Respective Brackets)

Unit: NT\$ thousand

Title	Name	Salary (A) (Note 2)		Pension (B)		Bonus and Special Allowance (C) (Note 3)		Employees' Remuneration Amount (D) (Note 4)				Ratio of Sum of Items A to D to Profit after Tax (%) (Note 8)		Remuneration Received from Reinvestment Business out of subsidiaries or from the Parent Company (Note 9)
		The Company	All Companies in Financial Report (Note 5)	The Company	All Companies in Financial Report (Note 5)	The Company	All Companies in Financial Report (Note 5)	The Company		All Companies in Financial Report(Note 5)		The Company	All Companies in Financial Report (Note 5)	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
President	Tseng Shang-Yuan	20,479	20,479	7,205	7,205	0	0	0	0	0	0	27,684 -3.96%	27,684 -3.96%	None
Vice President	Zheng Wen-Xiang													
Vice President	Yuan Qi-Bin													
Vice President	Lai Ru-Ding													
Vice President	Tseng Ching-Cheng													
Vice President (Note 2)	Liu Ming-Gen													

\*Roles in equivalent level of President or Vice President [e.g. General Manager, CEO, Director (Officer) etc.] shall be disclosed, regardless of title.



Table of Remuneration Brackets

Brackets of Remuneration Received by the President Vice Presidents of the Company	Names of President and Vice Presidents	
	The Company (Note 6)	All Companies in Financial Report (Note 7) (E)
Lower than NT\$1,000,000		
NT\$1,000,000 (incl.) ~ NT\$2,000,000		
NT\$2,000,000 (incl.) ~ NT\$3,500,000	Tseng Shang-Yuan、Tseng Ching-Cheng、Liu Ming-Gen	Tseng Shang-Yuan、Tseng Ching-Cheng、Liu Ming-Gen
NT\$3,500,000 (incl.) ~ NT\$5,000,000	Yuan Qi-Bin、Lai Ru-Ding	Yuan Qi-Bin、Lai Ru-Ding
NT\$5,000,000 (incl.) ~ NT\$10,000,000		
NT\$10,000,000 (incl.) ~ NT\$15,000,000	Zheng Wen-Xiang	Zheng Wen-Xiang
NT\$15,000,000 (incl.) ~ NT\$30,000,000		
NT\$30,000,000 (incl.) ~ NT\$50,000,000		
NT\$50,000,000 (incl.) ~ NT\$100,000,000		
NT\$100,000,000 and over		
Total	6	6

Note 1: The names of the president and vice presidents should be listed separately (A corporate shareholder shall be listed respectively by Name of Corporate Shareholder and its Representative) and the amounts paid should be disclosed in summaries. If a director is concurrently the president or a vice president, this table and the above table 1. shall be entered additionally.

Note 2: Salary, Special Disbursement for Role, and Severance Pay received by the president and vice presidents in the most recent year.

Note 3: Enter the provision of Various Bonuses, Incentive, Transportation Allowance, Special Allowance, Various Allowances, Dormitory, Company Car and other physical items as well as the amount of other Remuneration received by the president and vice presidents in the most recent year. In the case of the provision of housing, motor vehicles and other means of transport or for personal expenses, the nature and cost of the assets, rent, fuel and other payments actually or at fair market prices provided shall be disclosed. In addition, if a driver has been assigned, please note the relevant remuneration paid to the driver by the Company, which shall not be counted toward the remunerations. In addition, salary expenses recognized under IFRS 2 "Share-based Payment" including acquisition of Employee Share Subscription Warrants, Restricted Stock Awards, and participation in shares subscriptions for cash capital increase shall be counted toward remunerations.

\*The Company assigns one Company Car for President at the annual rent of NT\$754 Thousand.

Note 4: Enter the amount of employees' remuneration (including stock and cash) approved by the Board of Directors to be distributed to the president and vice presidents in the most recent year. If the amount cannot be estimated, the proposed amount of this year will be calculated in proportion to the actual amount of distribution in the current year, and appended table 3 shall be entered otherwise. After-tax net profit refers to the after-tax net profit in the most recent year; where IFRS has been adopted, the after-tax profit shall refer to the after-tax net profit as indicated in the Company's standalone or independent financial report for the most recent year.

Note 5: The total amount of various remunerations paid to the president and vice presidents of the Company (including the Company) in the consolidated report shall be disclosed.

Note 6: The total amount of remuneration paid by the Company to the president and vice presidents shall be disclosed by the names of the president and vice presidents in the appropriate bracket.

Note 7: The total amount of remuneration paid to the president and vice presidents of the Company by all companies (including the Company) in the consolidated report shall be disclosed, and the names of the president and vice presidents shall be disclosed in the

appropriate bracket.

Note 8: After-tax net profit refers to the after-tax net profit in the most recent year; where IFRS has been adopted, the after-tax profit shall refer to the after-tax net profit as indicated in the Company's standalone or independent financial report for the most recent year.

Note 9: a. This column shall clearly indicate the amount of remuneration received by the president or vice presidents of the Company in connection with the reinvestment business outside the subsidiaries or parent company (if none, please enter "None")

b. Where the president or a vice president receives remuneration related to investments in a business other than a subsidiary or parent company, the remuneration received by the president or a vice president the Company for investment in a business other than a subsidiary or parent company shall be incorporated into column E of the Table of Remuneration Brackets and the column name shall be changed to "Parent Company and All Re-investment Businesses".

c. Remuneration refers to the remuneration and Remuneration (including remuneration of employees, directors and supervisors) and expenses of professional practice paid to the president or a vice president of the Company by serving as a director, independent director or manager of the reinvestment undertakings other than the subsidiaries of the Company or the parent company.

**\*The content of remunerations disclosed in this table is prepared under the concept in discrepancy from that of Income Tax Act; therefore, this table serves as information disclosure and may not be adopted as reference of taxation.**

**Managerial officers with the top five highest remuneration amounts in a TWSE/TPEX-listed company (disclose their names and remuneration method) (Note 1)**

Unit: NT\$ thousands

Title	Name	Salary(A) (Note 2)		Severance Pay (B)		Bonuses and Allowances (C) (Note 3)		Employee Remuneration (D) (Note 4)				Ratio of total remuneration (A+B+C+D) to net income (%) (Note 6)		Remuneration from ventures other than subsidiaries or from the parent company (Note 7)
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements (Note 5)		The company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
Vice President	Zheng Wen-Xiang	2,839	2,839	7,205	7,205	-	-	-	-	-	-	10,044 -1.44%	10,044 -1.44%	-
Vice President	Yuan Qi-Bin	3,731	3,731	-	-	-	-	-	-	-	-	3,731 -0.53%	3,731 -0.53%	-
Vice President	Lai Ru-Ding	3,649	3,649	-	-	-	-	-	-	-	-	3,649 -0.52%	3,649 -0.52%	-
President	Tseng Shang-Yuan	3,488	3,488	-	-	-	-	-	-	-	-	3,488 -0.50%	3,488 -0.50%	-
Vice President	Liu Ming-Gen	3,433	3,433	-	-	-	-	-	-	-	-	3,433 -0.49%	3,433 -0.49%	-

**Note 1:** Managerial officers with the top five highest remuneration amounts refers to managers at the Company, in which the standard for determining managers is the applicable scope set forth in Order Tai-Cai-Zheng-San-Zi No. 0920001301 from the former Securities and Futures Commission, Ministry of Finance dated March 27, 2003. The top five highest remuneration amounts are determined based on the sum of salaries, severance pay, bonuses and allowances, and employee remuneration received by a managerial officer from all companies in the consolidated financial statements (i.e., A+B+C+D).

**Note 2:** Refers to the salaries, duty allowances, and severance pay paid to the managerial officers with the top five remuneration amounts in the most recent year.

**Note 3:** Refers to the remuneration paid to the managerial officers with the top five remuneration amounts, including various bonuses, incentives, travel expenses, special disbursements, allowances, accommodation, company car, other physical items, other Remuneration, etc., in the most recent year. Where housing, cars, other means of transportation, or expenditures exclusively for individuals are offered, the nature and costs of the offered assets, the actual rent or fair market rent, fuel expenses, and other benefits shall be disclosed. In addition, where a driver is provided, please provide an explanation in the notes on the remuneration paid to the driver by the Company, but not calculating as remuneration. The salaries recognized in accordance with IFRS 2 "Share-based Payment," including the share subscription warrants issued to employees, new restricted stock award shares issued to employees, and employee stock at cash capital increase, shall also be calculated as remuneration.

**Note 4:** Refers to the amount of employee remuneration (including stock and cash) approved by the Board of Directors for managerial officers with the top five remuneration amounts in the most recent year. If the amount of employee remuneration cannot be estimated this year, the proposed amount should be calculated based on the actual amount and ratio distributed last year.

**Note 5:** The total remuneration paid by all companies in the consolidated statements (including the Company) to managerial officers with the top five highest remuneration amounts must be disclosed.

Note 6: The net income after-tax refers to the net income after-tax in the standalone financial statements for the most recent year.

Note 7: a. Specify the amount of remuneration received by managerial officers with the top five remuneration amounts from ventures other than subsidiaries or from the parent company in this field (Please fill in "None" if none).

b. The remuneration means pay, remuneration (including remuneration of employees, directors and supervisors) and business expenses received by managerial officers with the top five remuneration amounts who are serving as a director, supervisor or manager of ventures other than subsidiaries or of the parent company.

\* The remuneration disclosed in the table is different from income as defined in the Income Tax Act. This table is therefore provided for disclosure only and is not used for taxation purposes.

3. Names of Managers Engaged in Distribution of Employees' Remuneration and Distribution Status:

December 31, 2024

Unit: NT\$ thousand

	Title (Note 1)	Name (Note 1)	Stock Amount	Cash Amount	Total	Total Amount to Profit after Tax (%)
Managers	President	Tseng Shang-Yuan	0	0	0	0%
	Vice President	Zheng Wen-Xiang				
	Vice President	Yuan Qi-Bin				
	Vice President	Lai Ru-Ding				
	Vice President	Tseng Ching-Cheng				
	Vice President	Liu Ming-Gen				
	Associate Manager	Lai Tong-Sha				
	Associate Manager	Daryl Chang				
	Associate Manager	Wu Yu-Fan				
	Associate Manager	Wu Min-Fang				
	Associate Manager	Tsai Wei-Sheng				
	Associate Manager	Shih Qi-Xiang				
	Associate Manager (Note: 10)	Shih Wen-Lin				

Note 1: Independent names and titles should be disclosed; however, the distribution of profits can be disclosed by summary.

Note 2: Refers to the amount of employee remuneration (incl. stock and cash) approved by the Board of Directors to be distributed to managers in the most recent year. If the amount cannot be estimated, the proposed amount of this year will be calculated in proportion to the actual amount of distribution in the current year. After-tax net profit means the after-tax net profit of the most recent year; where IFRS has been applied, after-tax profit refers to the after-tax profit indicated in the most recent annual standalone or independent financial report.

Note 3: Per 27 March 2003 Order Taiwan-Financial-Securities-III-Zi No. 0920001301 by the FSC,  
the scope of application for managers is as follows:

- (1) President and the role at equivalent level
- (2) Vice President and the role at equivalent level
- (3) Associate Manager and the role at equivalent level
- (4) Supervisor at Finance
- (5) Supervisor at Accounting
- (6) Other persons with rights to manage affairs for the Company or affix signing

Note 4: Under the circumstances which the director, president or vice president of the Company receives employees' remuneration (incl. stock and cash), this form shall be entered in addition to attached table 1.

- (4) Compare and describe the ratio of total remuneration to the Company's Directors, Independent Directors, President and Vice Presidents to net income by the Company and All Companies in the Consolidated Report in the most recent 2 years, and specify the Company's remuneration payment policy, standard and combination, and the relevance of procedure for determining remunerations to business performance and future risks:

1. Analysis on the ratio of total remuneration to the Company's Directors, General Manager(s) and Assistant General Manager(s) to net income by the Company and All Companies in the Consolidated Report in the most recent 2 years:

Item/Year	2024	2023
Ratio of total remuneration to the Company's Directors, Independent Directors, President and Vice Presidents to net income	-5.49%	6.08%

2. Policies, standards, and composition of remunerations paid, the process for determining remuneration, and its relevance with business performance and future risks:

- (1) The payment of remuneration to directors of the Company shall be handled in accordance with Articles 32 and 34 of the Company's Articles of Incorporation. Regardless of the Company's operating profits or losses, the Company may provide remuneration to directors. The amount of remuneration shall be determined by the Board of Directors based on the director's level of participation in the Company's operations, contribution value, and the general level in the industry. In the case of company profits, apart from Independent Directors, an amount not exceeding 5% shall be allocated as director's remuneration, with the actual allocation ratio being 2.6% per year. Therefore, Independent Directors of the Company receive a fixed remuneration on a monthly basis, and all Independent Directors do not receive variable remuneration, only reimbursement for actual attendance at meetings.

The payment of remuneration to directors of the Company shall be reviewed by the Compensation Committee and submitted to the Board of Directors for approval, and reasonable remuneration shall be granted.

- (2) The remuneration for the Company's supervisors (including the President and Vice President) mainly includes salaries, bonuses, and employee dividends, as well as allocations for retirement benefits and welfare benefits. The payment shall

be handled in accordance with the Company's salary management regulations and related rules and regulations, taking into account the Company's operational performance, individual performance, achievement of strategic goals, and industry standards. After review by the Compensation Committee and approval by the Board of Directors, reasonable remuneration shall be granted to motivate and retain talent and enhance the Company's competitiveness. In the event of significant risk events that could affect the Company's reputation, improper internal management, or misconduct by personnel, bonuses may be reduced or withheld.



## ii. Implementation of Corporate Governance

### (1) Operation of Board of Directors:

The Board of Directors has convened 8 (A) meetings in the most recent year, with the attendance by directors as follows:

Title	Name (Note 1)	Actual Attendance (B)	Frequency of Proxy Attendance	Actual Attendance Rate (%) [B/A] (Note 2)	Remarks
Chairman	Tseng Song-Zhu	7	-	100%	Re-elected
Director	Tseng Song-Ling	2	1	66%	Former (Note 3)
Director	Tseng-Lu Min-Hua	7	-	100%	Re-elected
Director	Luo Cai-Ren	7	-	100%	Re-elected
Director	Ding-Sheng Investment Co., Ltd. Rep.: Tseng Hui-Juan	3	-	100%	Former (Note 3)
Director	Ding-Sheng Investment Co., Ltd. Rep.: Jiang Jiaxuan	4	-	100%	New (Note 4)
Director	Ding-Sheng Investment Co., Ltd. Rep.: Lai Jungu	4	-	100%	New (Note 4)
Director	Ding-Hung Investment Co., Ltd. Rep.: Zheng Wen-Xiang	7	-	100%	Re-elected
Director	Ding-Hung Investment Co., Ltd. Rep.: Yuan Qi-Bin	7	-	100%	Re-elected
Director	Ding-Hung Investment Co., Ltd. Rep.: Lai Ru-Ding	7	-	100%	Re-elected
Director	Ding-Hung Investment Co., Ltd. Rep.: Tseng Ching-Cheng	7	-	100%	Re-elected
Indepen	Chen Shui-Jin	7	-	100%	Re-elected

dent Director					
Indepen dent Director	Chen Jian-Nan	6	1	85%	Re-elected
Indepen dent Director	Tsai Wu-Ying	7	-	100%	Re-elected
Indepen dent Director	Lei Shin-Jung	7	-	100%	Re-elected

Other Mentionable Items:

1. If the operation of the Board of directors is in any of the following circumstances, the date, duration, proposal contents, the opinions of all independent directors and the Company's handling of the opinions of independent directors shall be specified:  
 (1) Items specified in Article 14-3 of Securities Exchange Act. (Please refer to Pages 103 to 110)  
 (2) Other matters decided by the Board of Directors upon objection or reservation of independent directors and recorded or written statement other than foregoing matters: None.
2. Concerning implementation of recusals from proposals which a director is a stakeholder, Name of Directors, Proposals, Reason for Required Recusal and Participation in Voting shall be specified:

Meeting Date	Name of Directors	Proposals	Reason for Required Recusal	Participation in Voting
2024.06.26	Chen Shui-Jin 、 Chen Jian-Nan	Appointment of the 6th Compensation Committee Members	Both independent directors recused themselves due to a conflict of interest.	In accordance with Article 15 of the Company's "Board Meeting Rules," directors with conflicts of interest shall not participate in discussions or voting.
2024.06.26	Chen Shui-Jin 、 Chen Jian-Nan	Remuneration Payment to Compensation Committee Members	Both independent directors recused themselves due to a conflict of interest.	In accordance with Article 15 of the Company's "Board Meeting Rules," directors with conflicts of interest shall not participate in discussions or voting.
2024.06.26	Chen Shui-Jin 、	Remuneration Payment to	All four independent	In accordance with Article 15 of

	Chen Jian-Nan 、 Tsai Wu-Ying 、Lei Shin-Jung	Independent Directors	directors recused themselves due to a conflict of interest.	the Company's "Board Meeting Rules," directors with conflicts of interest shall not participate in discussions or voting.
2024.09.04	Chen Shui-Jin	Amendment to Remuneration Payment for Compensation Committee Members	Independent Director Chen recused himself due to a conflict of interest.	In accordance with Article 15 of the Company's "Board Meeting Rules," directors with conflicts of interest shall not participate in discussions or voting.

3. A TWSE/TPEX-listed company shall disclose information about the self-assessment (or peer review) of the Board of Directors, including the cycle, period, scope, method, and content of the evaluation, and enter the Implementation of the Board's Evaluation:  
Please refer to (2) Implementation Status of the Board of Directors Evaluations on Page 43

4. The objectives of strengthening the functions of the Board of Directors in the current and the most recent year (e.g. appointing an Audit Committee, enhancing transparency of information, etc.) and evaluation of implementation:

(1) The Company has adopted its "Regulations Governing Evaluation of Board of Directors Performances" and has performed performance appraisal according to applicable rules and regulations.

(2) The Company has appointed its independent director and has established an audit committee.

(3) Conducted in accordance with provisions under "Rules of Procedure for Board of Directors' Meetings" and "Audit Committee Charter".

Note 1: Where a director or an independent director is a corporate shareholder Name of Corporate Shareholder and Name of Representative shall be disclosed.

Note 2: (1) If a director or an independent director has resigned before the end of the year, the date of resignation shall be indicated in the remarks column. The actual attendance rate (%) shall be calculated by the number of meetings held by the Board of Directors throughout his/her term and his/her actual attendance.

(2) If there is a by-election of directors or independent directors, the new or incumbent directors and independent directors shall be listed, and the status the directors and independent directors being incumbent, new, or the date the director or independent director has been re-elected and the date of by-election shall be indicated in the remarks column. The actual attendance rate (%) shall be calculated by the number of meetings held by the Board of Directors throughout his/her term and his/her actual attendance.

Note 3: Director Tseng Song-Ling 、Ding-Sheng Investment Co., Ltd. Rep.: Tseng Hui-Juan : discharged on June 26, 2024.

Note 4: Director Ding-Sheng Investment Co., Ltd. Rep.:Jiang Jiakuan 、Ding-Sheng Investment Co., Ltd. Rep.:Lai Jungu : assumed office on June 26, 2024.

(2) Implementation Status of Board of Directors Evaluation:

1. Internal Self-Evaluation of the Company-Board of Directors Performance Evaluation

(1) The performance evaluation results of the Board of Directors and its functional committees for the fiscal year 2024 of the Company were reported to the Compensation Committee on March 11, 2025, and then submitted to the Board of Directors on March 13, 2025. The evaluation principles are as follows: Each sub-item under each evaluation item is presented in a 5-level rating scale, with the following explanations for the evaluation levels:

Figure 1: Very Poor (Strongly Disagree)

Figure 2: Poor (Disagree)

Figure 3: Moderate (Normal)

Figure 4: Good (Agree)

Figure 5: Excellent (Strongly Agree)

Please refer to the table below for the evaluation results. The overall performance of the Board of Directors, individual board members, and functional committees are all rated as “Excellent”. The comprehensive results indicate that the Board of Directors and its functional committees are operating well and may effectively promote the Company’s sustainable operations, social responsibility, risk management, and implement good corporate governance practices in compliance with relevant laws and regulations.

The cycle, period, scope, method, and content of the evaluations, and the implementations of the Board’s Evaluation are as follows:

Evaluation Cycle (Note 1)	Evaluation Period (Note 2)	Scope of Evaluation (Note 3)	Evaluation Method (Note 4)	Evaluation Items (Note 5)	Evaluation Result
Once a year	2024.1.1-2024.12.31	Board of Directors Performance Evaluation	Board of Directors Internal Self-Evaluation	1. Degree of Participation in Company Operations 2. Enhancement of Decision-Making Quality by the Board of Directors 3. Composition and Structure of the Board of Directors 4. Election and Continuing Education of the Directors 5. Internal Control	Weighted Average Score: 4.82
Once a year	2024.1.1-2024.12.31	Directors Performance Evaluation	Self-Evaluation by directors	1. Grasp over Company Goals and Tasks 2. Awareness of Duties and Responsibilities of Directors 3. Degree of Participation in Company Operations 4. Management and Communications of Internal Relations	Weighted Average Score: 4.80

				5. Professionalism and Continuing Education of Directors 6. Internal Control	
Once a year	2024.1.1-2024.12.31	Audit Committee Performance Evaluation	Self-Evaluation by Audit Members	1. Degree of Participation in Company Operations 2. Awareness of Duties and Responsibilities of Audit Committee 3. Enhancement of Decision-Making Quality by the Audit Committee 4. Composition and Election of Members of the Audit Committee 5. Internal Control	Weighted Average Score: 4.91
Once a year	2024.1.1-2024.12.31	Compensation Committee Performance Evaluation	Self-Evaluation by Remuneration Members	1. Degree of Participation in Company Operations 2. Awareness of Duties and Responsibilities of Compensation Committee 3. Enhancement of Decision-Making Quality by the Compensation Committee 4. Composition and Election of Members of the Compensation Committee 5. Internal Control	Weighted Average Score: 4.85

Note 1: Enter implementation cycle of the Board of Directors Evaluation e.g. Once a year.

Note 2: Enter the period covered by the Board of Directors Evaluation e.g. The evaluation was made on the performance of Board of Directors from January 1 to December 31, 2019.

Note 3: The scope of evaluation covers Board of Directors, individual directors and functional committees.

Note 4: The methods of evaluation include Internal Self-Evaluation by the Board of Directors, self-evaluation by directors, peer evaluations, and performance evaluation through entrusted external professional institution, experts or through other manners.

Note 5: By scope of evaluation, the evaluation items shall include at least the following items, varied by roles under evaluation:

- (1) Performance Evaluation on Board of Directors: the items shall at least include Degree of Participation in Company Operations, Enhancement of Decision-Making Quality by the Board of Directors, Composition and Structure of the Board of Directors, Election and Continuing Education of Director, and Internal Control.
- (2) Performance Evaluation on Individual Directors: the items shall at least include Grasp over Company Goals and Tasks, Awareness of Duties and Responsibilities of Directors, Degree of Participation in Company Operations, Management and Communications of Internal Relations, Professionalism and Continuing Education of Directors, and Internal Control.
- (3) Performance Evaluation on the Functional Committees: the items shall at least include Degree of Participation in Company Operations, Awareness of Duties and Responsibilities of Functional Committees, Enhancement of Decision-Making Quality by the Functional Committees, Composition and Election of Members of the Functional Committees, and Internal Control.

(3) Operation of the Audit Committee:

1. The Company has established a four-member independent audit committee, among which includes one female independent director, with the aim of overseeing the proper expression of the Company's financial statements, the selection (dismissal) and independence and performance of the auditors, the effective implementation of the Company's internal controls, compliance with relevant laws and regulations, and the management of existing or potential risks. Please refer to the director's professional qualifications and independent director's independence information disclosure for the professional qualifications and experience of the audit committee members (please see Pages 15-19).
2. The key areas of focus for the Audit Committee in the year 2024 include:  
Review of annual 、 quarterly standalone and consolidated financial statements, annual earnings distribution, annual audit plan formulation, internal control system, loan of funds by the Company and its subsidiaries, endorsements and guarantees by the Company for its subsidiaries, evaluation of the independence and suitability of the auditors, self-assessment questionnaire for the performance evaluation of the Audit Committee, and compliance with regulations.
3. The Audit Committee has convened 5 (A) meetings in the most recent year, with the attendance by independent directors as follows:

Title	Name	Actual Attendances (B)	Frequency of Proxy Attendance	Actual Attendance Rate (%) [B/A] (Notes 1 & 2)	Remarks
Independent Director	Chen Shui-Jin	5	-	100%	
Independent Director	Chen Jian-Nan	5	-	100%	
Independent Director	Tsai Wu-Ying	5	-	100%	
Independent Director	Lei Shin-Jung	5	-	100%	

Other Mentionable Items:

1. Where there is any of the following circumstances in the operation of the audit committee, Date of Audit Committee Meeting, Period, Proposals 、 Independent Director Objections, Reservations or Material Suggestions, Resolutions by the Audit Committee and Response by the Company shall be specified.

(1) Matters as prescribed in Article 14-5 of the Securities and Exchange Act:

Date of Audit Committee Meeting	Proposals	Resolutions by the Audit Committee	Response by the Company
2024.01.31	1. To review Loaning of Funds by the Company and its Subsidiaries. 2. To provide the Endorsement and Guarantee to MERIDA NORGE AS. 3. To approve the Loaning of Funds to MERIDA BENELUX B.V.	Adopted by all attending members (Independent Director Objections or Qualified Opinion: None)	Approved by all attending directors in the Board of Directors meeting on 2024.01.31.
2024.03.14	1. To review the Company's 2023 Business Report. 2. To review the Company's 2023 Standalone and Consolidated Financial Reports. 3. To review the Company's 2023 Earnings Distribution. 4. To review the Company's 2023 "Statement on Internal Control". 5. To review Loaning of Funds by the Company and its Subsidiaries. 6. Evaluations on Independence and Suitability of the Attesting CPAs for the Company. 7. To review 2024 Audit Fee of the Company.	Adopted by all attending members (Independent Director Objections or Qualified Opinion: None)	Approved by all attending directors in the Board of Directors meeting on 2024.03.14.

Date of Audit Committee Meeting	Proposals	Resolutions by the Audit Committee	Response by the Company
2024.05.13	1. To review Q1 2024 Consolidated Financial Statements of the Company. 2. To review the Approval of Funds Loan by the Company. 3. Amendment to the Company's Operational Procedures for the Preparation and Filing of Sustainability Report.	Adopted by all attending members (Independent Director Objections or Qualified Opinion: None)	Approved by all attending directors in the Board of Directors meeting on 2024.05.13.
2024.08.12	1. To review the Company's Q2 2024 Consolidated Financial Statements of the Company. 2. To review the Approval of Loaning of Funds by the Company and its Subsidiaries. 3. To approve the Change to the Company's Spokesperson. 4. To approve the Company's Additional investment in Merida & Centurion Germany GmbH.	Adopted by all attending members (Independent Director Objections or Qualified Opinion: None)	Approved by all attending directors in the Board of Directors meeting on 2024.08.12.
2024.11.13	1. To review the Company's Q3 2024 Consolidated Financial Statements of the Company. 2. To review Loaning of Funds by the Company and its Subsidiaries. 3. To review the Company's Promulgation of 2025 Audit Plan. 4. To review the Loans of MERIDA Bicycle (Shandong) Co., Ltd. under Commission to MERIDA Bicycle (Jiangsu) Co., Ltd. 5. To provide Endorsement and Guarantee to Merida & Centurion Germany GmbH. 6. To approve the Loaning of Funds to MERIDA BENELUX B.V. 7. To approve Changes to the Company's Internal Audit Supervisor. 8. To approve Changes to the Company's Acting Spokesperson. 9. To approve the Formulation of the Company's "Regulations governing the Sustainable Information Management Operations". 10. To provide the Endorsement and Guarantee to MERIDA NORGE AS.	Adopted by all attending members (Independent Director Objections or Qualified Opinion: None)	Approved by all attending directors in the Board of Directors meeting on 2024.11.13.
(2) Other matters yet to be adopted by the Audit Committee but approved by two-third of all directors through resolution other than foregoing matters: None.			
2. Concerning implementation of recusals from proposals which an independent director is a stakeholder, Name of Independent Directors, Proposals, Reason for Required Recusal and Participation in Voting: None.			
3. Communications between Independent Directors and Internal Audit Supervisors and Accountants			



(shall include material matters, and methods and results thereof concerning the Company's financial and business situations):			
Date of Communication Meeting	Proposals	Communication Method	Communication Result
2024.03.14	1. Explanation of Audit Results and Adjustments for the Company's 2023 Financial Reports. 2. Recommendations from the Information System Audit. 3. Legal Updates. 4. Inclusion of Recommendations for the Information System Review in the Audit Follow-Ups, with Reports to the Most Recent Audit Committee.	Presentation s and Discussions	Acknowledged with no further opinions.
2024.11.13	1. Review Results and Adjustments to the Company Q3 2024 Financial Report. 2. Explanations on the Scope, Manners and Schedule Adopted in Audits to Merida Group by Deloitte for the Year 2024. 3. Explanations on Identification of Significant Risks. 4. Explanations on 2024 Key Audit Matters (KAM). 5. Brief Introduction to Audit Team. 6. Introduction of Guidelines and Regulations Applicable in the Future (Upcoming Period). 7. Self-Prepared Financial Information shall be reported within 75 days from the end of fiscal year. The Duration for Synchronizing the Audit Financial Report for the Appropriate Year with the Self-Prepared Financial Information shall be expedited.	Presentation s and Discussions	Acknowledged with no further opinions.

Note 1: If an independent director has resigned before the end of the year, the date of resignation shall be indicated in the remarks column. The actual attendance rate (%) shall be calculated by the number of meetings held by the Audit Committee throughout his/her term and his/her actual attendance.

Note 2: If there is a by-election of independent directors, the new or incumbent independent directors shall be listed, and the status the independent directors being incumbent, new, or the date the independent director has been re-elected and the date of by-election shall be indicated in the remarks column. The actual attendance rate (%) shall be calculated by the number of meetings held by the Audit Committee throughout his/her term and his/her actual attendance.

(4) Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons:

Evaluation Items	Operation Status (Note 1)			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	Summary	
1. Does the Company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	✓		The Company has adopted its “Corporate Governance Best Practice Principles” and announced it on the official website.	None
2. Shareholding Structure & Shareholders’ Rights				
(1) Does the Company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure?	✓		(1) The Company has formulated the “Stock Affairs Management Regulations” and has appointed dedicated personnel to handle stock affairs in accordance with procedures.	None
(2) Does the Company possess the list of its major shareholders as well as the ultimate owners of those shares?	✓		(2) The Company may obtain the list of the actual controllers of the major shareholders and the ultimate controllers of the major shareholders at any time.	
(3) Does the Company establish and execute the risk management and firewall system within its conglomerate structure?	✓		(3) The Company and its related enterprises are clearly delineated. In addition to establishing relevant operational procedures, the audit personnel also	

Evaluation Items	Operation Status (Note 1)			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	Summary	
(4) Does the Company establish internal rules against insiders trading with undisclosed information?	✓		<p>conduct regular audits.</p> <p>(4) The Company has established the “Operational Procedure for Management over Prevention of Insider Trading” and conducts related educational and advocacy activities on an annual basis.</p> <p>The Company has set forth regulations related to preventing insider trading in the “Corporate Governance Best Practice Principles” to safeguard shareholder rights, ensure equal treatment of shareholders, and prohibit insiders from trading securities based on undisclosed information in the market. The regulations include trading control measures for insiders from the day they become aware of the Company’s financial reports or related performance information, including (but not limited to) Directors not being allowed to trade their stocks during a closed period of thirty days before the announcement of annual financial reports and fifteen days before the announcement of quarterly financial reports.</p>	

Evaluation Items	Operation Status (Note 1)			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	Summary	
3. Composition and Duties of Board of Directors				
(1) Does the Board of Directors formulate diversity policies and specific management goals and implement them?	✓		(1) The Company has provided in its “Corporate Governance Best Practice Principles” that the composition of the Board of Directors shall consider diversity, with appropriate diversity policy for its own operation, operation type and development needs formulated. The Board of Directors of the Company includes 2 female directors and 4 independent directors, and the directors are equipped with expertise in the bicycle industry, financial accounting, product design, business administration, and information systems. For details on the implementation of the Board of Directors diversity policy, please refer to Pages 19-20.	(1) None
(2) In addition to the Compensation Committee and the Audit Committee assigned in accordance with the law, does the Company voluntarily set up other types of functional committees?		✓	(2) The Company has established its Compensation Committee and Audit Committee whose conducts are performed pursuant to provisions in “Compensation Committee Charter” and “Audit Committee Charter”. The Company in the meantime is taking progressive steps in the	(2) Various salary and remuneration management rules, important policies and management regulations of the Company are examined by

Evaluation Items	Operation Status (Note 1)			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	Summary	
<p>(3) Does the Company adopt its Regulations Governing Evaluation of Board of Directors Performances and evaluation methods thereof, conduct performance evaluations annually and on a regular basis, and submit the results of performance evaluations to the Board of Directors, which is further applied as references in determining remuneration of independent director and nomination and term renewal?</p> <p>(4) Does the Company regularly evaluate the independence of the CPA?</p>	✓		<p>evaluation and establishment of the “Risk Management Committee”, a functional committee affiliated with the Board of Directors.</p> <p>(3) The Company has adopted its “Regulations Governing Evaluation of Board of Directors Performances” and conducted performance evaluation on an annual basis, with results of such evaluation (see Pages 43-44) submitted to the Board of Directors, which will be further applied as references in determining remuneration of independent director and nomination and term renewal.</p> <p>(4) The Company evaluates the independence of CPA and submits the result of such evaluation to the Board of Directors. For status of evaluation, please refer to Pages 113-115.</p>	<p>Compensation Committee and Audit Committee and submitted to the Board of Directors for resolution before implementation by the management team. No difficulty has been met in the process.</p> <p>(3) None</p> <p>(4) None</p>
4. Does the TWSE/TPEX Listed Company assign a competent and appropriate number of corporate governance personnel, and appoint a Governance Manager who is	✓		1. The appointment of the Company’s Governance Manager is adopted by the Board of Directors and announced on the Corporate Website.	None

Evaluation Items	Operation Status (Note 1)			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	Summary	
responsible for corporate governance-related matters (including but not limited to providing the directors and independent director with the information required for practicing business conducts, assisting the directors and independent directors in complying with applicable laws and regulations, handling matters relating to board meetings and shareholders meetings according to laws, and producing minutes of board meetings and shareholders meetings, etc.)?			<p>2. In accordance with provisions in Article 3-1 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, duties of the Company’s Governance Manager include the following matters:</p> <ol style="list-style-type: none"> <li>1. Handling Company registrations and change registrations.</li> <li>2. Handling matters relating to board meetings and shareholders meetings according to laws and assisting the Company in complying with laws and regulations concerning the Board of Directors and shareholders’ meeting.</li> <li>3. Producing minutes of board meetings and shareholders meetings.</li> <li>4. Providing directors with information required for practicing business conducts as well as latest regulatory developments with respect to company management for assisting directors’ compliance with the law.</li> <li>5. Matters with respect to relationship with</li> </ol>	

Evaluation Items	Operation Status (Note 1)			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	Summary	
			the investors. 6. Other matters set out in the Articles of Incorporation or contracts.	
5. Does the Company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	✓		The Corporate Website has a dedicated “Stakeholders” section and has a dedicated department to appropriately respond to comments and feedback from stakeholders.	None
6. Does the Company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		To protect the rights of shareholders in participating in shareholders’ meetings, the Company has appointed an independent and professional share registrar to handle matters related to shareholders’ meetings.	None
7. Information Disclosure (1) Does the Company have a corporate website to disclose both financial standings and the status of corporate governance?	✓		(1) The Corporate Website has an “Investor Information” section to disclose financial operations and corporate governance information.	None
(2) Does the Company have other information disclosure channels (e.g. building an English	✓		(2) The Company has established an English website and assigned a dedicated person to	

Evaluation Items	Operation Status (Note 1)			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	Summary	
<p>website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?</p> <p>(3) Does the Company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit</p>		✓	<p>collect and disclose information on both the Chinese and English websites. The Company holds timely press conferences, and in accordance with Company policies and needs, designates a spokesperson to communicate with the public, ensuring the implementation of the spokesperson system (the process of press conferences is uploaded to the TWSE website as required).</p> <p>(3) The Company complies with laws and regulations by announcing and reporting quarterly financial reports within the specified deadlines.</p>	
8. Is there any other important information to facilitate a better understanding of the Company’s corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors’ and supervisors’ training records,	✓		<p>1. Employee Benefits and Employee Care: Please refer to Section v on page 141 for Labor Relations.</p> <p>2. Investor Relations: The Company has established a spokesperson system responsible for interacting with the investing public. The Chinese and English</p>	None



Evaluation Items	Operation Status (Note 1)			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	Summary	
the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and independent directors)?			<p>websites have designated individuals in charge of information collection, disclosure, and handling.</p> <p>3. Supplier Relations: The Company has always maintained a good relationship with its suppliers.</p> <p>4. Rights of Stakeholders: Stakeholders have the right to communicate and provide suggestions to relevant personnel of the Company to safeguard their legitimate rights and interests.</p> <p>5. Continuing Education for Directors and Independent Directors: The Company’s directors and independent directors fulfill the required hours of continuing education in accordance with the “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies.” For information on the continuing education status of directors and independent directors, please refer to MOPS.</p> <p>6. Execution of Risk Management Policies</p>	

Evaluation Items	Operation Status (Note 1)			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	Summary	
			<p>and Risk Measurement Standards: The Company has established various management regulations as guidelines for departments to implement and cooperates with internal audits for risk management and assessment.</p> <p>7. Implementation of Customer Policy: The Company has a customer service center hotline and discloses relevant company information on the Corporate Website at all times to provide channels for consumers to contact and access information.</p> <p>8. Director and Independent Director Liability Insurance: The Company has insured liability insurance for Directors and key employees.</p>	

Evaluation Items	Operation Status (Note 1)			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Y	N	Summary	
9. Describe the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measure (No need to enter if the item is not included as company under evaluation):				
1. Improvements made within the most recent year:				
(1) The Company uploaded the English version of the annual financial report at least 18 days prior to the shareholders’ meeting, and uploaded the English version of the interim financial report within two months after the deadline for the Chinese version.				
(2) The Company’s 2024 Sustainability Report obtained third-party assurance from SGS.				
(3) The Company obtained ISO 50001 Energy Management System certification in 2025.				
(4) The Company has formulated a human rights policy and specific management plans in accordance with international human rights conventions.				
(5) The Company has established succession plans for members of the Board and key management personnel, and disclosed the implementation status on its website.				
(6) The Company has assessed risks and opportunities related to the community and adopted corresponding measures, which have been disclosed along with implementation results in the Sustainability Report.				
(7) The Company has invested in energy-saving or green energy-related environmental sustainability equipment, and disclosed the investment status and specific benefits..				
2. Where not improved, the Company shall propose matters for reinforcement and measures in priority:				
(1) The Company is evaluating the establishment of the “Risk Management Committee”, a functional committee under the Board.				
(2) The Company plans to obtain ISO 14001 and ISO 45001 certifications in the future.				

Note 1: Please specify in Summary no matter if a “Y” or “N” is ticked.

(5) Composition, Duties and Operations of the Company's Compensation Committee:

1. Composition of the Compensation Committee:

(1) The sixth Compensation Committee of the Company was approved by resolution of the fourth meeting of the Board of Directors in 2024 (Year 113 of the Republic of China calendar) on June 26, 2024. Mr. Jian-Nan Chen, Mr. Shui-Jin Chen, and Mr. Kuan-Hsien Wu were appointed as members. Their term of office shall commence from the date of the Board resolution and continue until June 25, 2027, concurrent with the expiration of the current Board's term.

(2) The first meeting of the 6<sup>th</sup> Compensation Committee was held on September 2, 2024, and the convener Chen Jian-Nan has been elected from among the attending Compensation Committee members.

(3) Information of Compensation Committee members:

April 27, 2025

Identity (Note 1)	Criteria	Professional Qualifications and Experience (Note 2)	Independence Criteria (Note 3)	Number of Other Public Companies in Which the Individual is Concurrently Serving as a Compensation Committee Member
	Name			
Independent Director (Convenor)	Chen Jian-Nan	The Company's Compensation Committee member Chen Jian-Nan is an independent director. For his/her Professional Qualifications and Experience, please refer to Page 18 "Disclosure on Professional Qualifications of Directors and Independence of Independent Directors". Has qualification as an associate professor from related departments in universities and colleges and is equipped with work experience and skills related to product design and academic profession as required in businesses of the Company. Does not meet any of the circumstances prescribed in subparagraphs of Article 30 of the Company Act. (Note 5).	All members in the Compensation Committee meet the following criteria: 1. Complies with provisions under Article 14-6 of the Securities and Exchange Act promulgated by the Financial Supervisory Commission as well as Regulations Governing the Appointment and Exercise of Powers by the Compensation Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange (Note 4).	0

Independent Director	Chen Shui-Jin	The Company's Compensation Committee member Chen Shui-Jin is an independent director. For his/her Professional Qualifications and Experience, please refer to Page 18 "Disclosure on Professional Qualifications of Directors and Independence of Independent Directors". Has obtained certification as CPA and is equipped with work experience, professional know-how and skills related to finance and accounting as required in businesses of the Company. Does not meet any of the circumstances prescribed in subparagraphs of Article 30 of the Company Act (Note 5).	2. Does not hold any outstanding shares of the Company under his/her own name (or the name of others), his/her spouse or minor children.  3. Has not received any amount of remuneration for provision or services concerning commerce, law, finance, accounting, or others to the Company or its affiliates in the most recent two years.	3
Others	Wu Kuan-Hsien	Has obtained qualification as an attorney at law and is equipped with work experience, professional know-how and skills related to laws as required in businesses of the Company. Does not meet any of the circumstances prescribed in subparagraphs of Article 30 of the Company Act (Note 5).		0

Note 1: Please specify in the table the relevant years of work experience, professional qualifications and experience, and independence of each member of the Compensation Committee. If the member is an independent director, please indicate and refer to the relevant information provided under the directors' profiles. For the designation, please specify whether the member is an independent director or other (if the member is the convener, please indicate accordingly).

Note 2: Professional Qualifications and Experience: Please specify Professional Qualifications and Experience of each Compensation Committee member.

Note 3: Compliance with Independence Criteria: specify the compliance of salary and Compensation Committee members with Independence Criteria, which is composed of whether the independent director including the independent director himself/herself, his/her spouse, or relatives within 2nd degree of kinship serves as director, independent director or employee of the Company or its affiliates; number of the Company's shares held by the member, together with those held by the member's spouse or relatives within 2nd degree of kinship (or under the names of other parties) as well as their ratios; whether the member serves as director, independent director or employee of the Company or a company with special relations with the Company (refer to Article 6, Paragraph 1, Subparagraphs 5~8 of "Regulations Governing the Appointment and Exercise of Powers by the Compensation Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange"); amount of remuneration received for provision or services concerning commerce, law, finance, accounting, or others to the Company or its affiliates in the most recent two years.

Note 4: During the two years before being elected or during the term of office, a member may not have been or be any of the following:

1. An employee of the Company or any of its affiliates.
2. A director or independent director of the Company or any of its affiliates; provided, this does not apply when an independent director concurrently serves as the same role assigned in the Company or its parent company, subsidiaries or subsidiaries of the same parent company in accordance with the Act or laws or regulations in the country of incorporation)
3. A natural-person shareholder who holds shares, together with those held by the person's spouse, minor

children, or held by the person under others' names, in an aggregate of one percent or more of the total number of outstanding shares of the Company or ranking in the top 10 in holdings.

4. A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a manager entered in (1) or any of the persons in the (2) and (3).
5. A director, independent director, or employee of a corporate shareholder that directly holds five percent or more of the total number of outstanding shares of the Company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the Company under Article 27, paragraph 1 or 2 of the Company Act; provided, this does not apply when an independent director concurrently serves as the same role assigned in the Company or its parent company, subsidiaries or subsidiaries of the same parent company in accordance with the Act or laws or regulations in the country of incorporation)
6. If a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person: a director, independent director, or employee of that other company; provided, this does not apply when an independent director concurrently serves as the same role assigned in the Company or its parent company, subsidiaries or subsidiaries of the same parent company in accordance with the Act or laws or regulations in the country of incorporation.
7. If the chairperson, president, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution; provided, this does not apply when an independent director concurrently serves as the same role assigned in the Company or its parent company, subsidiaries or subsidiaries of the same parent company in accordance with the Act or laws or regulations in the country of incorporation.
8. A director (or governor), supervisor, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company; provided, this does not apply when the specific company or institution holds more than 20 percent but fewer than 50 percent of the Company's outstanding shares, and when an independent director concurrently serves as the same role assigned in the Company or its parent company, subsidiaries or subsidiaries of the same parent company in accordance with the Act or laws or regulations in the country of incorporation.
9. A professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, 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 past 2 years has received cumulative remuneration exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the Compensation Committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.

Note 5: A person who is under any of the following circumstances shall not act as a manager of a company. If he has been appointed as such, he shall certainly be discharged:

1. Having committed an offence as specified in the Statute for Prevention of Organizational Crimes and subsequently convicted of a crime, and has not started serving the sentence, has not completed serving the sentence, or five years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
2. Having committed the offence in terms of fraud, breach of trust or misappropriation and subsequently convicted with imprisonment for a term of more than one year, and has not started serving the sentence, has not completed serving the sentence, or two years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
3. Having committed the offense as specified in the Anti-corruption Act and subsequently convicted of a crime, and has not started serving the sentence, has not completed serving the sentence, or two years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
4. Having been adjudicated bankrupt or adjudicated of the commencement of liquidation process by a court, and having not been reinstated to his rights and privileges;
5. Having been dishonored for unlawful use of credit instruments, and the term of such sanction has not expired yet; or
6. Having no or only limited disposing capacity.
7. Having been adjudicated of the commencement of assistantship and such assistantship has not yet been revoked.

## 2. Duties of the Compensation Committee:

Duties of the Compensation Committee encompasses, with their professional and impartial status, evaluations on policies of remunerations paid to the Company's directors, managers, etc., as well as proposal to the Board of Directors as reference in the decision-making process. The duties are as follows:

- (1) Review on the charter and proposal of amendment suggestions thereof on a regular basis.
- (2) Promulgation and regular review on the policy, system, standard and structure of remunerations to the Company's directors and managers.
- (3) Evaluation of the attainment of performance goals for directors and managers of the Company on a regular basis, with re-examinations on the contents and amounts of remunerations received by respective role.

### 3.Compensation Committee Operation Status:

- (1) The term of this Compensation Committee: from June 26, 2024 to June 25, 2027, whose expiration date coincides with that of the incumbent Board of Directors.
- (2) The Compensation Committee have convened 3 (A) meetings in 2024, with the attendance by members as follows:

Title	Name	Actual Attendance (B)	Frequency of Proxy Attendance	Actual Attendance Rate (%) [B/A]	Remarks
Convenor	Chen Jian-Nan	3	-	100%	
Member	Chen Shui-Jin	3	-	100%	
Member	Lin Fu-Xing	2	-	100%	Former
Member	Wu Kuan-Hsien	1	-	100%	New
Other Mentionable Items:					
1. Where the Board of Directors does not adopt or amend suggestions by the Compensation Committee, Date of Board of Directors Meeting, Period, Proposals, Board of Directors Resolutions, and Response by the Company shall be specified (if the remuneration adopted by Board of Directors is more preferable than suggestions by Compensation Committee, the deviation and reason for such preferable proposal shall be specified): None.					
2. With respect to resolutions made in a Compensation Committee meeting, if there are opinions expressing objections or reservations from members that were included in records or stated in writing, Date of Compensation Committee Meeting, Period, Proposals, Opinions from All Members and Handling of Opinions from the members shall be specified: None.					
3. Reasons for Discussions in Compensation Committee and Resolutions thereof, and Response by the Company:					
Date of Compensation Committee Meeting	Proposals	Compensation Committee Resolutions	Response by the Company		
2024.01.31	1. To review the Company's	Adopted by	Approved by all		

	Distribution of 2023 Year-end Bonus for Employees. 2. To review the Company's Proposal of Employee Salary Adjustment.	all attending members	attending directors in the Board of Directors meeting on 2024.01.31.	
2024.03.14	1. To review the Company's 2023 Performance Evaluation Results for the Board of Directors and Individual Directors Evaluation Result. 2. To review the Company's Distribution of 2023 Employees and Directors' Remunerations.	Adopted by all attending members	Approved by all attending directors in the Board of Directors meeting on 2024.03.14.	
2024.09.02	1. To review the amendment to the Company's "Director Remuneration Payment Policy." 2. To review the Company's Distribution of 2023 Directors' Remunerations 3. To review the Company's Distribution of 2023 Employees' Remunerations.	Adopted by all attending members	Approved by all attending directors in the Board of Directors meeting on 2024.09.04.	

Notes: 1. If a Compensation Committee member has resigned before the end of the year, the date of resignation shall be indicated in the remarks column. The actual attendance rate (%) shall be calculated by the number of meetings held by the Compensation Committee throughout his/her term and his/her actual attendance.

2. If there is a by-election of Compensation Committee members, the new or incumbent members shall be listed, and the status the Compensation Committee members being incumbent, new, or the date the member has been re-elected and the date of by-election shall be indicated in the remarks column. The actual attendance rate (%) shall be calculated by the number of meetings held by the Compensation Committee throughout his/her term and his/her actual attendance.



(6) Status in the Implementation of Sustainable Development and Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Deviations:

Items of Promotion	Implementation Status (Note 1)			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Deviations
	Y	N	Summary	
1. Does the Company promote governance structure for sustainable development and establish a dedicated (concurrent) unit for promoting sustainable development, with corresponding handling by senior management under authorization of the Board of Directors? If so, please describe the status of supervision by the Board of Directors.	✓		<p>1. To implement and promote sustainable development, the Company established the “MERIDA ESG Promotion Committee” in 2022 to drive corporate governance, risk management, corporate social responsibility, climate change strategies, environmental protection, and other related initiatives. The Committee aims to stay informed about global sustainable development trends, focus on sustainable issues such as corporate governance, environmental protection, and social responsibility, align with operational development goals, and set strategic sustainable directions and project implementations.</p> <p>2. The Chairman serves as the highest management representative of the “MERIDA ESG Promotion Committee” and oversees the supervision of sustainable development policies and specific implementation plans. The Chairman leads the various subcommittees of the committee to enhance the overall effectiveness among departments, ensuring the effective implementation of</p>	None

Items of Promotion	Implementation Status (Note 1)			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Deviations
	Y	N	Summary	
			<p>various sustainability initiatives. The President serves as the Chairman of the committee and the Chairman acts as the advisory member and supervisor of the implementation progress.</p> <p>3. The Committee's subcommittee members regularly analyze and review performance and progress towards goals, and hold ad-hoc discussions on significant topics. Each relevant subcommittee of the ESG Promotion Committee reports on the sustainability promotion plan and performance achievements to the Board of Directors at least once a year. The Board of Directors supervises the implementation of various plans. The preparation of the Sustainability Report is the responsibility of the Company's management, who must exercise due care and ensure the quality of the Sustainability Report. After the completion of the Sustainability Report, it is submitted to the Board of Directors for review before being published.</p>	
2. Does the Company assess ESG risks associated with its operations based on the principle of	✓		1. The Company has adopted its "Sustainable Development Best Practice Principles" and announced	None

Items of Promotion	Implementation Status (Note 1)			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Deviations
	Y	N	Summary	
materiality, and establish related risk management policies or strategies? (Note 2)			<p>them on the Corporate Website to manage issues related to corporate governance, risk management, corporate social responsibility, climate change strategies, and environmental protection, furthermore fulfilling the goals of corporate social responsibility and sustainable development.</p> <p>2. The Company has established an internal control system focusing on domestic and international developments. It reviews and improves the Company's risk management processes to enhance the effectiveness of risk management. The internal control system follows a policy of preventive measures to minimize losses caused by risks. Relevant departments are also vigilant in identifying risk factors and taking appropriate response measures and improvement actions to adapt to the constantly changing market environment and achieve the Company's sustainable business objectives. Based on such, the Company assesses and manages potential risks related to operational, environmental, social, and corporate governance issues, with the assessment</p>	

Items of Promotion	Implementation Status (Note 1)			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Deviations
	Y	N	Summary	
			boundaries primarily focused on the Taiwan headquarters. Please refer to Note 3 for more information.	
<p>3. Environmental Issues</p> <p>(1) Does the Company establish proper environmental management systems based on the characteristics of their industries?</p> <p>(2) Does the Company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?</p>	<p>✓</p> <p>✓</p>		<p>(1) The Company has adopted relevant operational procedures for air pollution, wastewater, and waste treatment in accordance with legal regulations.</p> <p>(2) The Company is committed to supporting the national energy conservation goals by continuously investing in various energy-saving measures and phasing out outdated energy-consuming equipment to ensure optimal energy utilization. In 2024, the Company implemented the ISO 50001 Energy Management System to proactively identify and manage future energy supply risks while monitoring and overseeing energy usage to address inefficiencies. By improving overall performance, the Company aims to reduce energy consumption and expenses, lower carbon emissions, and</p>	None

Items of Promotion	Implementation Status (Note 1)			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Deviations
	Y	N	Summary	
			<p>contribute to the government's carbon reduction targets. In 2024, the Company optimized production processes and replaced obsolete equipment, resulting in a total electricity savings of 17,100 kWh (which includes approximately 13,100 kWh saved through adjustments to the baking oven and around 4,000 kWh saved by replacing seat tube drilling machine; all of which are implemented by the Company' Aluminum Lathing Section). According to the Bureau of Energy, Ministry of Economic Affairs, the target for annual electricity savings from 2015 to 2024 is an annual savings rate and average annual savings rate of over 1%. From 2014 to 2024, the Company achieved an average electricity savings rate of 1.58%, exceeding the regulatory benchmark of 1%.</p> <p>In addition to various energy-saving initiatives, the Company is also promoting energy transition. In 2024, the Company commissioned Tatung Forever Energy to build a self-consumption solar</p>	

Items of Promotion	Implementation Status (Note 1)			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Deviations
	Y	N	Summary	
			<p>photovoltaic (PV) power generation system in the Company's plant premises. The system, with an installed capacity of 976 kW, was completed in August 2024. By the end of 2024, the system had generated a total of 466,387 kWh of electricity, with self-generated green energy accounting for 4.7% of the Company's total electricity usage.</p> <p>The Company's raw materials include primary materials, auxiliary materials used during production, semi-finished products or components, and packaging materials. The main materials used are aluminum, rubber, and paper. Aluminum is primarily sourced from suppliers in Taiwan and China, with approximately 15% to 20% of the material being recycled content. Rubber is mainly sourced from suppliers in Taiwan, China, and Vietnam, with about 20% being recycled content. Paper materials are primarily sourced from Taiwanese suppliers, with recycled content comprising approximately 85% to 90%.</p>	

Items of Promotion	Implementation Status (Note 1)			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Deviations
	Y	N	Summary	
(3) Does the Company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?	✓		<p>To reduce waste from outer carton packaging, the Company actively guides key suppliers in adopting reusable containers. For packaging materials such as EPE foam bags and bubble wraps used for protecting bicycle frames, the Company has successfully reused them in packaging frame set products, achieving cost savings and sustainable reuse. In 2024, the Company proactively supported its paper carton suppliers in adopting FSC certification. Two carton suppliers and one packaging material supplier are expected to obtain FSC certification by the end of March 2025.</p> <p>(3) The Company, in addition to controlling operational and governance-related risks through internal control and internal audit systems, also introduced the Task Force on Climate-related Financial Disclosures (TCFD) framework in 2023 to identify the risks and opportunities related to climate-related financial aspects. It has further set relevant</p>	

Items of Promotion	Implementation Status (Note 1)			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Deviations
	Y	N	Summary	
(4) Does the Company take inventory of its GHG emissions, water consumption, and total weight of waste in the last two years, and implement policies on energy efficiency and carbon dioxide reduction, GHG reduction, water reduction, or waste management?	✓		<p>measures and response strategies to mitigate potential financial losses caused by risks. MERIDA applies the climate risk and opportunity matrix to incorporate sustainable business strategies such as energy conservation, carbon reduction, and water saving into its business planning to turn crises into opportunities and to create greater benefits for the Company. For the process and measures taken to identify potential risks and opportunities related to climate change in 2024, please refer to Note 4.</p> <p>(4) The Company has compiled the GHG emissions, water consumption, and total waste weight for the past two years and has formulated relevant implementation policies for energy conservation and carbon reduction, GHG reduction, water reduction, or other waste management. Please refer to Pages 135-141 for information on iv. Environmental Protection Expenditure.</p>	
4. Social Issues (1) Does the Company formulate appropriate	✓		(1) The Company considers its employees to be an	None



Items of Promotion	Implementation Status (Note 1)			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Deviations
	Y	N	Summary	
<p>management policies and procedures according to relevant regulations and the International Bill of Human Rights?</p> <p>(2) Does the Company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries? ✓</p> <p>(3) Does the Company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis? ✓</p>			<p>important factor in its stable development. It strictly adheres to labor and human rights regulations, treats all employees fairly and with respect, and is committed to creating a friendly workplace. Therefore, the Company has adopted the “Work Rules”, “Measures Governing Management of Sexual Harassment Prevention at Workplaces” and other related management regulations for employee appointments, retirements, and more, in accordance with relevant labor laws, to safeguard employee rights.</p> <p>(2) The Company has adopted and implemented reasonable employee welfare measures. Please refer to V. Labor Relations on Page 141 for more information.</p> <p>(3) 1. The Company has proposed to incorporate ISO45001 system into its operations in 2025. The Company holds an Occupational Safety and Health Management and Fire Safety Committee</p>	

Items of Promotion	Implementation Status (Note 1)			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Deviations
	Y	N	Summary	
			meeting once every quarter to enable the Company to conduct comprehensive safety and health management tasks. The Committee's main responsibilities include conducting hazard assessments and proposing control measures to identify and mitigate potential workplace hazards. It regularly reviews the effectiveness of occupational safety and health measures, analyzes relevant data, and makes improvement recommendations; the Committee also engages in or leads incident investigations to thoroughly analyze causes and responsibilities, and develops effective preventive plans to avoid recurrence of similar incidents. In addition, the Committee is responsible for planning and making decisions on occupational safety and health issues, emphasizing employee participation, consultation, and communication to ensure the effective implementation of related policies and measures.	

Items of Promotion	Implementation Status (Note 1)			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Deviations
	Y	N	Summary	
			<p>2. The Company is committed to protecting the health and safety of all employees, striving to create a healthy and safe work environment. It aims to establish a secure workplace that promotes both the physical and mental well-being of employees and contractors, achieving work-life balance and working hand in hand with stakeholders to reduce occupational safety and health risks. Annual health examinations are conducted in accordance with legal requirements, and employee health status is monitored regularly. For legally designated special operations – such as noises in the work environments – environmental monitoring is carried out to identify potential health hazards. Special health examinations are arranged accordingly, and health management reports are provided. Two occupational health service nurses review the health checkup results and, based on the risk level, arrange follow-up</p>	

Items of Promotion	Implementation Status (Note 1)			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Deviations
	Y	N	Summary	
			<p>referrals or occupational physician recommendations and health services. This approach reflects the principle of prevention over cure, fostering a safe and secure work environment.</p> <p>3. In 2024, there were no occupational injuries involving employees and non-employees (0 incidents). The Company regularly replaces unclear operation equipment signage and labels, and conducts well-planned and executed measures for the maintenance of foolproof mechanisms for machinery and operational training for personnel.</p> <p>4. There were no incidents relating to fire in 2024 (0 incidents).</p> <p>5. In 2024, the Company conducted a series of occupational safety and health-related education and training, with statistics are as follows:</p>	

Items of Promotion	Implementation Status (Note 1)			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Deviations	
	Y	N	Summary		
(4)Does the Company provide its employees with career development and training sessions?	✓				
			Item	Participants	Cost (in NT\$)
			Annual Education and Training for the Company’s Fire Safety and Response Team	75	34,350
			Retraining for First-Aid Staff	0	0
			Retraining for Forklift Operators	0	0
			Retraining for Occupatuonal Safety Manager (Management Specialist)	0	0
			Retraining for Operator of Specified High-Pressure Gas (Equipment).	0	0
(4) 1. The Company values talent development and constantly strives for the improvement of professional capabilities. It provides a systematic learning system and environment to promote a culture of proactive learning by employees and assistance from supervisors. Therefore, the					

Items of Promotion	Implementation Status (Note 1)			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Deviations
	Y	N	Summary	
(5) Do the Company's products and services comply with relevant laws and international standards in relation to customer health and	✓		<p>Company has established a comprehensive education system, such as training for new employees, annual training needs and budget surveys, and professional skills training. The Company also provides trainer training and on-the-job training programs to meet the needs of both the Company and individuals' development. The Company is dedicated to building an environment with abundant learning opportunities to facilitate the professional growth of its employees.</p> <p>2. The supervisors in various responsible units of the Company may also arrange for its employees (subordinates) to participate in courses offered by external professional training institutions based on their needs to enhance their professional development and market competitiveness.</p> <p>(5) The Company ensures that its products fully comply with various international and domestic standards and regulations, such as ISO 4210 Cycles – Safety</p>	

Items of Promotion	Implementation Status (Note 1)			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Deviations
	Y	N	Summary	
safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer protection and grievance procedure policies implemented?			requirements for bicycles, ISO 8098 Cycles (Safety requirements for bicycles for young children), CPSC 1512 U.S. Requirements for Bicycles, EN15194 European Union Bicycle Standards, JIS Japanese Industrial Standard, CNS 15138 Method of test for determination of phthalates plasticizers in plastic products - Part 1: Gas chromatography/mass spectrometry, CNS 13371 Eye Protection (for Protective helmets for drivers and passengers of motorcycle and mopeds), CNS 15557 Lighting Equipment for Bicycles, CNS 14976 Safety requirements for bicycles for young children., CNS 15289 Determination of the aromaticity of oil in vulcanized rubber compounds, CNS 4797 Safety of toys, and standards from the Bureau of Standards, Metrology, and Inspection of the Ministry of Economic Affairs. The Company discloses relevant service information and labeling on products, user manuals, and websites. For internal processes and supplier products and processes, testing and	

Items of Promotion	Implementation Status (Note 1)			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Deviations
	Y	N	Summary	
			<p>inspection are conducted according to relevant regulatory requirements, and supporting test reports are provided. Regular or random sampling inspections and audits are performed. If any non-compliant results are found, immediate improvement is requested, and continuous monitoring or shortening of the audit period is implemented. As of 2024, the Company had no violations of product health and safety, labeling and marketing communication regulations, and there were no incidents of recalls or CPSC enforcement notifications.</p> <p>The Company adheres to relevant domestic and export country regulations and international standards regarding customer health and safety, customer privacy, marketing, and labeling issues related to our products and services. The Company comply with the “Personal Data Protection Act” to protect customer privacy, following the Company’s internal “Regulations governing Personal Data</p>	



Items of Promotion	Implementation Status (Note 1)			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Deviations
	Y	N	Summary	
			Protection Management”. These measures include access control for files, restricting data use to business execution, projects, activities, and internal administrative purposes. The Company conducts regular training and audits to ensure the protection and management of customer personal data. In addition, the Corporate Website has a stakeholder section with a customer service hotline to protect consumer or customer rights and maintain open complaint channels. In 2024, the Company experienced a cybersecurity incident in which a weak password was exploited through brute-force attacks, leading to unauthorized access and the sending of phishing emails under a forged identity. The incident was promptly addressed by the Company’s information security team and did not have a significant impact on operations. In response, the Company has strengthened password requirements across all information systems and conducted cybersecurity awareness training to enhance employees’ security awareness.	

Items of Promotion	Implementation Status (Note 1)			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Deviations
	Y	N	Summary	
(6) Does the Company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational health and safety, or labor and human rights? If so, describe the results.	✓		(6) 1. The Company has established long-term and stable partnerships with its suppliers and is committed to jointly fulfilling social responsibilities. In 2024, based on a comprehensive evaluation of component types (such as key parts including carbon fiber frames, shock absorbers, gear sets, cranksets, and hubs) and transaction amounts, a sustainability self-assessment questionnaire was conducted with 66 existing key suppliers. Among them, 16 suppliers were certified with either GRI 300 series standards or the ISO 14001 Environmental Management System. Another 20 suppliers, while not certified, had implemented concrete energy management and energy-saving measures. Overall, the 2024 analysis indicated that 36 key suppliers were assessed as low ESG risks. Looking ahead to 2025, the Company will continue to periodically assess key suppliers to determine whether they comply with production standards,	

Items of Promotion	Implementation Status (Note 1)			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Deviations
	Y	N	Summary	
			<p>social responsibility, and codes of conduct. In addition, the Company is planning to implement a comprehensive supplier social responsibility audit mechanism which categorize suppliers by level and examine any breaches of conduct. If a supplier is found to be in violation of the relevant code, the Company will require the submission of a corrective action plan for review and set a deadline for improvement.</p> <p>2. As part of the supplier development and evaluation process, the publication of an ESG report is set as a priority criterion. Following that, the supplier's production capacity, quality control, and technological development capabilities are evaluated to ensure alignment in mutual expectations. Regarding social responsibility, the latest version of the supplier information form has been updated to include an item on ESG implementation. If a supplier indicates ESG practices are in place, supporting documentation is</p>	

Items of Promotion	Implementation Status (Note 1)			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Deviations
	Y	N	Summary	
			required. Verified ESG-compliant suppliers will be prioritized for inclusion in the Company's preferred supplier list.	
5. Does the Company reference internationally accepted reporting standards or guidelines, and prepared reports that disclose non-financial information of the Company, such as corporate social responsibility reports? Do the reports above obtain assurance from a third-party verification unit?	✓		<p>1. The Company follows the GRI Sustainability Reporting Standards issued by the Global Reporting Initiative (GRI) in accordance with the GRI 2021 Guidelines. and complies with Option + AA 1000 TYPE I Medium Assurance Level It adheres to the 8 reporting principles of accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability. It also aligns with the Sustainability Accounting Standards Board (SASB) standards for the TOYS &amp; SPORTING GOODS industry and corresponds to the United Nations Sustainable Development Goals (SDGs) and the disclosure of climate-related information for listed companies. The conducts have covered the stakeholder-concerned materiality and coheres to ESG strategies, showcasing the Company's determination in continued improvement at the ESG aspects.</p> <p>2. The Company's 2023 Sustainability Report has obtained</p>	None

Items of Promotion	Implementation Status (Note 1)			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Deviations
	Y	N	Summary	
			a verification statement from SGS, ensuring the accuracy of all disclosed information. Moving forward, the Company will continue to publish the report annually and obtain impartial third-party certification to communicate its corporate social responsibility and sustainability performance to stakeholders.	
6. Describe the difference, if any, between actual practice and the sustainable development principles, if the Company has implemented such principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies: The Company's "Sustainable Development Best Practice Principles" has been disclosed on the Company's website. The operation contains no deviation from the provisions of the Principles.				
7. Other useful information for explaining the status of corporate social responsibility practices: The Company has, in maintaining rights of consumers, set up its website in Chinese and English, and has furnished its customer service hotline for collection of various types of information and services thereof by dedicated personnel.				

Note 1: In case "Y" is ticked at the Implementation Status, please elaborate on the important policies, strategies, measures and their implementation status; In case "N" is ticked at the Implementation Status, describe the deviation and reasons for such deviation at the "Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Deviations" column, with additional descriptions on the plans pertaining to relevant policies, strategies and measures in the future. For promotion items 1 and 2, TWSE/TPEX listed companies are required to disclose the governance and supervisory framework for sustainable development, including but not limited to the formulation of management approaches, strategies, and goals, as well as review mechanisms. Furthermore, describe the Company's risk management policies or strategies for environmental, social, and corporate governance issues related to operations, along with their assessment results.

Note 2: Materiality principle refers to the topics with respect to the environment, society and corporate governance which has material influence on the

investors and other stakeholders of the Company.

Note 3: The Company assesses and takes risk management measures regarding operational environmental, social, and corporate governance issues as follows:

Scopes of Risk Control		
Type	Potential Risks	Countermeasures
Information Security Risks Management	<ol style="list-style-type: none"> <li>1. Equipment affected by force majeure disasters such as earthquakes, fires, etc.</li> <li>2. Data infected by viruses</li> <li>3. Data theft</li> <li>4. Subjected to hacker attacks</li> </ol>	<ol style="list-style-type: none"> <li>1. The Company establishes its Information Security Management System (ISMS) to reduce enterprise security threats from system, technical, and procedural perspectives, and to create confidential information protection services that meet customer requirements.</li> <li>2. The Company establishes environmental control and disaster prevention measures, as well as off-site data backup for equipment rooms.</li> <li>3. The Company installs antivirus software to applicable devices and regularly update versions and virus definitions.</li> <li>4. The Company implements access control devices and personnel management for equipment rooms and manage user data permissions to ensure data confidentiality.</li> <li>5. Timely update and regular inventory of software, hardware, and user devices for auditing purposes are made.</li> <li>6. The Company enhances awareness of malicious attacks on emails, software, files, etc. of its employees, and improves their awareness of information security.</li> </ol>
Financial Risks	<ol style="list-style-type: none"> <li>1. Exchange rate and interest rate risks</li> <li>2. Credit risk</li> <li>3. Liquidity risk</li> </ol>	<ol style="list-style-type: none"> <li>1. Mitigating risks through timely application of derivative financial instruments, such as forward foreign exchange contracts to hedge against exchange rate risks arising from imports and exports.</li> <li>2. Signing fixed-rate loan agreements with banks to reduce interest rate fluctuations over the loan period, or opt for short-term loans that can be renegotiated quickly in case of interest rate changes.</li> <li>3. Monitoring financial status of customers and conducting aging analysis to avoid financial losses caused by customer defaults on contractual obligations.</li> <li>4. Maintaining sufficient cash and cash equivalents to support the Group's operations and mitigate the impact of cash flow fluctuations; the Company's management supervises the utilization of bank financing facilities and ensures compliance with contract terms.</li> </ol>
Risks from Management of Intellectual Property Rights	Infringement of intellectual properties (e.g. trademarks, patents, or copyrights)	<ol style="list-style-type: none"> <li>1. Signing of licensing agreement is required when granting others the rights of intellectual property.</li> <li>2. When intellectual property rights are unlawfully infringed, legal personnel of the Company shall proactively work with relevant departments and attorneys at law to take effective protective measures.</li> </ol>

Note 4: The Company recognizes the potential risks and opportunities associated with climate change, both in the present and the future. The processes and response measures it undertakes are as follows:

Step 1: Background Information Collection	Step 2: Evaluating Scopes of Risks and Operations	Step 3: Analyses on Risks and Operation Impacts	Step 4: Setting of Management Measures and Goals
After reference to the suggestions from climate-related financial disclosure reports and guidance on relevant topics and processes by external experts, the Company, after learning the meanings of individual risks and opportunities, conducts data collection and scenario setting.	Based on the scope of covered risks, the Company decides to focus on considering and assessing the risks to MERIDA's Headquarters in Taiwan from 2022 onwards.	By evaluating the financial impacts and likelihood of each risk and opportunity and scoring them accordingly, discussions and deliberations are held with senior management and external consultants. Ultimately, three risks and one opportunity are identified. Going forward, the Company will perform financial impact assessment based on scenario settings (physical risk RCP8.5, NDC scenario, TCCIP physical risks, IPCC AR6 SSP1-2.6, and SSP5 baseline scenario transition risks)	After identifying the risks and opportunities, discussions are conducted to explore possible strategies to mitigate the financial impacts of the risks and set goals for their achievement; feasible approaches for realizing the opportunity are also discussed, and data gathering and implementation plans are expected to begin in the coming years.

MERIDA INDUSTRY CO., LTD. Risk Identification Results			
Risk Type	Risk Topics	Risk Description	Relevant Countermeasures
Transformation Risks	Regulations- Raising the Price for GHG Emission	The Company primarily manufactures generic bicycles and electrical power assist bicycles and actively promotes GHG reduction to align with national policies. Many countries are also implementing carbon taxes or carbon fee systems, progressively increasing the carbon tax rates in stages, which will significantly increase production costs and reduce competitiveness for industries with high carbon emissions or high electricity consumption.	<ul style="list-style-type: none"> <li>● In the future, the Company will actively comply with international GHG regulations and calculate emissions according to the reporting formats and cycles specified by each country. The calculated emissions will be reported to the government after verification by third-party verification organizations (related third-party verification fees for carbon inventory: approximately NT\$300,000 per year).</li> <li>● The Company has progressively promoted the adoption of ISO 14001 Environmental Management System, ISO 14064-1 Greenhouse Gas Inventory (implemented), and ISO 50001 Energy Management System to establish control over GHG emissions within the Group. The one-time cost of system implementation is estimated to be NT\$600,000, and the cost for periodic ISO system verification is NT\$900,000 per year.</li> <li>● In 2024, the Company's combined Scope 1 and Scope 2 GHG emissions totaled 5,228 tons of CO<sub>2</sub>e (self-assessed). At an estimated cost of NT\$1,500 per ton in 2030, the Company's annual carbon fee expenditure is NT\$7.842 million (assuming no further increase in emissions in the future).</li> </ul>
	Regulations – 2050 Net-Zero Emission Control 2050	In April 2022, the Taiwanese government renamed the amendment to the “Greenhouse Gas Reduction and Management Act” as the “Climate Change Response Act” and formulated a 2050 net-zero emissions policy. It cannot be ruled out that the government may gradually expand the tax scope to include other industries in the future and take economic measures to achieve net-zero emissions.	<ul style="list-style-type: none"> <li>● To comply with greenhouse gas (GHG) reduction targets and the 2050 net-zero emissions goal, the Group has aligned with Taiwan's Nationally Determined Contribution (NDC) targets, using 2022 as the base year. A 25% reduction (2,021.25 metric tons) is required by 2030, and a 100% reduction (8,085 metric tons) by 2050. The company signed an agreement at the end of 2023 to install on-site solar power generation equipment. Upon completion, the system is expected to generate over 1.3 million kWh of green electricity annually, which would reduce carbon emissions by approximately 643.5 metric tons per year.</li> <li>● The estimated expenditure for renewable energy certificates (T-RECs) is NT\$7.8 million by 2030 and NT\$46.8 million by</li> </ul>



			2050, based on a unit price of NT\$7,500 per certificate and the 2022 electricity consumption of 13 million kWh.
	Market – Changes in Customer Behaviors	Customer requests to reduce the carbon footprint of our main products. Where such request involves the main or auxiliary materials, the Company may respond by replacing them with qualified suppliers or using recycled aluminum materials, and may diminish the risks of customer order redirecting due failure to achieve to in the future.	<ul style="list-style-type: none"><li>● Regarding the use of recycled aluminum for the frame by the Company, further discussions with the customers are needed to ensure that the strength meets the specifications. The Company’s R&amp;D department will continue to monitor the industrial applications of composite low-carbon materials.</li><li>● The Company intends to prepare a list of material substitutions for both main and auxiliary materials and maintain information exchange with suppliers to obtain market updates early and take pre-emptive preparations.</li></ul>
Physical Risks	According to the projection using the AR6 statistical-downscaling data from TCCIP (Taiwan Climate Change Projection Information and Adaptation Knowledge Platform), the longest continuous dry period is projected to be about three months by 2050. The Company has an on-site groundwater supply and promotes water conservation activities. It is assessed that there will be no risk of water shortage.		In addition, based on the 24-hour, 650mm rainfall flood simulation from the disaster potential map by the National Science and Technology Center for Disaster Reduction, the Company’s facility in Taiwan is also not at risk of flooding.
MERIDA INDUSTRY CO., LTD. Opportunity Identification Results			
Opportunity Type	Opportunity Topic	Opportunity Description	Relevant Countermeasures
Products and Services	Increased sales of electrical power assist bicycles	Energy conservation and carbon reduction are the trend adopted in various nations, and the electrical power assist bicycles as replacement of transportation running on fossil fuel is the future trend. Electrical power assist bicycles are low-carbon products with promising market prospects as well as opportunities to continuously expand market share, effectively boosting the Company’s revenue.	<ul style="list-style-type: none"><li>● Continue to develop new the electrical power assist bicycles.</li><li>● Collaborating with customers to develop reduced-plastic packaging, making electrical power assist bicycles even more low-carbon.</li><li>● Providing sales and maintenance training to dealers and bike shops for electrical power assist bicycles.</li><li>● A growth in sales within a short period of time is less feasible due to the higher inventory in the 2023 bicycle industry; however, after inventory clearance in 2024, the electrical power assist bicycles may achieve an annual growth by 5% and more in the Company’s projection.</li></ul>

Climate-Related Information of TWSE/TPEX Listed Company Implementation Status of Climate-Related Information

Items	Implementation Status
1. Describe the supervision and governance over the climate-related risks and opportunities by the Board of Directors and management.	In addition to continuously tracking operational and governance-related risks through internal control and internal audit systems, the Company also introduced the Task Force on Climate-related Financial Disclosures (TCFD) framework in 2024. The Group's Board of Directors is responsible for formulating sustainable development and operational strategies, regularly overseeing environmental, social, and governance (ESG) issues that may affect sustainable development. Furthermore, the Company has established its ESG Promotion Committee, which, following the guidance of the Audit Committee and external experts, conducts cross-departmental discussions on climate change-related issues. The Board of Directors reports on the progress of GHG inventories quarterly and presents the ESG Promotion Committee's execution results at the end of the year. The ESG Promotion Committee regularly discusses potential challenges and response strategies regarding "environmental" aspects, submitting these for review by the Board of Directors and the Audit Committee.
2. Describe how the identified climate risks and opportunities influence the business, strategies and finance of the enterprise (short-term, medium-term, and long-term)	<p>The ESG Promotion Committee convenes cross-departmental meetings and discusses and identifies climate risks and opportunities with external consultants and experts. Furthermore, the Company assesses possible sudden risks and opportunities to screen out major transition climate risks, physical climate risks and transition climate opportunities. The risk interval is defined as:</p> <p>Short term: 1-3 years  Medium term: 4-10 years  Long term: more than 10 years</p> <p>Impacts of Identified Climate Risks and Opportunities in Continuation of 2023 Assessment:</p> <ul style="list-style-type: none"> <li>• Policy and Regulatory Risk (Increased Pricing on Greenhouse Gas Emissions):</li> </ul> <p>The Company is currently not subject to carbon emission regulations. However, in the future, carbon fees may be fully levied based on actual emissions, referencing the EU model. It is</p>

	<p>estimated that by 2030, the carbon fee may rise to NT\$1,500 per metric ton, which could pose a certain level of financial impact on the Company.</p> <ul style="list-style-type: none"> <li>• Policy and Regulatory Risk (2050 Net-Zero Emissions Regulations):</li> </ul> <p>Although the government has not yet established emission reduction standards for the bicycle industry, the Company plans to purchase renewable energy certificates (RECs) to mitigate the risk of excess emissions once such standards are implemented and if corporate emissions exceed regulatory thresholds.</p> <ul style="list-style-type: none"> <li>• Market Risk (Changes in Customer Behavior):</li> </ul> <p>Customers are increasingly demanding lower carbon footprints for key products. The Company is responding by using recycled aluminum-magnesium materials (without compromising product functionality and safety) and adopting eco-friendly packaging materials. There is currently no risk of customer order transfers in the short to medium term.</p> <ul style="list-style-type: none"> <li>• Product and Service Opportunity (Increased Sales of Electrical Bicycles):</li> </ul> <p>In line with the global trend toward energy conservation and carbon reduction, electric-assisted bicycles are increasingly being adopted as a substitute for fossil fuel-powered transportation. As a low-carbon product, electric-assisted bicycles have strong market potential. This presents an opportunity for the Company to expand its market share and effectively contribute to revenue growth.</p>
3. Describe the influence of extreme climate events and transformation actions on finance.	<p>Acute Physical Risks (Implications under the Extreme Weather) may easily lead to short-term water shortage or flooding by heavy rainfall, which result in increased operation costs or operational disruption and further lead to increased operational cost along with reduced turnover and loss in assets.</p> <p>The Company is not located in an area at risk of sea level rise, whilst its plants are equipped with its own groundwater supply and actively promotes water conservation initiatives. Based on evaluations, the Company is not exposed to water scarcity risks; furthermore, no flooding incidents have occurred in recent years, and a comprehensive flood prevention and water management system is in place, along with sufficient property insurance coverage as a risk mitigation measure.</p>

4. Describe how the identification, assessment and management process of climate risks are integrated with the overall risk management system.	The ESG Promotion Committee holds cross-departmental meetings and, after discussions with external consultants and experts, conducts the process of identifying and assessing climate-related risks (every 2-3 years). Adjustments are made on a rolling basis in response to potential emerging risks and opportunities. Annually, during management and budget meetings, the progress of funding for climate response plans is reviewed. Routine risk management is carried out by each business unit following internal control procedures, with regular reporting of progress and outcomes by each working group to the ESG Promotion Committee.
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Items	Implementation Status
5. Where the scenario analysis is engaged in the assessment of resilience towards climate change risks, the scenarios used, parameters, assumptions, analysis factors and main financial influences shall be described.	<p>(1) Transition Risks</p> <ul style="list-style-type: none"> <li>• Policy and Regulatory Risk – Increased Carbon Pricing: In 2024, the Company’s total Scope 1 and Scope 2 GHG emissions amounted to approximately 5,228 metric tons of CO<sub>2</sub>e. At present, the Company is not subject to carbon fee requirements. However, assuming a projected carbon fee of NT\$1,500 per metric ton in 2030 and full payment based on total emissions, the annual carbon cost could reach approximately NT\$7.842 million (based on the assumption of no increase in emissions).</li> <li>• Policy and Regulatory Risk – 2050 Net-Zero Emissions Mandate: According to the Ministry of Environment’s 2024 announcement of the “Phase 3 GHG Reduction Targets,” the maximum national reduction target is set at 30%. This implies that by 2030, the Company’s combined Scope 1 and Scope 2 emissions should be reduced to approximately 5,660 metric tons. Based on the Company’s recent two-year average emissions of about 5,400 metric tons, and considering the estimated reduction of 616 metric tons from the Company’s on-site solar power generation, the national reduction target for 2030 is expected to be achievable.</li> </ul> <p>(2) Physical Risks</p> <ul style="list-style-type: none"> <li>• Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) – AR6 SSP1-2.6 and SSP5-8.5 scenarios (sea level rise and flooding risk)</li> <li>• TCCIP 2024 County/City Climate Change Overview – Basic Edition – AR6 SSP1-2.6 and SSP5-8.5 scenarios (maximum number of consecutive dry days per year)</li> </ul>

	<ul style="list-style-type: none"> <li>• National Science and Technology Center for Disaster Reduction (NCDR) – Climate Change Disaster Risk Map (hazard and vulnerability analysis) for financial impact assessment</li> </ul> <p>Based on the assessments above, the Company's facilities in Taiwan have not experienced any financial impacts resulting from physical risks.</p>
6. If there is a transformation plan to manage climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical and transition risks.	The Company has incorporated the ISO 50001 Energy Management System in 2024. Specific energy transformation response plans and control indicator targets will be formulated after the completion of the relevant energy consumption baseline investigation.
7. If internal carbon pricing is used as a planning tool, the basis for price determination should be explained.	The Company has planned to implement the ISO 50001 Energy Management System and will gradually introduce an internal carbon pricing mechanism as a reference for evaluating the cost of carbon reduction.
8. If climate-related goals are set, the activities covered, the scope of GHG emissions, the planning schedule, annual achievement progress and other information shall be explained; if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, the information shall be	<p>At present, the Company has adopted the Bicycling Alliance for Sustainability (BAS) standard as its carbon reduction target, aiming to reduce Scope 1 and Scope 2 GHG emissions by 25% by 2030 compared to the base year. In 2024, the total Scope 1 and Scope 2 emissions amounted to approximately 5,228 metric tons of CO<sub>2</sub>e, representing a 35.34% reduction compared to the 2022 baseline year (8,085 metric tons of CO<sub>2</sub>e).</p> <p>In 2024, the Company also declared the use of 100 Taiwan Renewable Energy Certificates (T-RECs) (Certificate Nos. 24SP1024-B024000001~100).</p>

explained. The source and quantity of offset carbon reduction credits or the quantity of renewable energy certificates (RECs).	
9. GHG inventory and assurance situations, along with reduction targets, strategies, and specific action plans (filled in separately at 1-1 and 1-2).	The relevant information of the Company shall be disclosed in accordance with the schedule prescribed under per Order Financial-Supervisory-Securities-Corporate-11203852314.

(7) Implementation of Ethical Corporate Management and its Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons:

Evaluation Items	Implementation Status (Note 1)			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Y	N	Summary	
1. Establishment of ethical corporate management policies and programs (1) Does the Company have a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy?	✓		(1) 1. The Company has adopted its “Ethical Corporate Management Best Practice Principles” following approval by the Board of Directors and has disclosed such adoption on the Corporate Website. 2. Business philosophy of the Company’s: creating unlimited competitiveness and giving back to the corporates and the community through business core of honesty and prudence, and the enthusiasm of mutual assistance. 3. The Company is committed to deepening a culture of integrity in its business operations and establishing a sound and well-developed framework for proper commercial operations.	None
(2) Does the Company have mechanisms in place to	✓		(2) The Company requires its directors,	

Evaluation Items	Implementation Status (Note 1)			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Y	N	Summary	
<p>assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the Company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?</p> <p>(3) Does the Company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the Company enforce the programs above effectively and perform regular reviews and amendments?</p>	✓		<p>managers, employees, and appointees to comply with the subparagraphs under Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies. Furthermore, the Company establishes effective accounting and internal control systems to manage daily business operations, which is supported by the implementation of audit systems to ensure the implementation of mechanisms for assessing unethical conducts.</p> <p>(3) Although the Company has not adopted a dedicated chapter on preventing unethical conducts, relevant management regulations governing various operating activities in conjunction with periodic verification over the implementation of relevant systems by the audit personnel are in place to ensure the implementation of ethical corporate management without concerns.</p>	



Evaluation Items	Implementation Status (Note 1)			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Y	N	Summary	
<p>2. Fulfilling Operations Integrity Policy</p> <p>(1) Does the Company evaluate business partners’ ethical records and include ethics-related clauses in business contracts?</p> <p>(2) Does the Company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?</p>	✓	✓	<p>(1) Prior to transactions, the Company evaluates the integrity records of counterparties. All transactional activities must be conducted in accordance with the Company’s relevant management regulations. Meanwhile, internal audit personnel periodically audit various transactional matters to prevent unlawful behavior.</p> <p>(2) The Company has not yet established a dedicated unit responsible for promoting corporate ethical management. But each department is responsible for reviewing and fulfilling the Company’s responsibilities in terms of corporate ethical management. Internal audit personnel also conduct periodic audits of various transactional matters, with the results regularly reported to the Audit Committee and the Board of Directors.</p>	None

Evaluation Items	Implementation Status (Note 1)			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Y	N	Summary	
(3) Does the Company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	✓		(3) The Company’s “Rules of Procedure for Board of Directors’ Meetings”, “Operational Procedure for Management over Prevention of Insider Trading”, “Ethical Corporate Management Best Practice Principles”, “Code of Ethical Conducts” and other management regulations clearly stipulate principles for directors, managers, and employees to avoid conflicts of interest. Internal audit personnel are also engaged for irregular audits.	
(4) Does the Company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits?	✓		(4) To ensure the implementation of ethical business practices, the Company has established effective accounting and internal control systems. Internal audit personnel regularly verify compliance with these systems and report their discovery to the Board of Directors.	
(5) Does the Company regularly hold internal and external educational trainings on operational	✓		(5) The Company regularly provides information on corporate governance and ethical business	

Evaluation Items	Implementation Status (Note 1)			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Y	N	Summary	
integrity?			practices training courses, notifying directors, members of the Audit Committee, internal personnel, and relevant management units to arrange participation in a timely manner.	
3. Implementation Status Operation of the Integrity Channel				
(1) Does the Company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	✓		(1) Employees of the Company may file their grievances through reporting to unit supervisors as well as a designated reporting channel mailbox and telephone number publicly disclosed on the Corporate Website. The grievances are further managed and handled by dedicated personnel.	None
(2) Does the Company have in place standard operating procedures for investigating accusation cases, as well as follow-up actions and relevant post-investigation confidentiality measures?	✓		(2) When the responsible unit for handling reports accepts the information provided by the whistleblower, they will assign dedicated personnel to investigate and handle the matter. The investigation process, handling procedures, and the identity of the parties involved will be held	

Evaluation Items	Implementation Status (Note 1)			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Y	N	Summary	
(3) Does the Company provide proper whistleblower protection?	✓		confidential throughout, and whistleblowers will not be subject to any improper dispositions. (3) Same as above.	
4. Strengthening Information Disclosure (1) Does the Company disclose its ethical corporate management policies and the results of its implementation on the Company’s website and MOPS?	✓		(1) The Company has adopted its Ethical Corporate Management Best Practice Principles and disclosed them on the Corporate Website.	None
5. If the Company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation: None.				
6. Other important information to facilitate a better understanding of the Company’s ethical corporate management policies (e.g., review and amend its policies): Procurement and sales units of the Company organize procurement and sales meetings inviting vendors and customers to discuss various topics with a view to avoid unethical conducts.				

Note 1: Please specify in Summary no matter if a “Y” or “N” is ticked.

- (8) Other important information sufficient to improve understanding of implementation status for corporate governance may be disclosed altogether:

Information with respect to finance and business of the Company is disclosed on the Corporate Website at an appropriate manner, and is disclosed on “MOPS” on regular or irregular bases in accordance with regulations by the competent authority.

(9) Disclosures Required for the Implementation of the Internal Control System:

1. Internal Control Statement:

MERIDA INDUSTRY CO., LTD.

Statement on Internal Control

Date: March 13, 2025

The Company hereby releases this Statement concerning the results of self-inspection on the Company's internal control system made in 2024:

1. The Company is fully aware that establishing, operating, and maintaining an internal control system are the responsibility of its Board of Directors and management. The Company has established such a system aimed at providing reasonable assurance of the achievement of objectives in the effectiveness and efficiency of operations (including profits, performance, and safeguard of asset security), the reliability, timeliness, and transparency of reporting, and compliance with applicable norms and applicable laws, regulations, and bylaws.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing the three objectives mentioned above. Furthermore, the effectiveness of an internal control system may change along with changes in environment or circumstances. The internal control system of the Company contains self-monitoring mechanisms, however, and the Company takes corrective actions as soon as a deficiency is identified.
3. The Company judges the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets (hereinbelow, the "Regulations"). The internal control system judgment criteria adopted by the Regulations divide internal control into five elements based on the process of management control: 1. control environment 2. risk assessment 3. control activities 4. information and communications 5. monitoring activities. Each element contains several items. Please refer to the Regulations for details.
4. The Company has assessed the design and operating effectiveness of its internal control system according to the aforesaid criteria.
5. Based on the findings of the assessment mentioned in the preceding paragraph, the Company believes that as of December 31, 2024 <sup>Note 2</sup> its internal control system (including its supervision and management of subsidiaries and its overall implementation of information security), encompassing internal controls for understanding the degree of achievement of operational effectiveness and efficiency objectives, the reliability, timeliness, and transparency of reporting, and compliance with applicable norms and applicable laws, regulations, and bylaws, is effectively designed and operating, and reasonably assures the achievement of the above-stated objectives.

6. This Statement will become a major part of the content of the Company's Annual Report and Prospectus and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
7. This Statement has been passed by the Board of Directors Meeting of the Company held on March 13, 2025, where none of the 13 attending directors or 0 proxy expressed dissenting opinions, and the remainder all affirmed the content of this Statement.

MERIDA INDUSTRY CO., LTD.

Chairman: Tseng Song-Zhu

President: Tseng Shang-Yuan

Note 1: If during the fiscal year there has existed any material deficiency in the design and operation of the internal control system of the securities or futures industry service enterprise, an explanatory section shall be added after paragraph 4 of the Statement on Internal Control, listing and explaining any material deficiencies found in the self-assessment, and the corrective actions and status of corrections taken by the company up to the balance sheet date.

Note 2: The date of the statement is the fiscal year end date.

2. Review on Internal Control System by Entrusted Auditors: Not Applicable.

(10) Major Resolutions of Shareholders' Meeting and Board Meetings in the Most Recent Year and up to the Date of Publication of the Annual Report:

1. Regular Shareholders' Meeting: Convened on June 26, 2024.

(1) Important Resolutions and Implementation Status Thereof:

- A. To adopt the Company's 2023 Business Report and Standalone and Consolidated Financial Statements  
Implementation Status: announced on MOPS following resolution by the Shareholders' Meeting.
- B. To adopt the Company's 2023 Earnings Distribution  
Implementation Status: Per 2023 Earnings Distribution, a cash dividend at NT\$6 will be distributed for per share held. According to the resolutions by the 4th Board of Directors meeting in 2024, the reference date for distribution is set to August 14, 2024, with distributions set to be completed by September 6, 2024.
- C. To adopt the amendments to the Company's Articles of Incorporation  
Implementation Status: the proposed item has amended following resolution by the Shareholders' Meeting and then disclosed on the Corporate Website, with relevant matters handled in accordance with the amended procedure(s).
- D. Re-election of the Company's Directors (incl. Independent Directors)  
Election Result:
  - (A) Directors elect: Tseng Song-Zhu, Tseng-Lu Min-Hua, Luo Cai-Ren, Ding-Sheng Investment Co., Ltd. (two seats assumed by its representatives Jiang Jia-xuan and Lai Jun-gu), and Ding-Hung Investment Co., Ltd. (four seats assumed by its representatives Zheng Wen-Xiang, Yuan Qi-Bin, Lai Ru-Ding, and Tseng Ching-Cheng)
  - (B) Independent directors elect: Chen Shui-Jin, Chen Jian-Nan, Tsai Wu-Ying, and Lei Shin-Jung.
- E. To adopt the Release of Restrictions on New Directors of the Company from Participating in Competitive Businesses  
Implementation Status: announced on MOPS following resolution by the Shareholders' Meeting.

2. Board of Directors Meetings:

(1) 1<sup>st</sup> Meeting in 2024 on January 31:

- A. To report the Status of the Company's Internal Audit
- B. The Company has completed GHG Inventory and Verification Report by prescribed timeframe
- C. The Company's 2023 Year-End Bonus Distribution to Employees



Resolution: approved and adopted by all attending directors and independent directors.

D. The Company's Proposal of Employee Salary Adjustment

Resolution: approved and adopted by all attending directors and independent directors.

E. To review the Company's Loan of Funds

Resolution: approved and adopted by all attending directors and independent directors.

F. To provide the Endorsement and Guarantee to MERIDA NORGE AS

Resolution: approved and adopted by all attending directors and independent directors.

G. To approve the Loaning of Funds to MERIDA BENELUX B.V.

Resolution: approved and adopted by all attending directors and independent directors.

H. Amendment to the Company's Rules of Procedure for Board of Directors' Meetings

Resolution: approved and adopted by all attending directors and independent directors.

I. Amendment to the Company's Audit Committee Charter

Resolution: approved and adopted by all attending directors and independent directors.

J. Amendment to the Company's Corporate Governance Best Practice Principle

Resolution: approved and adopted by all attending directors and independent directors.

(2) 2nd Meeting in March 14 on 2024:

A. To report the Status of the Company's Internal Audit

B. To report the Company's Board of Directors Performance Evaluation Result for 2023

C. The Company's 2023 Business Report

D. To report the Company's 2024 Business Plans

E. To report the Overview of Reinvestment Businesses by the Company

F. To adopt the Company's Distribution of Employees and Directors' Remuneration for 2023

Resolution: approved and adopted by all attending directors and independent directors.

G. To ratify the Company's 2023 Business Report

Resolution: approved and adopted by all attending directors and independent directors.

H. To ratify the Company's 2023 Standalone and Consolidated Financial Statements

Resolution: approved and adopted by all attending directors and independent directors.

I. To adopt the Company's 2023 Earnings Distribution

Resolution: approved and adopted by all attending

- directors and independent directors.
- J. To review the Company's 2023 "Statement on Internal Control"  
Resolution: approved and adopted by all attending directors and independent directors.
  - K. To review the Approval of Loaning of Funds by the Company and its Subsidiaries  
Resolution: approved and adopted by all attending directors and independent directors.
  - L. To review the Company's 2024 Employee Salary Adjustments  
Resolution: approved and adopted by all attending directors and independent directors.
  - M. Evaluations on Independence and Suitability of the Attesting CPAs for the Company.  
Resolution: approved and adopted by all attending directors and independent directors.
  - N. To review 2024 Audit Fee of the Company.  
Resolution: approved and adopted by all attending directors and independent directors.
  - O. Re-election of the Company's Directors (incl. Independent Directors)  
Resolution: approved and adopted by all attending directors and independent directors.
  - P. Date, Location, Agenda and Relevant Matters for the Company's 2024 Regular Shareholders' Meeting  
Resolution: approved and adopted by all attending directors and independent directors.
  - Q. Acceptance of Shareholders' Proposal, Location and Relevant Matters for the Company's 2024 Regular Shareholders' Meeting  
Resolution: approved and adopted by all attending directors and independent directors.
  - R. Date, Location and Relevant Matters for Nominations of the Company's Board Election in the 2024 Regular Shareholders' Meeting  
Resolution: approved and adopted by all attending directors and independent directors.
- (3) 3rd Meeting in 2024 on May 13:
- A. To report the Status of the Company's Internal Audit
  - B. The Company has completed GHG Inventory and Verification Report by prescribed timeframe
  - C. To report the Overview of Reinvestment Businesses by the Company in Q1 2024
  - D. To ratify the Company's Consolidated Financial Statements for Q1 2024  
Resolution: approved and adopted by all attending directors and independent directors.
  - E. To review the Approval of Loaning of Funds by the

Company and its Subsidiaries

Resolution: approved and adopted by all attending directors and independent directors.

F. Nomination of the List of Candidates for the Company's Directors (incl. Independent Directors) by the Board

Resolution: approved and adopted by all attending directors and independent directors.

G. Release of Restrictions on New Directors of the Company from Participating in Competitive Businesses

Resolution: approved and adopted by all attending directors and independent directors.

H. Amendment to the Company's Operational Procedures for the Preparation and Filing of Sustainability Report

Resolution: approved and adopted by all attending directors and independent directors.

I. Discussion on the Disposal of Equity Interest in MERIDA Bicycle (CHINA) Co., Ltd. [hereinafter referred to as "MBC"] by MERIDA Industry (H.K.) Co. Ltd.

Resolution: the Chairman under authorization by all attending directors may negotiate matters related to the disposal.

(4) 4th Meeting in 2024 on June 26:

A. Proposal for the Election of the Chairman of the Board

Resolution: All attending directors unanimously resolved to elect Director Mr. Tseng Song-Zhu as Chairman of the Board.

B. Appointment of Members to the 6th Compensation Committee

Resolution: Interested independent directors Chen Shui-Jin and Chen Jian-Nan recused themselves from the meeting and did not participate in the discussion or voting. The remaining attending directors and independent directors resolved to approve the appointment of Chen Shui-Jin, Chen Jian-Nan, and Wu Kuan-Hsien as members of the Company's 6th Compensation Committee.

C. Resolution on Remuneration for Compensation Committee Members

Resolution: Interested independent directors Chen Shui-Jin and Chen Jian-Nan recused themselves from the meeting and did not participate in the discussion or voting. The remaining attending directors and independent directors resolved to approve the proposal.

D. Resolution on Remuneration for Independent Directors

Resolution: Interested independent directors Chen Shui-Jin, Chen Jian-Nan, Tsai Wu-Ying, and Lei Shin-Jung recused themselves from the meeting and did not participate in the discussion or voting. The remaining attending directors resolved to approve the proposal.

- E. Proposal for Setting the Schedule of Cash Dividend Distribution for Common Shares Based on the Earnings of Fiscal Year 2023  
Resolution: approved and adopted by all attending directors and independent directors.
- (5) 5th Meeting in 2024 on August 12:
  - A. To report the Status of the Company's Internal Audit
  - B. The Company has completed GHG Inventory and Verification Report by prescribed timeframe
  - C. To report the Implementation Result of the Company's 2023 Sustainability Report
  - D. To report the Overview of Reinvestment Businesses by the Company in Q2 2024
  - E. To ratify the Company's Consolidated Financial Statements for Q2 2024  
Resolution: approved and adopted by all attending directors and independent directors.
  - F. To review the Approval of Loaning of Funds by the Company and its Subsidiaries  
Resolution: approved and adopted by all attending directors and independent directors.
  - G. Change to the Company's Spokesperson  
Resolution: approved and adopted by all attending directors and independent directors.
  - H. the Company's Additional investment in Merida & Centurion Germany GmbH  
Resolution: approved and adopted by all attending directors and independent directors.
- (6) 6th Meeting in 2024 on September 4:
  - A. To review the Approval of Loaning of Funds by the Company and its Subsidiaries  
Resolution: approved and adopted by all attending directors and independent directors.
  - B. Amendment to the Company's "Regulations Governing Payments of Directors' Remunerations"  
Resolution: approved and adopted by all attending directors and independent directors.
  - C. To adopt the Company's Distribution of Directors' Remuneration for the Year 2023  
Resolution: approved and adopted by all attending directors and independent directors.
  - D. To adopt the Company's Distribution of Employees' Remuneration for the Year 2023  
Resolution: approved and adopted by all attending directors and independent directors.
  - E. Amendment to the Remuneration Payment for the Compensation Committee Members  
Resolution: Interested independent director Chen Shui-Jin recused himself from the meeting and did not

participate in the discussion or voting. The remaining attending directors and independent directors resolved to approve the proposal.

F. Amendment to the Company's Corporate Governance Best Practice Principle

Resolution: approved and adopted by all attending directors and independent directors.

(7) 7th Meeting in 2024 on November 13:

A. To report the Status of the Company's Internal Audit

B. To report the Purchase of "Directors and Officers Liability Insurance"

C. The Company has completed GHG Inventory and Verification Report by prescribed timeframe

D. To report the Overview of Reinvestment Businesses by the Company in Q3 2024

E. To ratify the Company's Consolidated Financial Statements for Q3 2024

Resolution: approved and adopted by all attending directors and independent directors.

F. To review the Approval of Loaning of Funds by the Company and its Subsidiaries

Resolution: approved and adopted by all attending directors and independent directors.

G. To review the Company's Promulgation of 2025 Audit Plan

Resolution: approved and adopted by all attending directors and independent directors.

H. To review the Loans of MERIDA Bicycle (Shandong) Co., Ltd. under Commission to MERIDA Bicycle (Jiangsu) Co., Ltd.

Resolution: approved and adopted by all attending directors and independent directors.

I. To provide Endorsement and Guarantee to Merida & Centurion Germany GmbH.

Resolution: approved and adopted by all attending directors and independent directors.

J. To approve the Loaning of Funds to MERIDA BENELUX B.V.

Resolution: approved and adopted by all attending directors and independent directors.

K. Changes in Personnel of the Company

Resolution: approved and adopted by all attending directors and independent directors.

L. To approve Changes to the Company's Internal Audit Supervisor

Resolution: approved and adopted by all attending directors and independent directors.

M. To approve Changes to the Company's Acting Spokesperson

Resolution: approved and adopted by all attending directors and independent directors.

- N. To approve the Formulation of the Company's "Regulations governing the Sustainable Information Management Operations"

Resolution: approved and adopted by all attending directors and independent directors.

- O. To provide the Endorsement and Guarantee to MERIDA NORGE AS

Resolution: approved and adopted by all attending directors and independent directors.

(8) 1st Meeting in 2025 on January 22:

- A. To report the Status of the Company's Internal Audit

- B. The Company has completed GHG Inventory and Verification Report by prescribed timeframe

- C. The Company's 2024 Year-End Bonus Distribution to Employees

Resolution: approved and adopted by all attending directors and independent directors.

- D. The Company's Proposal of Employee Salary Adjustment

Resolution: approved and adopted by all attending directors and independent directors.

- E. To review the Approval of Loaning of Funds by the Company and its Subsidiaries

Resolution: approved and adopted by all attending directors and independent directors.

(9) 2nd Meeting in 2025 on March 13, 2025:

- A. To report the Status of the Company's Internal Audit

- B. To report the Company's Board of Directors Performance Evaluation Result for 2024

- C. The Company's 2024 Business Report

- D. To report the Company's 2025 Business Plans

- E. To report the Overview of Reinvestment Businesses by the Company

- G. To adopt the Company's Distribution of Employees and Directors' Remuneration for 2024

Resolution: approved and adopted by all attending directors and independent directors.

- H. To ratify the Company's 2024 Business Report

Resolution: approved and adopted by all attending directors and independent directors.

- I. To ratify the Company's 2024 Standalone and Consolidated Financial Statements

Resolution: approved and adopted by all attending directors and independent directors.

- J. To adopt the Company's 2024 Earnings Distribution

Resolution: approved and adopted by all attending directors and independent directors.

- K. To review the Company's 2024 "Statement on Internal Control"  
Resolution: approved and adopted by all attending directors and independent directors.
- L. To review the Approval of Loaning of Funds by the Company and its Subsidiaries  
Resolution: approved and adopted by all attending directors and independent directors.
- M. Changes in Personnel of the Company  
Resolution: approved and adopted by all attending directors and independent directors.
- N. Evaluations on Independence and Suitability of the Attesting CPAs for the Company  
Resolution: approved and adopted by all attending directors and independent directors.
- O. To review 2025 Audit Fee of the Company  
Resolution: approved and adopted by all attending directors and independent directors.
- P. To provide the Endorsement and Guarantee to MERIDA Bicycle (Jiangsu) Co., Ltd.  
Resolution: approved and adopted by all attending directors and independent directors.
- Q. To determine the Scope of the Company's Non-executive Employees  
Resolution: approved and adopted by all attending directors and independent directors.
- R. Amendment to the Company's Articles of Incorporation  
Resolution: approved and adopted by all attending directors and independent directors.
- S. Distribution of the Company's 2024 Special Bonuses for Employees  
Resolution: approved and adopted by all attending directors and independent directors.
- T. Proposal: Date, Venue, Method, Agenda, and Other Matters Related to the 2025 Annual General Shareholders' Meeting  
Resolution: Approved by all attending directors and independent directors.
- U. Acceptance of Shareholders' Proposal, Location and Relevant Matters for the Company's 2025 Regular Shareholders' Meeting  
Resolution: approved and adopted by all attending directors and independent directors.

(11) Major Issues of Record or Written Statements Made by Any Director or Supervisor Dissenting to Important Resolutions Passed by the Board of Directors in the Most Recent Year and up to the Date of Publication of the Annual Report: None.

### iii. Information Regarding the Company's Audit Fee

#### (1) CPA Audit Fee Information

CPA Professional Charges for the services to the Company has been reviewed and adopted by the Audit Committee and then submitted to the Board of Directors for approval

Unit: NT\$ thousand

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Audit Fee	Non-Audit Fee	Total	Remarks
Deloitte & Touche Taiwan	Wu, Shao-Chun	2024/1/1~2024/12/31	6,010	-	6,010	
	Tseng Done-Yuin					
Deloitte & Touche Taiwan	Kang Yu-Yeh		-	4,388	4,388	Audit Fees on Tax Compliance Audit, Business Tax Direct Deduction Method, Master File, Country-by-Country Report, Transfer Pricing Report, Global Anti-Base Erosion, etc.

Note: If there is any replacement of accountants or accounting firms in the Company this year, please indicate the period of audit and the reasons for replacement in the Remarks column, and disclose in order the information of professional charge payments on audit services and non-audit services. For charges on non-auditing services, please append notes on the description of services.

- (2) Where a replacement of accounting firm is made and the audit fee paid in the year of replacement is less than the audit fee in the previous year, the amount and reasons for the audit fee before and after the replacement shall be disclosed:
- (3) Where audit fees have decreased by more than 10% compared with the previous year, the amount, proportion and reasons for the decrease in audit fees shall be disclosed: None.



#### iv. Replacement of CPAs

(1) Regarding the former CPA:

Replacement Date	Not Applicable		
Replacement reasons and explanations	Not Applicable		
Describe whether the Company terminated or the CPA did not accept the appointment	Parties		CPA
	Status	The Company	
	Termination of appointment	Not Applicable	
No longer accepted (continued) appointment			
Other issues (except for unqualified issues) in the audit reports within the last two years	Not Applicable		
Differences with the Company	Yes	Not Applicable	Accounting principles or practices
		Not Applicable	Disclosure of Financial Statements
		Not Applicable	Audit scope or steps
		Not Applicable	Others
	No	Specify Details:	
Other Revealed Matters (Matters to be disclosed under items 1-4 through 1-7, Subparagraph 6, Article 10 of these Regulations by the former CPA)	Not Applicable		

(2) Regarding the successor CPA:

Name of accounting firm	Not Applicable
Name of CPA	Not Applicable
Date of appointment	Not Applicable

Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the company's financial reports that the CPA might issue prior to the engagement.	Not Applicable
Succeeding CPA's written opinion of disagreement toward the former CPA	Not Applicable

(3) Response in accordance with matters under items 1 and 2-3, Subparagraph 6, Article 10 of these Regulations by the former CPA:  
Not Applicable.

#### **v. Evaluation Report on Independence and Suitability of the Company's CPAs**

The evaluation on the independence and suitability of the attesting CPAs for the Company in accordance with Article 29 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and with reference of Code of Professional Ethics of CPAs in the Republic of China is as follows: (reported to the Company's 2<sup>nd</sup> Board of Directors meeting in 2025)

#### **Evaluation on Independence and Suitability of CPAs of MERIDA INDUSTRY CO., LTD.**

##### **1. Independence Evaluation**

Date of Evaluation: 2025/3/13

Item	Indicator	Yes	No	Evaluation Result	
				Meets independence	Does not meet independence
1	The CPA of the Company holds shares of the Company.		√	√	
2	The CPA of the Company is engaged in loan of money from the Company.		√	√	
3	The CPA of the Company is engaged in joint investment or revenue sharing with the Company.		√	√	
4	The CPA of the Company is employed by the Company two years prior to the start of auditing and attesting or within one year from the date of dismissal.		√	√	

5	The CPA of the Company takes concurrent role of the Company with regular works of and receives regular pays from the Company e.g. person in charge, director, supervisor, manager or employee.		√	√	
6	The CPA of the Company is a spouse, lineal relative, lineal relative by marriage or collateral relatives by blood with a management personnel of the Company.		√	√	
7	The CPA of the Company has the management capacity which may influence decision-making of the Company.		√	√	
8	The CPA of the Company directly or indirectly implies any form of relationship or use inducements to solicit business.		√	√	
9	The CPA of the Company receives commissions related to the Company's business.		√	√	
10	The CPA of the Company enters into prior agreement with the Company regarding the amount or method of payment of fees.	√		√	
11	The CPA of the Company bases the fees for services on achieving a specific finding or result.		√	√	
12	The CPA of the Company keeps entrusted matters confidential and does not disclose them without the consent of the Company, except as required by professional standards or legal regulations.	√		√	
13	The CPA of the Company shall not have any detrimental intentions towards the Company or third parties using any secrets obtained in the course of their business.	√		√	
14	The proportion of non-audit services provided by the Company's accounting firm will affect independence.		√	√	
15	The cumulative years of providing audit services by a CPA of the Company may affect independence.		√	√	

## 2. Suitability Evaluation

Aspects	Specific Indicators	Meaning of Indicator	Y	N	Evaluation Result	
					Criteria met	Criteria not met
Professionalism	CPA Qualifications	Is the CPA of the Company qualified to perform accounting services?	√		√	
	Knowledge of Related Industry	Does the CPA of the Company possess relevant industry knowledge to facilitate the conduct of audit work?	√		√	

	Foundations for Execution of Financial Statement Audit Tasks	Do the CPAs perform financial statement audits in accordance with the “Generally Accepted Auditing Standards” and the “Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants”?	√		√	
	Auditing Experience	Do the CPAs and audit staff have sufficient audit experience to perform audit work?	√		√	
	Training Hours	Have the CPAs and audit staff received adequate education and training to acquire professional knowledge and skills?	√		√	
	Turnover	Does the accounting firm maintain a sufficient number of experienced personnel?	√		√	
	Professional Support	Does the accounting firm have an adequate number of non-audit professionals, including computer auditors and valuation experts, to support the audit team?	√		√	
Quality Control	CPA Burden	Are the number of audit engagements and the hours devoted to audit work by the CPAs excessive?		√	√	
	Auditing Engagement	Is the allocation of resources by the audit team appropriate at each stage of the audit?	√		√	
	Status of Engagement Quality Control Recheck (EQR)	Is the EQR devoting sufficient time to perform the review of audit engagements?	√		√	
	Ability of Quality Management Support	Does the accounting firm have sufficient quality control resources, including risk management and professional advisors, to support the audit team?	√		√	
Supervision	Unconformities in External Examinations and Dispositions	Is the accounting firm’s quality control and execution of audit engagements in compliance with relevant laws and standards?	√		√	
	Submission of Letter by Competent Authority for Improvement		√		√	
Ability for Innovation	Innovation Plans or Initiatives	Does the accounting firm demonstrate a commitment to enhancing audit quality, including the adoption or planning of initiatives to improve audit quality?	√		√	

**vi. Engagement with CPA Firm of the Company’s Auditing and Attesting CPA or its Related Business by Chairman, President and the Manager in Charge of Finance or Accounting in the Most Recent Year:** Not Applicable.

**vii. Changes in Share Ownership Transfer and Pledge of Shares by Directors, Independent Directors, Managers and Shareholders with Shareholding over 10% in the Most Recent Year and up to the Date of Publication of the Annual Report**

(1) Changes in Equity for Directors, Independent Directors, Manager and Major Shareholders:

Unit: Shares

Title (Note 1)	Name	2024		As of April 27, 2025	
		Increase (Decrease) in Number of Shares Held	Increase (Decrease) in Number of Shares Pledged	Increase (Decrease) in Number of Shares Held	Increase (Decrease) in Number of Shares Pledged
Chairman and President	Tseng Song-Zhu	0	0	0	0
Deputy Chairman (Note 3)	Tseng Song-Ling	0	0	0	0
Director	Tseng-Lu Min-Hua	100,000	0	0	0
Director	Luo Cai-Ren	0	0	70,000	0
Director	Ding-Sheng Investment Co., Ltd. Rep.: Tseng Hui-Juan (Note 4)	0	0	0	0
	Rep.: Jiang Jiaxuan (Note 5)	0	0	0	0
	Rep.: Lai Jungu (Note 6)	20,000	0	10,000	
Director	Ding-Hung Investment Co., Ltd. Rep.: Zheng Wen-Xiang	0	0	(20,000)	0
	Rep.: Yuan Qi-Bin			0	
	Rep.: Lai Ru-Ding			0	
	Rep.: Tseng Ching-Cheng			0	
Independent Director	Chen Shui-Jin	0	0	0	0
Independent Director	Chen Jian-Nan	0	0	0	0
Independent Director	Tsai Wu-Ying	0	0	0	0

Independent Director	Lei Shin-Jung	0	0	0	0
President	Tseng Shang-Yuan	0	0	0	0
Vice President	Zheng Wen-Xiang (Note 7)	0	0	(20,000)	0
Vice President	Yuan Qi-Bin (Note 8)	0	0	0	0
Vice President	Lai Ru-Ding	0	0	0	0
Vice President	Tseng Ching-Cheng	0	0	0	0
Vice President	Liu Ming-Gen	0	0	0	0
Vice President	Daryl Chang (Note 9)	10,000	0	20,000	0
Associate Manager	Wu Min-Fang	0	0	0	0
Associate Manager	Shih Qi-Xiang	0	0	0	0
Associate Manager	Lai Tong-Sha	0	0	0	0
Associate Manager	Wu Yu-Fan	0	0	0	0
Associate Manager	Wu Min-Fang	0	0	0	0
Associate Manager	Tsai Wei-Sheng	0	0	0	0
Associate Manager	Shih Wen-Lin	0	0	0	0
Associate Manager	Lin You-Sheng (Note 10)	0	0	0	0
Major Shareholder	Tseng Song-Zhu	0	0	0	0

Note 1: Shareholders holding more than 10 percent of the total shares of the Company shall be designated as major shareholder and shall be listed separately.

Note 2: The following table shall be entered where the counterparty of equity transfer or pledge is a related party.

Note 3: Deputy Chairman Tseng Song-Ling 、Ding-Sheng Investment Co., Ltd. Rep.: Tseng Hui-Juan : discharged on June 26, 2024.

Note 4: Director Ding-Sheng Investment Co., Ltd. Rep.: Tseng Hui-Juan : discharged on June 26, 2024.

Note 5: Director Ding-Sheng Investment Co., Ltd. Rep.:Jiang Jiaxuan : assumed office on June 26, 2024.

Note 6: Director Ding-Sheng Investment Co., Ltd. Rep.:Lai Jungu : assumed office on June 26, 2024.

Note 7: The Vice President Zheng Wen-Xiang announced his retirement on August 30, 2024.

Note 8: The Vice President Yuan Qi-Bin announced his retirement on April 21, 2025.

Note 9: The Vice President Daryl-Chang was promoted on April 1, 2025.

Note 10: The Associate Manager Lin You-Sheng was promoted on April 1, 2025

(2) Information of Equity Transfers by Directors, Independent Directors, Managers and Major Shareholders: None.

(3) Information of Equity Pledge by Directors, Independent Directors, Managers and Major Shareholders: None.

**viii. Relationship among the Top Ten Shareholders:**

April 27, 2025 Unit: Shares

Name (Note 1)	Shares Held by the Shareholder		Number of Shares Held by Spouse or Minor Children		Total of Shares Held under Nominees		Other Top 10 Major Shareholder(s) having a spousal relationship or 2nd Degree of Kinship, and the Title/Name and Relations. (Note 3)		Remarks
	Shares	Share holding Ratio(%)	Shares	Share holding Ratio(%)	Shares	Share holding Ratio(%)	Title (or Name)	Relations	
Tseng Song-Zhu	48,664,715	16.27	9,000,819	3.01	0	0	Tseng-Lu Min-Hua Tseng Shang-Yuan	Married Couple Father-Son	
Cathay Life Insurance Co., Ltd.	13,882,414	4.64	0	0	0	0	None	None	
Fubon Life Insurance Co., Ltd.	12,865,000	4.30	0	0	0	0	None	None	
Standard Chartered International Commercial Bank Operations Department, as custodian for the Schroder International Selection Fund – Asian Total Return Investment Account.	9,857,000	3.30	0	0	0	0	None	None	
Chunghwa Post Co., Ltd.	9,100,100	3.04	0	0	0	0	None	None	
Tseng-Lu Min-Hua	9,000,819	3.01	48,664,715	16.27	0	0	Tseng Song-Zhu Tseng Shang-Yuan	Married Couple Mother-Son	
Citibank (Taiwan) Custodian-Netherlands Pension Funds Investment Account	8,508,000	2.85	0	0	0	0	None	None	

Tseng Shang-Yuan	7,606,000	2.54	600,000	0.20	0	0	Tseng Song-Zhu Tseng-Lu Min-Hua	Father-Son Mother-Son	
Ding-Sheng Investment Co., Ltd.	7,314,925	2.45	0	0	0	0	None	None	
Tseng Song-Ling	6,159,934	2.06	0	0	0	0	None	None	

Note 1: Full list of top 10 shareholders shall be disclosed. Name of Corporate Shareholder and Name of Representative shall be listed separately where the shareholder is a corporate shareholder.

Note 2: The calculation of shareholding ratio shall be made in separation by number of shares held under own name, number of shares held by spouse or minor children, or number of shares held under the name of other parties.

Note 3: Shareholders listed above includes legal persons and natural persons, whose relationships shall be disclosed in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers.



**ix. Shares held by Directors, Independent Directors, Managers, and Enterprises directly or indirectly Controlled by the Company in the Same Reinvestment Business**

March 31, 2025 Unit: Shares, %

Reinvestment Business (Note)	Investment by the Company		Investments by Directors, Independent Directors, Managers or Businesses the Company has Direct/Indirect Control Over		Comprehensive Investments	
	Number of Shares	Shareholdin g Ratio	Number of Shares	Shareholdi ng Ratio	Number of Shares	Shareholdi ng Ratio
MERIDA BICYCLES Ltd.	481,763	81.31	0	0%	481,763	81.31
MERIDA NORGE AS	211,200	80.00	0	0%	211,200	80.00
MERIDA International (B.V.I) Ltd.	42,500,000	100.00	0	0%	42,500,000	100.00
MERIDA BENELUX B.V.	766,126	60.00	0	0%	766,126	60.00
(DE) MERIDA & CENTURION GERMANY GmbH	No outstandin g shares	51.00	0	0%	No outstanding shares	51.00
MERIDA POLSKA SP.ZO.O	100	74.07	0	0%	100	74.07
(US) Specialized Bike Components, Inc.	3,409,982	35.39	0	0%	3,409,982	35.39
MERIDA SLOVAKIA S.R.O.	No outstandin g shares	30.00	0	0%	No outstanding shares	30.00
MERIDA CZECH S.R.O.	No outstandin g shares	45.00	0	0%	No outstanding shares	45.00
SAIL+SURF PRODUKTIONS- UND HANDELSGESELLSCHAFT M.B.H.	No outstandin g shares	40.00	0	0%	No outstanding shares	40.00
MERIDA BIKES SWE S.A.	448	36.36	0	0%	448	36.36
MERIDA JAPAN CO., LTD.	7,800	97.50	0	0%	7,800	97.50
MERIDA ITALY S.R.L.	559,050	27.27	0	0%	559,050	27.27
MERIDA KOREA INC.	76,560	40.00	0	0%	76,560	40.00

Note: Long-term investments under equity method by the Company.

### III. Fundraising Status

#### i. Implementations of Capital and Shares, Corporate Bonds, Preferred Shares, Global Depositary Receipts, Employee Share Subscription Warrants, Restricted Stock Awards and M&A (incl. Merger, Acquisition and Demerger)

##### (1). 1. Source of Capital:

Unit: NT\$, Shares

Year & Month	Par Value (NT\$)	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Source of Capital	Capital Increased by Assets Other than Cash	Others
2014.9	10	350,000,000	3,500,000,000	298,983,800	2,989,838,000	Capitalization of Retained Earnings NT\$142,373,240 Effective Date of FSC: 16 July 2014 Letter No.: 16 July 2014 Letter Financial-Supervisory-Securities-Corporate-1030027086 Effective date of MoEA: 3 September, 2014 Letter No.: 3 September 2014 MoEA-Shou-Shang-Zi-No. 10301182700	None	None

Note 1: Information for the year ending on the date of annual report publication shall be provided.

Note 2: The date and letter number of effective (approval) shall be indicated in the capital increase.

Note 3: Where shares are issued for less than par value, they shall be designated in a prominent manner.

Note 4: Where the share contribution is made by monetary claims or technologies shall be specified, and the types and amounts of the contribution shall be noted.

Note 5: Private placement shall be designated in a prominent manner.

##### 2. Type of Share:

Unit: Shares

Type of Share	Authorized Share Capital			Remarks
	Outstanding Shares (Note)	No Outstanding Shares	Total	
Ordinary Shares	298,983,800	51,016,200	350,000,000	TWSE Listed

Note: Please indicate whether the stock is of TWSE/TPEX Listed Companies (where it is restricted to TWSE or TPEX Listed traders shall be noted).

(2) List of Major Shareholders:

April 27, 2025

Name of Major Shareholders	Shares Held	Shareholding Ratio (%)
Tseng Song-Zhu	48,664,715	16.28%
Cathay Life Insurance Company, Ltd.	13,882,414	4.64%

### (3) Dividend Policy of the Company and its Implementation

#### 1. Dividend Policy:

After closing of accounts, if there are earnings, the Company shall first pay the tax, make up the losses for the preceding years, and set aside a legal reserve of 10% of the net profit. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply. Aside from the aforesaid legal reserve, the Company may set aside another sum as special reserve or revert such sum in accordance with relevant laws and regulations; if there are still earnings after the aforesaid distribution, a proposal for distribution of shareholders' dividend and bonuses may be proposed by the Board of Directors and submit to the shareholders' meeting for resolution and distribution.

The total shareholders' dividend shall be between 10 and 80 percent of the earnings distributable for the year, among which the cash dividend shall not be fewer than 10 percent of the total shareholders' dividend.

#### 2. Proposal for Dividend Distribution presented in this Shareholders' Meeting:

Regarding the Company's 2024 Earnings Distribution, it is proposed to distribute from the distributable earnings of 2024 based on the current outstanding shares of 298,983,800 shares. The distribution per share is calculated at NT\$4, rounded down to the NT\$, resulting in a total of NT\$1,195,935,200. The distribution will be made entirely in cash. Fractional shares less than NT\$1 will be transferred to Employee Welfare Committee of the Company. The specific ex-dividend date and distribution details will be determined by the Board of Directors under authorization after resolved at the Company's Regular Shareholders' Meeting.

#### 3. Explanations on Significant Changes Anticipated: None.

#### (4) Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting:

Not applicable as the earnings distribution proposed to this Shareholders' Meeting will involve only the distribution of cash dividend and will be of no concern of stock dividend distribution, and the Company did not disclose its financial forecast for the year 2025.

### (5) Remuneration of Employees and Directors:

#### 1. Percentage or Scope of Remuneration of Employees and Directors under the Company's Articles of Incorporation:

Where there is a profit for the Company in a fiscal year, a portion no less than 5% of the profit shall be distributed as employees' remuneration and a portion no higher than 5% shall be distributed as directors' remuneration. However, the cumulative losses of the Company shall have been covered first.

Where the Company distributes employees' Remuneration, such distribution may be made in stock or cash, whilst the distribution of directors' Remuneration may only be made in cash. Such distribution may be made after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

Parties entitled to receive Employees' Remuneration may include employees may include the employees of subsidiaries of the Company meeting certain specific requirements adopted by the Board of Directors under authorization.

2. Estimation basis for employees and directors 'Remuneration in the current period; calculation basis for shares distributed as employees' remuneration, and Accounting handling for deviations of actual distribution amount from estimates:

- (1) Estimation basis for employees and directors 'Remuneration in the current period: The Company did not generate any profit in the year 2024. In accordance with Article 32 of the Company's Articles of Incorporation and as resolved in the second Board of Directors meeting in 2025, no employee Remuneration and director Remuneration will be distributed for the year.
- (2) Calculation basis for shares distributed as employees' remuneration: Not applicable as the 2024 employees' remuneration will not be distributed.
- (3) Accounting handling for deviations of actual distribution amount from estimates: Not applicable as the 2024 employees' remuneration will not be distributed.

3. Distribution of Remuneration adopted by the Board of Directors:

- (1) Amounts of Employees' Remuneration and Directors and Independent Directors' Remuneration distributed in cash or stock:  
The Company did not generate any profit in the year 2024. In accordance with Article 32 of the Company's Articles of Incorporation and as resolved in the second Board of Directors meeting in 2025, no employee Remuneration and director Remuneration will be distributed for the year.
- (2) The proportions of employees' remuneration made in cash to

after-tax profits of the current standalone or individual financial reports and total employees' remuneration: The Company did not generate any profit in the year 2024. In accordance with Article 32 of the Company's Articles of Incorporation and as resolved in the second Board of Directors meeting in 2025, no employee Remuneration will be distributed for the year.

4. Actual distribution of the employees' and directors and independent directors' Remuneration in the preceding year (incl. number of shares, amount and stock price distributed):

- (1) Employees' Remuneration: NT\$154,377,096, all made in cash.
- (2) Directors' and Independent Directors' Remuneration: NT\$66,896,742.
- (3) The actual amounts distributed as employees' and directors and independent directors' Remuneration are consistent with the recognized amounts.

(6) Implementation Status of Buyback of Company Shares by the Company: None.

(7) Implementation Status of Corporate Bonds: None.

(8) Implementation Status of Preferred Shares: None.

(9) Implementation Status of Global Depository Receipt (GDR): None.

(10) Implementation Status of Employee Stock Warrant: None.

(11) Implementation Status of Restricted Stock Awards and Merger (incl. merger, acquisition and demerger): None.

**ii. Capital Utilization Plans and their Implementations:**

Outstanding or recently completed securities issuances or private placements with unrealized implementation status within the past three years as of March 31, 2025: None.

## IV. Operation Overview

### i. Scope of Business

#### (1) Business Activities:

##### 1. Scope of Business:

- (1) Manufacturing, assembly, and trading of bicycles and their components as well as outsourcing.
- (2) Manufacturing, assembly, and trading of motorized bicycles and their components.
- (3) Manufacturing, assembly, and trading of electrical bicycles and their components.
- (4) Importing, exporting, and trading of speedometers.
- (5) Manufacturing, assembly, and trading of fitness bikes and their components.
- (6) Import and export business related to the aforementioned products and equipment.
- (7) Commissioning construction firms for the rental and sale of public housing and commercial buildings.
- (8) C805050 Industrial Plastic Products Manufacturing.
- (9) ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

##### 2. Proportions in Operations by the Company's 2024 Main Products:

Items	Proportion (%)
Complete Bicycle	92.88%
Bicycle Frames and Parts and Components	7.12%

##### 3. New Products under Development Plan:

- (1) Premium Aluminum Alloy Electrical Assisted Single-Suspension Mountain Bike [eFloat Lite]

The all-new eFloat Lite is a premium aluminum electrical assisted single-suspension mountain bike. It supports up to 29 x 2.4" tires and features a 120mm travel front suspension fork. Designed with a comfort-oriented frame geometry and a complete EQ-Kit, it offers a smooth and enjoyable riding experience; equipped with the BOSCH GEN5 CX motor system, the bike is compatible with both 600Wh and 800Wh battery options, providing extended riding range.

A heavy-duty rear rack and a uniquely designed front rack mounted on the head tube significantly enhance the standard load-carrying capacity of the eFloat. The front rack supports up to 10kg, while the rear rack handles up to 40kg.

The cable routing is fully integrated within the frame, giving the bike a sleek and clean appearance. Combined with wide tires, the bike offers exceptional riding comfort. This model is ideal for riders who enjoy light trail off-roading and long-distance touring adventures.

(2) Premium Carbon Fiber Electrical Assisted Single-Suspension Mountain Bike [eONE-SIXTY SL]

The all-new eONE-SIXTY SL is a premium carbon fiber electrical assisted single-suspension mountain bike, engineered with cutting-edge specifications. It integrates BOSCH's lightweight Performance Line SX drive system into the e-enduro platform. Featuring a progressive geometry, the bike offers exceptional control for enduro racing, combining stability, climbing efficiency, and maneuverability. With a powerful 55Nm of torque, it delivers a perfect balance between human power, handling, and electric assistance—designed for aggressive riders seeking performance.

This model represents a new breed of eMTB, merging the advantages of a traditional full-suspension mountain bike with the BOSCH SX motor system to help you ride faster and farther.

Constructed with a lightweight CF4 carbon fiber frame and equipped with 160mm of suspension travel, the eONE-SIXTY SL is built for balanced performance. It comes with a fully integrated 400Wh battery and supports an optional 250Wh range extender, making it ideal for trail enthusiasts and off-road adventurers.

(2) Overview of the Group's Industries:

1. Interrelationship between Upstream, Midstream, and Downstream in the Industry:

- (1) Upstream/Raw Materials: Iron materials, aluminum materials, carbon fiber yarn, etc.
- (2) Midstream/Components including structural systems, handling systems, suspension systems, braking systems, etc.: Frames, front forks, handlebars, hub, tires, brakes, derailleurs, etc.
- (3) Downstream/Complete Bicycles: Bicycle and component assembly, sales, and after-sales services to consumers.

2. Product Competition:

In 2024, Taiwan's bicycle industry experienced a slight decline in export volume due to ongoing inventory adjustments in the European and American markets. However, strong demand from



the Chinese market provided significant momentum for overall growth. Despite short-term market corrections, global demand for green mobility and healthy lifestyles continues to rise. Additionally, increasing global focus on Environmental, Social, and Governance (ESG) issues has brought positive momentum to the industry. As consumer awareness of sustainability and environmental protection grows, demand for electric bicycles remains strong – particularly for high-end models. These premium products not only feature innovative designs but also incorporate eco-friendly manufacturing processes, aligning perfectly with consumer expectations for quality and sustainability. These factors are expected to drive medium- to long-term growth for Taiwan’s bicycle industry and help maintain its competitive edge in the global market.

(3) Technology and R&D Overview:

1. Contributions to R&D in the Most Recent Year and up to the Date of Publication of the Annual Report:

Unit: NT\$

2024	As of 2025/3/31
71,097,464	32,246,722

2. Successfully Developed Technology or Product:

1. “SILEX” clinched Silver Award in the 2025 Taiwan Excellence Awards, TAIPEI CYCLE d&i awards 2024, and DESIGN & INNOVATION AWARD 2024 (Germany).
2. “SCULTURA 9000” was rated “Best Value Race Bike of the Year 2024” by CyclingWeekly, an international cycling publication.
3. “SCULTURA ENDURANCE 4000” earned 5 out of 5 stars in the review by international cycling media BikeRadar.
4. “BIG. TRAIL 600” was rated MTB of the Year 2024 by international cycling media OFFROAD.CC.

(4) Long- and Short-term Business Development Plans:

1. Short-term Plans:

It is expected that in 2025, as inventory levels gradually normalize in the European and U.S. markets, demand will begin to recover and order volumes will steadily increase. The premium bicycle market in China is projected to remain stable. In response to new annual orders, the Group will adjust workforce allocation, optimize production line operations, and respond flexibly to changes in material sourcing. These measures aim to ensure agility and adaptability in a highly competitive market environment.

2. Mid-to-long Term Plans:

Looking ahead to the next 5-10 years, the global high-end bicycle market is expected to experience steady growth. This growth is influenced by several factors, including increased health awareness, urbanization, and climate change. The demand for high-end road bikes, mountain bikes, urban leisure bikes, and electrical bicycles will continue to rise. To adapt to market changes, the Group will maintain sensitivity to the mid-to-high-end market and flexibly adjust product development, manufacturing, and sales services to meet diverse market needs. Meanwhile, the Group will seize opportunities in emerging markets through investment and deployment emphasizing brand and channel to expand its global market share in the high-end bicycle segment, realizing a steady growth in profit.

## ii. Market and Production & Promotion Overview

### (1) Market Analysis:

#### 1. Sales Information by Region:

Region	Percentage (%)
Europe	51.39%
America	14.26%
Others	34.35%

#### 2. Market Share:

Comparing the statistics issued by Taiwan Bicycle Association (TBA), it is found that the Company's exports of bicycles from its Taiwan Plant in 2024 accounted for approximately 23.7% and 24.2% of the total number and value of bicycles exported by the Taiwan bicycle industry, respectively; in addition, the Company's exports of electrical bicycles in 2024 accounted for approx. 40.9% and 42.3% of the total number and value of electrical bicycles exported by the Taiwan bicycle industry, respectively; The exports of electrical bicycles from the Company (Taiwan Plant) in 2024 contributed to approximately 40.3% and 53.2% of the total sales volume and value (including bicycles) for the year, respectively.

#### 3. Future Supply and Demand Status and Growth of the Market and the Company's Competitive Niche:

- (1) As sales of leisure and sports bicycles are easily affected by weather conditions at the appropriate markets, plus the growth in sales price and volume is correlational to consumer purchasing power and market maturity (saturation), mature markets (e.g. Europe and the United States) yield high-priced consumption and have an annual growth momentum of approximately 0-10% in terms of price and volume; In recent years, there has been significant increase in the demand for mid to high-end bicycles in

Mainland China due to change in lifestyle. Meanwhile, emerging markets (e.g. Latin America, Asia, Africa, and Eastern Europe, etc.) are experiencing improving living standards and purchasing power. Despite the relatively late inception of sales and low market penetration for mid- to high-end bicycles and electrical bicycles, this indicates potential for significant growth in the upcoming years under favorable supply and demand conditions.

- (2) Amid changes in market demand and intense industry competition, the Company maintains a strong position in the global mid-to-high-end bicycle market, focusing on the broad range of proprietary brand products under the group. The Company continuously engages in innovative research and development, aiming to provide environmentally friendly products with long life cycles. Through excellent product quality and sports marketing endorsements, the Company strives to enhance brand and product image, ensuring a leading supply position in the global market for high-end bicycles and electrical bicycles. In Mainland China, the Company aims to become the leading brand in the high-end bicycle sector. This commitment to high quality and sustainability reflects our sensitivity to market trends and consumer demands, ensuring our role as a key supplier in the global bicycle market while consolidating and expanding its leading position in the high-end bicycle segment in Mainland China.

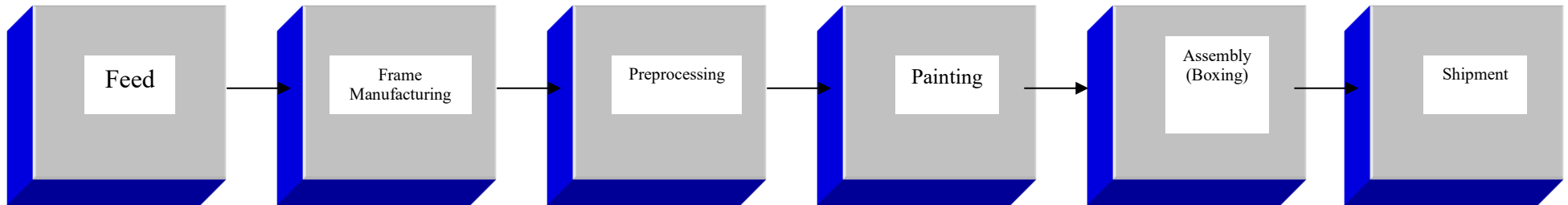
#### 4. Favorable and Unfavorable Factors in the Development Outlook and Responses:

- (1) Favorable Factors and Responses: Due to the long-standing focus on the global mid- to high-end bicycle market through brand positioning, product development, production, channel layout, and sales, the Company has established a clear presence in the global market, with its multiple brands receiving support and recognition by customers in major markets, enjoying a certain level of brand awareness and market share; building upon this benign and solid foundation, the Company will strive to create demand, lead product development and innovation, enhance production management and technology, and continue expanding brand marketing services production capacity, and channel distribution to achieve sustainable growth.
- (2) Unfavorable Factors and Responses: Global uncertainties such as climate, political and economic factors, and environmental challenges as well as unfriendly competition within the industry (e.g. counterfeiting, illicit transshipment,

price disruption) pose threats to product, supply, and marketing in the market. The unstable fluctuations in major international currencies (e.g., USD to JPY or TWD, etc.) also present uncertainties in costs and returns; each operational department within the Company (group) identifies adverse factors affecting production, sales, and profitability. By integrating resources from all plants within the group, supply chains, and strategic alliance brands and partners, the Company proactively responds and mitigates risks. The Company aims to effectively utilize resources and opportunities, transforming risks and threats into maximum operational benefits.

(2) Important Usage and Procedure of Manufacturing Process of Main Products:

1. Main Product(s): Bicycle.
2. Usage: Means of transportation, Leisure and sports.
3. The Procedure of Manufacturing Process is as follows:



(3) Supply Status of Main Raw Materials:

Main Raw Materials	Source	Supply Status
Fork Components	Multiple Foreign and Domestic Vendors	Good
Brake Components	Multiple Foreign and Domestic Vendors	Good
Frame Components	Multiple Foreign and Domestic Vendors	Good
Tires	Multiple Foreign and Domestic Vendors	Good
Motor Assembly for Electrical Bicycles	Multiple Foreign and Domestic Vendors	Good
Gear Components	Multiple Foreign and Domestic Vendors	Good
Battery Packs	Multiple Foreign and Domestic Vendors	Good
Chainring crank	Multiple Foreign and Domestic Vendors	Good
Hub	Multiple Foreign and Domestic Vendors	Good
Flywheel Kit	Multiple Foreign and Domestic Vendors	Good

(4) Name of Suppliers (Customers) Engaged in Supply (Sales) Accounting for over 10% of Total Supplies (Sales) in Any of the Last Two Year:

Information on Major Suppliers for the Most Recent 2 Fiscal Years

Unit: NT\$ thousand

Item	2023				2024				2025 up to the Preceding Quarter (Note 2)			
	Name	Amount	Percentage of Annual Net Purchase (%)	Relationship with the Issuer	Name	Amount	Percentage of Annual Net Purchase (%)	Relationship with the Issuer	Name	Amount	Proportion to Net Purchase for the Year up to the Preceding Quarter (%)	Relationship with the Issuer
1	M001	4,179,991	21.41	Non-related Party	M001	4,507,472	19.54	Non-related Party	M001	502,871	11.03	Non-related Party
2	M002	2,048,256	10.49	Non-related Party	M002	2,710,049	11.75	Non-related Party -	M002	445,057	9.76	Non-related Party
3	其他	13,291,074	68.10	-	Other	15,847,232	68.71	-	Other	3,611,342	79.21	-
	Net Purchase	19,519,321	100.00		Net Purchase	23,064,753	100.00		Net Purchase	4,559,270	100.00	

Note 1: List all suppliers accounting for 10 percent or more of the Company's total procurement amount in the 2 most recent fiscal years and the amounts bought from each and the percentage of total procurement accounted for by each. If the company is prohibited by contract from revealing the name of a supplier, or a trading counterparty is an individual person who is not a related party, it may use a code in place of the actual name

Note 2: If, up to the date of publication of the annual report for a TWSE or TPEx listed or Emerging Stock company, there is any financial data audited and attested or reviewed by a CPA for the most recent period, it shall also be disclosed.

Information on Major Customers for the Most Recent 2 Fiscal Years

Unit: NT\$ thousand

Item	2023				2024				2025 up to the Preceding Quarter (Note 2)			
	Name	Amount	Percentage of Annual Net Sales (%)	Relationship with the Issuer	Name	Amount	Percentage of Annual Net Sales (%)	Relationship with the Issuer	Name	Amount	Proportion to Net Sales for the Year as of the Preceding Quarter (%)	Relationship with the Issuer
1	0301	13,012,658	47.73	Investee Company Evaluating Item Price using Equity Method	0301	12,442,585	41.99	Investee Company Evaluating Item Price using Equity Method	0301	4,313,051	56.99	Investee Company Evaluating Item Price using Equity Method
2	Other	14,248,459	52.27	-	Other	17,190,547	58.01	-	Other	3,254,531	43.01	-
	Net Sales	27,261,117	100.00		Net Sales	29,633,132	100.00		Net Sales	7,567,582	100.00	

Note 1: List all customers accounting for 10 percent or more of the Company's total sales amount in the 2 most recent fiscal years and the amounts sold to each and the percentage of total sales accounted for by each. If the company is prohibited by contract from revealing the name of a customer, or a trading counterparty is an individual person who is not a related party, it may use a code in place of the actual name

Note 2: If, up to the date of publication of the annual report for a TWSE or TPEX listed or Emerging Stock company, there is any financial data audited and attested or reviewed by a CPA for the most recent period, it shall also be disclosed.

### iii. Human Resources

Year		2023	2024	As of April 30, 2025
No. of Employees	Supervisor	164	171	173
	Staff	712	733	730
	Employee	2,085	1,647	1,700
	Total	2,961	2,551	2,603
Average Age		41	42	41
Average Years of Service		9.64	9.68	9.79
Distribution of Academic Qualifications %	PhD	0	0%	0%
	Master	3%	3%	3%
	University/College/Junior College	22%	25%	26%
	Senior High	36%	41%	41%
	Below Senior High	39%	31%	30%

### iv. Environmental Protection Expenditure

- (1) Disclose the losses suffered by the Company resulting from violations against environmental pollution in the most recent year and up to the date of publication of the annual report (including remuneration and violations against environmental protection laws and regulations, per environmental protection audit result, and date of disposition, disposition document number, articles the Company has violated against, contents of violated laws and regulations, and content of disposition shall be disclosed), and disclose the estimated amount and response measures that may occur at present and in the future. If it cannot be reasonably estimated, facts preventing the reasonable estimations shall be explained:

#### 1. Violations Against Environmental Protection Laws and Regulations

(1) Remuneration: None.

(2) Environmental Protection Audit Results:

Date of Disposition	Disposition Document No.	Articles the Company has violated Against	Contents of Violated Laws and Regulations	Content of Disposition
2024.10.14	Government-Authority-Environmental-Water-Zi-No. 11303	Article 14, Paragraph 1 of the Water Pollution Control Act	1. Upon inspection of the Company's wastewater treatment facilities, it was found that Pump Station 5 (T01-06) has three tanks and two motors	NT\$ 75,000



			<p>installed (whereas the permit only lists one tank and one motor).</p> <p>2. The wastewater from the air pollution control scrubber used in the metal surface coating process (M04) is connected to the WM02 pipeline, while the permit specifies that it should be connected to the WM01 pipeline- inconsistent with the wastewater treatment process registered in the Company's water pollution control permit.</p>	
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(3) The estimated amount and response measures that may occur at present and in the future due to environmental pollution:  
The Company submitted a permit change request by November 15, 2024, which is before the rectification deadline. Following review by the Environmental Protection Bureau, it was found to comply with regulations, and approval is granted by December 23, 2024. Furthermore, any fines imposed have been paid within the specified deadline.

(2) Future Countermeasures and Possible Expenditure:

1. The Company aims to achieve environmental protection with zero pollution and workplace safety with zero accidents. In various manufacturing processes, efforts are made to replace high-pollution materials with low-pollution alternatives, comply with environmental regulations, and obtain environmental permits to ensure compliance with environmental emission standards and reduce environmental pollution. Improvements are made in machinery, equipment, and environmental safety to safeguard the well-being of workers and

- prevent accidents and injuries.
2. Measures for environmental protection and occupational health and safety include:
- (1) Environmental and occupational health and safety education and training for new employees are offered to enhance their awareness of operational safety and eco-friendly production.
  - (2) Implementing efficient wastewater treatment and improving the quality of effluent. Establishing records of raw materials and wastewater discharge permits to effectively control the water quality entering the wastewater treatment facility. Using process acid and alkaline wastewater as adjusting agents to reduce the use of wastewater additives.
  - (3) Setting up dedicated areas for resource recycling, improving waste storage areas, implementing waste classification, and reducing waste generation.
  - (4) Conducting regular environmental and occupational safety monitoring, including outsourced monitoring of water quality (effluent, drinking water), exhaust gases, and waste. Monitoring noise, dust, and organic solvents in the operation area.
  - (5) Occupational Safety and Health Management Committee meetings are held quarterly to review self-inspections, safety and health audits, preventive measures for machinery, equipment, materials, and hazards, occupational accident investigation reports, health management, occupational disease prevention, and health promotion.
  - (6) The dedicated environmental and occupational safety and health department, established according to the scale of the industry, includes a dedicated occupational safety and health office and related occupational safety and health management personnel. This office operates under the direct supervision of the general manager and is responsible for handling environmental protection and occupational safety and health matters. Meanwhile, occupational nurses and on-site medical services are also provided to promote employee health management and health promotion. Lactation rooms are set up in the plants to create a breastfeeding-friendly workplace.
  - (7) In 2024, the Company implemented ISO 50001 and successfully obtained third-party certification. This enables more effective energy management, reduces energy costs, lowers greenhouse gas emissions, and enhances both competitiveness and sustainability.
  - (8) In response to environmental protection, energy conservation, and carbon reduction, the Company completed the installation of a self-consumption solar power generation system in 2024, with a total installed capacity of 976 kW. The system began generating electricity in August of this year, producing a total of 466,387 kWh and reducing carbon emissions by 230 metric tons. As a result, the Company increased the proportion of green electricity to 4.7%. In

addition, certain bicycle frame models have adopted plastic-reducing packaging.

- (9) In 2025, the Company will implement ISO 14001. Through the implementation of ISO 14001, the Company will ensure compliance with environmental regulations, reduce environmental risks, avoid penalties and operational disruptions, and enhance brand image and market competitiveness. It also raises employees' environmental awareness, optimizes resource utilization, reduces energy consumption and waste disposal costs, prevents pollution incidents, and supports continuous improvement, leading to more sustainable and economically viable operations.
- (10) In 2025, the Company will also adopt ISO 45001. Implementing ISO 45001 will enhance occupational safety, reduce the risks of work-related injuries and illnesses, and ensure legal compliance to minimize fines and liabilities. A safe working environment boosts productivity and employee morale while lowering remuneration, medical expenses, and production interruption costs. This not only strengthens the Company's image and market competitiveness but also promotes management optimization, ensuring long-term stability and sustainable development.

(11) GHG Inventory

In 2023, the Company engaged a professional consulting firm to assist with internal GHG inventory activities and conducted internal auditor training while collecting data across production processes. The consultant calculated the Company's GHG emissions and provided disclosure information to a reasonable extent. Since 2023, the Company has conducted GHG inventories in accordance with the international standard ISO 14064-1:2018 and has disclosed the results.

Climate change is closely linked to corporate sustainability. As part of its sustainable management strategy, the Company continues to conduct GHG inventories in response to climate challenges. In 2024, direct GHG emissions (Scope 1) mainly resulted from the use of liquefied petroleum gas and vehicle gasoline, while indirect emissions (Scope 2) stemmed primarily from purchased electricity. Scope 3 emissions mainly included emissions from the procurement and transportation of upstream raw materials. In 2024, the total GHG emissions amounted to 50,753.235 metric tons of CO<sub>2</sub>e. The emission intensity for Scope 1 and 2 was 0.287 metric tons CO<sub>2</sub>e per million NTD revenue, while the Scope 3 emission intensity from raw material procurement and transportation was 2.4992 metric tons CO<sub>2</sub>e per million NTD revenue. Compared with 2023, although the Company experienced a decline in revenue, the GHG emission intensity slightly increased by approximately 3% to maintain basic operational capacity. (For detailed GHG emission statistics, please refer to the table below.)

Item	2022	2023	2024
Scope 1: Direct GHG Emission (tons CO <sub>2</sub> e)	1,499.1016	1,582.0964	1,407.1841
Scope 2: Indirect GHG Emission (tons CO <sub>2</sub> e)	6,586.1856	3,988.1001	3,820.9427
Scope 3: Other Indirect Emission Sources (tons CO <sub>2</sub> e)	1,893.1913	6,494.2730	45,525.1078
Total Emission=Scope 1+Scope 2+ Scope 3 (tons CO <sub>2</sub> e)	9,978.4785	12,064.4695	50,753.235
Organization-Specific Measurements: Revenue (NT\$ millions)	31,977.1150	20,008.7860	18,215.546
Scope 1 + Scope 2 : GHG Emission Intensity (tons CO <sub>2</sub> e/NT\$ millions)	0.2528	0.2784	0.2870
Scope 3 : GHG Emission Intensity (tons CO <sub>2</sub> e/NT\$ millions)	0.0592	0.3246	2.4992
<p>Note:</p> <ol style="list-style-type: none"> <li>1. Emission factors are calculated based on the “5 February 2024 Announcement on GHG Emission Factor” by the Ministry of Environment.</li> <li>2. The emission factor for purchased electricity refers to the emission factor announced by the Energy Administration, Ministry of Economic Affairs. The emission factors for electricity in 2022 = 0.495kg CO<sub>2</sub>e/kWh; for 2023, the emission factors for electricity = 0.494kg CO<sub>2</sub>e/kWh; and for 2024, the emission factors for electricity = 0.474kg CO<sub>2</sub>e/kWh</li> <li>3. GHG emission intensity = Total emissions (metric tons of CO<sub>2</sub>e) / Revenue (in NT\$ millions).</li> <li>4. In 2022, assistance from the relevant authorities is requested to conduct a comprehensive and scrutinized GHG inventory including Scope 1, Scope 2, and Scope 3 emissions. Scope 3 emissions include emissions from employee commuting, water usage, waste disposal and transportation, and other emissions. Scope 3 Inventory in 2024 includes newly added emissions from raw materials (including transportation).</li> </ol>			

(3) Energy-Saving and Environmental Protection Policies:

1. Dedicated bicycle parking areas are constructed in the plant areas to encourage employees to commute by bike instead of motorcycles or cars, reducing carbon emissions.
2. With carbon footprint mark-certified bicycle products, the Company intends to convey carbon footprint information to consumers through carbon labeling, providing purchasing references and encouraging changes in consumption behavior and lifestyle to collectively reduce vehicle emissions.
3. Digitized production process instructions to encourage employees to reduce printing, use double-sided or multi-page printing functions, and place paper recycling bins near photocopiers (printers) to reduce paper usage and minimize impact on trees and the environment.
4. The Company has organized large-scale cycling events for multiple years, promoting energy-saving, carbon reduction, and environmentally friendly cycling activities, and encouraging the use of bicycles for short-distance commuting.
5. The Company incorporates environmental protection concepts and cultivates children's interest and passion for bicycles from a young age. In addition, the Company organizes special bicycle DIY summer camps to provide children with more professional knowledge about bicycles.
6. The Company fostered air quality purification zone in Changhua County with an area of 1.62 hectares, manage and care for plantings and overall environmental cleanliness. Utilizing the physiological characteristics of plants to absorb pollutants, the dust and suspended particles can be reduced and air quality can be purified, fulfilling corporate social responsibility and obligations.
7. The Company controls and regulates air pollution from heavy oil used in boilers, specifically targeting nitrogen oxides (NOx) and sulfur oxides (SOx). Also, the Company switches to low-pollution fuel liquefied petroleum gas to avoid environmental impacts in the surrounding area.
8. In 2024, the company completed the certification of an employee eco-friendly cafeteria. Implementing an eco-friendly cafeteria helps raise employees' environmental awareness by offering sustainable ingredients and reducing food waste, encouraging the development of environmentally conscious habits. This not only reduces resource consumption and corporate costs but also enhances the company's brand image, demonstrating a commitment to environmental responsibility and employee well-being.
9. Recyclable waste materials such as scrap iron, aluminum, plastic, and paper are sorted and placed in centralized collection areas. Regular outsourcing is carried out for resource recycling. In 2024, the total weight of recyclable waste was 1,282 metric tons, a decrease of 8.62% compared to 2023. Furthermore, the total weight of non-recyclable waste in 2024 was 147 metric tons, a decrease of 20.11% compared to

2023.

10. The total volume of wastewater discharged in 2024 was 43,683 cubic meters, a decrease of 14.34% compared to 2023 (50,997 cubic meters).
11. The water consumption in 2024 was 65,711 cubic meters, a 25% decrease compared to 2023 (87,458 cubic meters).

## **v. Labor Relations**

- (1) Employee Welfare Measures, Training and Development, Retirement System, Labor-Management Agreements, Employee Rights Protection Measures, and Implementation Status:

### **1. Measures for Employee Welfare:**

- (1) Annual year-end bonuses are distributed before the Chinese New Year. The bonus is based on the wages for 60 days of service, with actual amount determined based on the Company's performance.
- (2) Bonuses are also distributed before the Dragon Boat Festival and Mid-Autumn Festival, with actual amount determined based on the Company's performance.
- (3) Monthly and yearly sales achievements and value creation are rewarded with bonuses.
- (4) If there is profit for the Company in a fiscal year, a proportion no less than 5% shall be set aside as employee remuneration.
- (5) An Employee Welfare Committee is established to organize various employee activities and trips.
- (6) Employees are granted holidays in accordance with the "Labor Standards Act" and "Regulations on National Holidays and Festivals".

### **2. Continuing Education and Training:**

- (1) Education and training management regulations and on-the-job training management policies are established in line with the company's development goals and the purpose of lifelong learning for employees. Talents at various levels are cultivated, and employees' knowledge and skills are enhanced to improve work efficiency.
- (2) Employee education and training at the Company include orientation training for new employees, in-house education and training, and external education and training.
- (3) On-the-job training opportunities at the Company include sponsored training and self-funded training.

### **3. Retirement System and Implementation Status:**

- (1) The Company follows the "Labor Pension Act" for the retirement pension system, which is a government-managed defined contribution retirement plan. The Company contributes amount equivalent to 6% of the employee's monthly salary to the individual account under custody of the Bureau of Labor

Insurance.

- (2) The Company also has a retirement pension system in compliance with the "Labor Standards Act", which is a defined benefit retirement plan. The payment of retirement pensions to employees is based on their years of service and the average salary over the six months prior to the approved retirement date. The Company contributes the amount equivalent to 6% of the employee's monthly salary to the employee pension, which is deposited in a special account at the Bank of Taiwan in the name of the Labor Retirement Reserve Supervisory Committee. The Bureau of Labor Funds, under the Ministry of Labor, invests the plan assets in domestic and foreign equity securities, debt securities, and bank deposits. According to the regulations for the management and utilization of labor retirement funds, the minimum annual return distributed shall not be lower than the interest rate for a two-year fixed deposit in the local bank.
  - (3) The Company estimates the retirement pension amount for employees who meet the retirement conditions under Article 53 or Article 54, Paragraph 1, of the Labor Standards Act for the next year and contributes the retirement pensions in full by the end of March of the following year.
  - (4) The Company also sets aside an additional retirement fund based on 4% of the remuneration of appointed managers each month in accordance with the Regulations governing Retirement of Staff.
  - (5) With respect to MERIDA's reinvestment businesses, MERIDA & CENTURION GERMANY GmbH, MERIDA BENELUX B.V., MERIDA POLSKA SP.ZO.O, MERIDA BICYCLES Ltd., MERIDA NORGE AS and MERIDA JAPAN CO., LTD. have not adopted their regulations governing retirements, with payments of pensions and various insurance premiums pursuant to local laws and regulations. MERIDA Bicycle (CHINA) Co., Ltd., MERIDA Bicycle (Shandong) Co., Ltd. and MERIDA Bicycle (Jiangsu) Co., Ltd. contribute endowment insurance premiums for its local employees on a monthly basis pursuant to local government regulations and entrust the agencies of authority in respective local governments for overall arrangement and payment of pensions for retired employees, which are both defined contribution plans.  
MERIDA International (B.V.I) Ltd., MERIDA Industry (H.K.) Co. Ltd. and MERIDA International (SAMOA) Ltd. are holdings companies, so the regulations and systems with respect to retirement are not necessary.
4. Workplace Diversity and Equality, Plus a Review on Management Performance for Further Reflection in Employee Remuneration:
- (1) The Company places importance on diversity and adheres to relevant labor and human rights regulations such as the Labor

Standards Act, the Employment Service Act, and the Gender Equality in Employment Act in its talent recruitment and employment processes. Through practical actions, the Company safeguards the equal employment rights and interests of minority and vulnerable groups, making itself a friendly enterprise that provides equal employment opportunities without gender discrimination or barriers, and respects the rights of vulnerable groups.

- (2) The Company also actively promotes diversity and inclusivity, ensuring that its corporate culture is open and non-discriminatory, allowing everyone to fully unleash their potential. Annually reviewing the global economic situation, industry conditions, and company operating profits, salaries are adjusted based on market levels for each job position and individual performance. The Company adheres to the principle of gender equality, providing grassroots employees with salaries that not only meet but also exceed the local minimum wage standards, regardless of gender.

#### 5. Other Important Employee-Employer Agreements:

Our company has lawfully established a labor union with the core purpose of protecting the rights and interests of its members and strengthening labor-management relations. As of now, the union has not requested collective bargaining with the company; therefore, no collective agreement has been signed.

#### 6. Measures for Protecting Rights of Employees:

- (1) A Union is established to maintain rights and interests of the employees.
  - (2) Labor meetings are held in accordance with applicable regulations to strengthen employer-employee relationship.
  - (3) In accordance with the "Labor Standards Act", "Employment Service Act", "Act of Gender Equality in Employment", "Sexual Harassment Prevention Act", and related laws, the Company has adopted its "Work Rules" as guidelines for the rights and obligations of both labor and management, which has obtained approval from the competent authority for implementation. The Company has also formulated relevant management regulations such as the "Labor Retirement Management Regulations", "Staff Retirement Management Regulations", and "Workplace Sexual Harassment Prevention, Complaint, and Disciplinary Management Regulations" to safeguard employee rights.
- (2) Disclose the losses suffered by the Company resulting from labor disputes in the most recent year and up to the date of publication of the annual report: None.
  - (3) The estimated loss the Company may suffer at present and in the future due to labor dispute: None.



## **vi. Information and Communications Security Management**

### **(1) Information and Communications Security Management Strategies and Frameworks**

To ensure the confidentiality of the Company's trade secrets and compliance with the Personal Data Protection Act, the Company continues to strengthen information security protection capabilities and perform overall information security awareness facilitation from personnel to the organization in order to comply with domestic and foreign information security laws and regulations.

#### **(1) Information Security Organization**

Manager of the Company's President Office concurrently serves as Information Security Officer

The units under his/her supervision and his/her responsibilities and duties include:

- 1) Information Security Audit Unit: performing information security audit in accordance with internal control and internal audit requirements.
- 2) Information Security Control Unit: performing information security software/hardware configurations and settings in accordance with regulations and requirements by the business.
- 3) Information Security Management Unit: management over departmental operations to ensure compliance with information security requirements by the business.

Information Security Personnel: network management personnel who are mainly responsible for information security setting and control operations.

#### **(2) Key Information Security Points**

##### **1. Disaster Prevention**

1-1 Earthquake: tilting prevention and fixation as required in installation of equipment.

1-2 Electricity: UPS shall be furnished to shut down equipment on a timely manner and protect the containing data.

1-3 Fireproofing: provision of necessary fireproofing and fire extinguishing gears.

1-4 Data: Offsite Backup.

##### **2. Antivirus**

Endpoint protection antivirus software is installed, with regular updates to both software versions and malicious behavior detection models.

##### **3. Theft Prevention**

Necessary access control equipment and personnel access

management; data encryption and user management.

#### 4. Hacking Prevention

Installation of necessary software/hardware and timely updates thereof.

### (3) Information and Communications Security Policies-Enterprise Information Security Management Strategies and Structure (PDCA)

#### 1. "Plan" with emphasis on information security risks management

The Company establishes its Information Security Management System (ISMS) to reduce enterprise security threats from system, technical, and procedural perspectives, and to create confidential information protection services that meet customer requirements.

#### 2. "Do" for constructing multi-layer information security protection

Ongoing introduction of innovative technologies for information security defense, integration and internalization of the information security control mechanism into the daily software and hardware maintenance and operation procedures, and monitoring of information security to maintain the confidentiality, integrity and availability of the Company's important assets.

#### 3. "Check" with proactive monitoring over effects of information security management

Conduct of information security index analysis and information security maturity examinations based on the check results.

#### 4. "Action" with the essence of reviews and ongoing improvement

Implementation of supervision and audit to ensure the sustained effects of information security regulations; in events of employees violation against relevant specifications and procedures, the employee will be subject to dispositions in accordance with the handling procedure for information security violations as well as disciplinary actions with respect to human resources (including employees' performance appraisal for the year or necessary legal actions); in addition, the Company regularly reviews and implements rectifying conducts including information security measures, education and training in accordance with performance indicators and maturity examination results to ensure the non-leakage of the Company's confidential information.

### (4) Specific Management Plans and Resources Contributed to Information and Communications Security Management

#### 1. Information Security Protection

##### 1-1 Internet Security:

Blocking attacks on the data center as well as various

cyberattacks; setting up spam filtering and isolation mechanisms to prevent the receipt of virus-entrained emails; strengthening network firewalls and network control to avoid viruses spread.

#### 1-2 Device Security:

The machine must be scanned for viruses during installation; endpoint anti-virus measures shall be set according to the machine type.

#### 1-3 Application Security:

Information security shall be reviewed in application development, with follow-up strengthening of such security after the application has been released.

#### 1-4 Strengthening of Information Security Protection Technologies:

Strengthening the classification and protection of confidential information; introduction of new technologies, and optimization of the management and control of documents and files.

#### 1-5 Recovery of Important Data:

Regular Drills on the Recovery of Important Backup Data to ensure quick restoration to normal operations upon system errors/exceptions.

#### 1-6 Update of Data Security Protection Technologies

Introduction of Virtual and Optic-fiber Storage and Backup Framework for enhanced system data security.

### 2. Review and Improvement-Employee Training and Advocacy

Cybersecurity training sessions and social engineering drills are scheduled regularly to enhance employee awareness and preparedness. Strengthening employees' vigilance against malicious attacks on emails, software, files, etc., and enhancing employees' awareness over information security.

### 3. Information Security Results-Inventory and Audit

A systematic and real-time audit mechanism is in place to manage hardware, software, and end-user devices. Regular asset risk assessments are conducted, and any significant anomalies trigger a review of control procedures and the implementation of technical improvements.

## (2) Material Information and Communications Security Incidents

On October 21, 2024, the Company announced that a single user mailbox was suspected to have been compromised due to a weak password and subjected to brute-force attack. The compromised account was used to send a large number of phishing emails impersonating Merida internal personnel. Our cybersecurity team immediately disabled the affected account, notified the user to change the password, and issued alerts to

colleagues and partners to beware of fraudulent emails pretending to be from Merida staff. The incident was assessed to have no significant impact on company operations.

Countermeasures: strengthening the high-complexity password policy to reduce the risk of brute-force attacks; implementing multi-factor authentication (email and SMS verification codes); including this incident as a case study in annual cybersecurity training sessions; and continuously promote safe account and password usage principles, emphasizing the importance of strong passwords.

**vii. Important Covenants:**

Type of Contract	Counterparties	Starting and Ending Date	Summary	Restrictive Terms
Cycling Team Sponsorship Contract	BWTCT Bahrain WorldTour Cycling Team W.L.L.	2023.01.01 ┆ 2025.12.31	Sponsorship Deal with Pro Cycling Team-Team Bahrain -Victorious	None

## V. Review and Analysis and Matters of Risks concerning Financial Status and Performance

### i. Financial Status:

#### (1) Comparison and Analysis on Financial Status:

Unit: NT\$ thousand

Item \ Year	2023	2024	Difference	
			Amount	%
Current Assets	15,800,376	17,749,957	1,949,581	12.3
Fund and Investment	18,958,772	16,027,396	(2,931,376)	(15.5)
Property, Plant, and Equipment	2,304,304	2,198,395	(105,909)	(4.6)
Other Assets	1,093,747	1,606,084	512,337	46.8
Total Asset	38,157,199	37,581,832	(575,367)	(1.5)
Current Liabilities	11,016,821	12,676,986	1,660,165	15.1
Long-Term Liabilities	1,169,575	911,829	(257,746)	(22.0)
Other Liabilities	4,400,467	3,711,019	(689,448)	(15.7)
Total Liabilities	16,586,863	17,299,834	712,971	4.3
Equity Attributable to Owners of Parent	20,519,549	19,295,453	(1,224,096)	(6.0)
Share Capital	2,989,838	2,989,838	0	0.0
APIC	630,152	940,458	310,306	49.2
Retained Earnings	17,538,246	15,079,045	(2,459,201)	(14.0)
Other Equities	(638,687)	286,112	924,799	144.8
Non-Controlling Interests	1,050,787	986,545	(64,242)	(6.1)
Total Equity	21,570,336	20,281,998	(1,288,338)	(6.0)
1. The increase in current assets is mainly due to an increase in accounts receivable and inventory. 2. The decrease in fund and investment is primarily caused by a reduction in equity-method investments. 3. The increase in other assets is mainly attributable to the rise in financial assets measured at amortized cost – non-current, and prepaid investment payments. 4. The increase in current liabilities is mainly due to increases in short-term bank loans, notes payable, and accounts payable. 5. The decrease in long-term liabilities is primarily due to a reduction in deferred income tax liabilities. 6. The increase in Additional Paid In Capital is mainly caused by changes in the net equity of affiliated companies recognized under the equity 7. The decrease in retained earnings is mainly due to losses incurred during the current year. 8. The increase in other equities is primarily due to exchange differences arising from the translation of foreign operations' financial statements.				

## ii. Financial Performance

### (1) Comparison and Analysis of Financial Performance:

Unit: NT\$ thousand

Item \ Year	2023	2024	Increase (Decrease) Amount	Change Proportion (%)
Net Operating Revenue	27,261,117	29,633,132	2,372,015	8.7
Operating Cost	22,147,087	24,252,901	2,105,814	9.5
Operating Margin	5,114,030	5,380,231	266,201	5.2
Realized (Unrealized) Gain on Sales	509,805	(31,581)	(541,386)	(106.2)
Net Operating Margin	5,623,835	5,348,650	(275,185)	(4.9)
Operating Expenses	2,237,892	2,315,675	77,783	3.5
Non-Operating Income and Expenses	(636,286)	(3,765,633)	(3,129,347)	491.8
Pre-Tax Income	2,749,657	(732,658)	(3,482,315)	(126.6)
Income Tax Expense	950,895	33,516	(917,379)	(96.5)
Current Net Profit	1,798,762	(766,174)	(2,564,936)	(142.6)
Other Current Comprehensive Income (Net after Tax)	157,295	978,746	821,451	522.2
Total of Current Comprehensive Income	1,956,057	212,572	(1,743,485)	(89.1)
Net Income Attributable to Owners of Parent	1,691,823	(699,103)	(2,390,926)	(141.3)
Net Income Attributable to Non-Controlling Interests	106,939	(67,071)	(174,010)	(162.7)
Total Comprehensive Income Attributable to Owners of Parent	1,814,889	271,056	(1,543,833)	(85.1)
Total Comprehensive Income Attributable to Non-Controlling Interests	141,168	(58,484)	(199,652)	(141.4)
1. Increase in net operating revenue, cost of sales, and gross profit: Mainly due to the significant increase in demand from the China market. 2. Increase in unrealized gain on sales: Mainly because inventory sold to various investee companies has not yet been sold by those investee companies. 3. Decrease in non-operating income and expenses: Mainly due to reduced profits from investee companies. 4. Decrease in pre-tax income and current net profit for the year: Mainly due to reduced profits from investee companies. 5. Increase in other current comprehensive income for the period: Mainly due to increased exchange differences arising from the translation of foreign operations' financial statements.				

6. Decrease in net income attributable to owners of the parent and total comprehensive income attributable to owners of the parent: Mainly due to reduced consolidated profits for the period.
7. Decrease in net income attributable to non-controlling interests: Mainly due to reduced profits of subsidiaries during the period.
8. Decrease in total comprehensive income attributable to owners of the parent: Mainly due to reduced consolidated profits of the parent company for the period.
9. Decrease in total comprehensive income attributable to non-controlling interests: Mainly due to reduced profits of subsidiaries during the period.

(2) Future Outlook and Strategic Plan:

In 2024, the Company's consolidated revenue is projected to increase by 8.7% year-over-year, primarily driven by a significant rise in domestic market demand in China. Sales of our premium proprietary bicycle brands in the Chinese market are expected to remain stable. In Europe and the United States, as inventory levels gradually normalize, demand is anticipated to recover, leading to a steady increase in order volumes.

The Company will continue to optimize its systems and enhance management efficiency to support the product development and global market needs of its group brands. At the same time, efforts will be made to promote the parallel development of both proprietary brands and strategic alliance (investment) brands, aiming to secure a leading position and greater market share in the mid- to high-end bicycle and e-bike segments, in order to achieve the annual business targets.

Moreover, we remain committed to pursuing harmonious coexistence between business, society, and the environment, as we move toward sustainable operations and strive to fulfill our vision of achieving net-zero emissions.

**iii. Cash Flow:**

(1) Comparison and Analysis of Cash Flow:

Item \ Year	2023	2024	Increase (Decrease) Proportion (%)
Cash Flow Ratio (%)	(2.38)	17.65	841%
Cash Flow Adequacy Ratio (%)	34.03	38.14	12.08%
Cash Reinvestment Ratio (%)	(8.11)	1.65	120%

(2) Descriptions:

The cash flow ratio, cash flow adequacy ratio, and cash reinvestment ratio increased, primarily due to improved

profitability from core operations, which led to higher net cash inflows from operating activities.

(3) Analysis of Cash Liquidity in the Upcoming Year:

Unit: NT\$ thousand

Beginning Cash Balance (1)	Expected Net Cash Flow from Annual Operating Activities (2)	Expected Annual Cash Outflow (3)	Expected Cash Surplus (Shortfall) (1) + (2) - (3)	Remedy for Anticipated Cash Shortfall	
				Investment Plan(s)	Financing Plan(s)
3,640,467	1,201,819	1,034,267	3,808,019	-	-

**iv. Influence of Material Capital Expenditure on Finance in the Most Recent Year**

(1) Utilization of Material Capital Expenditure and Funding Source:

1. In recent years, the Company's operations have been consistently improving. While some factory expansions were completed between 2008 and 2011, additional land adjacent to the existing factory site was acquired in 2013 to meet the needs of the production line. Investments totaling approx. NT\$250 million were made in progression to establish new electrical bicycle facilities and production lines, whilst electrical bicycle production line optimization is in progress.
2. In order to increase the production capacity of the frame production line and improve the accuracy and speed of pipe cutting, the Company has been upgrading pre-processing equipment, purchasing laser cutting machines, and automated welding machines between 2017 and 2024. In addition, to enhance logistics and handling efficiency, the Company has gradually introduced an AGV (Automated Guided Vehicle) system since 2018; furthermore, in response to environmental protection and corporate social responsibility, the Company has invested approximately NT\$24 million throughout the recent years to upgrade its wastewater treatment facilities.
3. In 2024, the Company introduced green energy by investing NT\$50 million to complete the construction of a solar photovoltaic system, which not only helps improve our energy use efficiency but also aligns with global and Taiwan government policies targeting net-zero emissions by 2050.
4. Funding source: Utilizing the Company's own funds.

(2) Expected benefits:

1. The expansion and establishment of the electrical bicycle facilities are estimated to have an annual production capacity of approximately 420,000 units and an annual output value of



approximately NT\$24.7 billion. The improvement of the frame production line and equipment is expected to increase the production capacity by more than 25%.

2. The solar photovoltaic system is expected to generate 1.3 million kWh of green electricity annually, which accounts for approximately 10% of the Company's total annual electricity consumption. The carbon reduction effect is equivalent to the carbon sequestration of about 1.5 Daan Forest Parks.

**v. Investment Policies in the Most Recent Year as well as their Main Causes for Profits or Losses and Improvement Plans, and the Investment Plans for the Upcoming Year**

- (1) The establishment of MERIDA subsidiary in Germany in 1988 marked the successful entry of the Company's own brand MERIDA into the European market. As of now, the Company has invested in the establishment of 13 companies in Europe; in the United States, the Company has invested in Specialized Bicycle Components, Inc.; in Japan and Korea, MERIDA has established subsidiaries named MERIDA JAPAN CO., LTD. and MERIDA (Korea) Co., Ltd; in Mainland China, in addition to manufacturing bicycles in Shenzhen, Shandong, and Nantong, the Company has established 16 branch offices to expand its domestic market. Furthermore, the Company has professional agents in over 58 countries worldwide, completing the construction of its global sales network for bicycles.
- (2) Long-term equity investments may provide the Company with sales opportunities and generate investment returns.

**vi. Analysis and Evaluation of Risk Matters**

- (1) Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures:
  1. In 2024, the US dollar interest rate began to decline, while the Japanese yen interest rate remained relatively stable. For the company's raw material imports priced in US dollars and Japanese yen, interest expenses in 2024 increased by NT\$11.806 million compared to 2023. Since Taiwan's recent rate hikes have been more moderate than most countries and even though inflation is expected to ease in 2025, it may still remain above historical levels. If economic momentum does not significantly deteriorate, the central bank is expected to maintain interest rates unchanged.
  2. The company's exports and raw material imports from overseas are substantial, so exchange rate fluctuations have a significant impact on the company's profit and loss. In 2024, the US dollar average exchange rate continued to depreciate, and the Japanese

yen also weakened, resulting in foreign exchange gains of NT\$351.31 million.

3. Looking ahead to 2025, the US tariff policies increase uncertainty in the global economic outlook. The Company will continue to monitor the direction of US tariff policies, the Federal Reserve's pace of interest rate cuts, policy trends, and inflation developments. The New Taiwan Dollar is expected to remain relatively strong. However, due to uncertainties such as US tariff policies, the ongoing Russo-Ukrainian War, climate change, the increase in minimum wage, inflation expectations among the public, and the electricity price hike in April for daily necessities, inflation will likely remain at a relatively high level. The Company will continue to closely monitor international price trends and strictly control all expenses to strive for cost reduction.
4. In the future, the Company will take into consideration the trends in interest rates and exchange rates, and align its strategies with relevant management regulations.

(2) Policies and Main Causes for Gains or Losses and Future Response Measures with Respect to Engagement in High-Risk and High-Leveraged Investments, Loaning of Funds to Others or Endorsement and Guarantees, and Derivatives Transactions:

1. The Company does not engage in high-risk and high-leveraged investments.
2. The Company engages in loaning of funds to others, endorsements and guarantees and derivatives transactions in accordance with relevant management regulations.

(3) Future R&D Projects and Anticipated Contributions:

1. Future R&D Project: the Company will continue to research and develop new products in the orientation of "3Ns"-New Material, New Utility, and New Functions.
2. Anticipated Contributions: Full support following analysis of R&D project.
3. R&D Plans in the Upcoming Two Years:

(1) "Sporty: Urban Style Electric City Bike" R&D Project:

Estimated Investment in R&D at NT\$6,000 thousand.

The "Sporty: Urban Style Electric City Bike" is positioned as an affordable electrical bicycle designed for urban use. The frame design features sporty geometry with a low step-through for ease of use. The design style is simple and fashionable, equipped with the latest Bosch motor, providing high-quality yet affordable electric assistance. A lightweight cargo rack meets daily usage needs, while

emphasizing a sporty and fast riding experience. It is ideal for riders seeking an exhilarating speed experience.

(2) “Advanced & High-capacity Battery Electric Full Suspension Mountain Bikes” R&D Project:

Estimated Investment in R&D at NT\$11,000 thousand.

The main objective of the “Advanced & High-capacity Battery Electric Full Suspension Mountain Bikes” is a brand-new full suspension electric trail mountain bike. The frame is made of CF4 carbon fiber material with a distinctive appearance, paired with Shimano’s new electric drivetrain and battery pack. The new battery cover design supports compatibility with different battery capacities. The optimized kinematic design uses a Flip Chip to allow configuration of different tire sizes (27.5”/29”) while maintaining excellent sporty geometry.

(3) R&D Information:

Project(s) in the Most Recent Year	Current Progress	Addition R&D to be Contributed	Expected Time for Completion and Mass Production	Main Influencing Factors for Future R&D Success
Sporty: Urban Style Electric City Bike	Drawing Design in Progress. Product Specification under Planning.	NT\$6 million	Q3 2025-Drawing and Graphics Complete Q4 2025-Mold Complete Q1 2026-Sample Testing and Tuning, plus Testing and Evaluation by professional European cycling teams. Q2 2026-Mass Production.	A minimalist design style that meets market expectations, paired with the latest affordable Bosch electric system.
Advanced & High-capacity Battery Electric Full Suspension Mountain Bikes	Drawing Design in Progress. Product Specification under Planning.	Approx. NT\$11 million	Q3 2025-Drawing and Graphics Complete Q4 2025-Mold Complete Q1 2026-Sample Testing and Tuning, plus Testing and Evaluation in Europe Q2 2026-Mass Production.	Excellent sporty performance combined with Shimano’s latest and top-tier electric drivetrain system.

(4) Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales:

1. In order to implement and promote sustainable development, the Company has established sustainability policies, systems, or related management guidelines approved by the Board of Directors. The senior management under authorization establishes the “MERIDA ESG Promotion Committee”, whereas the said policies and guidelines are publicly announced on the Corporate Website. The aforementioned measures are to drive

corporate governance, risk management, corporate social responsibility, climate change strategies, and environmental protection. Starting from 2023, the Task Force on Climate-related Financial Disclosures (TCFD) framework was adopted to identify potential financial risks and opportunities arising from climate change. Furthermore, relevant strategies and measures were developed to mitigate the risk of financial losses.

2. The Company continues to monitor important domestic and international policies, financial and economic situations, securities regulations, tax laws, financial accounting standards, and other relevant regulatory changes. It proactively responds to these changes in order to minimize their impact on the Company.

(5) Effects of and Response to Changes in Technology (including ICT security risks) and the Industry Relating to Corporate Finance and Sales:

1. The Company continues to introduce technology advancements from the industry and applies them to product development and process improvement.
2. To enhance the Company's information security management, various measures are implemented to address information risks, such as device management, hardware protection, application system security monitoring, internet and mobile security, etc.
3. The Company performs technical and managerial checks to improve and enhance network and information system security capabilities, as well as information governance standards.
4. The Company has not experienced any significant financial or operational impacts due to technological changes in the most recent year and up to the date of publication of the annual report.

(6) The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company's Response Measures: None.

(7) Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans: None.

(8) Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans:

1. Expected Benefits from Factory Expansion Plans, please refer to 4.(2) on Page 151-152.
2. Possible Risks and Mitigation Measures: The Company may face significant risks due to global inflation, ongoing conflicts such as the Russo-Ukrainian War, Gaza Strip tensions, and the Red Sea crisis, leading to soaring prices of commodities and shipping costs. This could result in a continued upward trend in both

domestic and foreign raw material prices. Given the economic softness and weakened demand in the international market, apart from China, global market demand may not show significant improvement. Therefore, it is essential to regularly assess inventory turnover capability and adjust procurement policies accordingly to mitigate financial pressure and risks. Meanwhile, the Company shall manage production scale and optimize production lines to meet customer order demands under the best production configuration.

- (9) Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration: None.
- (10) Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10%: None.
- (11) Effects of, Risks Relating to and Response to the Changes in Management Rights: None.
- (12) Any litigation or non-litigious proceeding: None.
- (13) Other Important Risks: None.

**vii. Other Important Matters:** None.

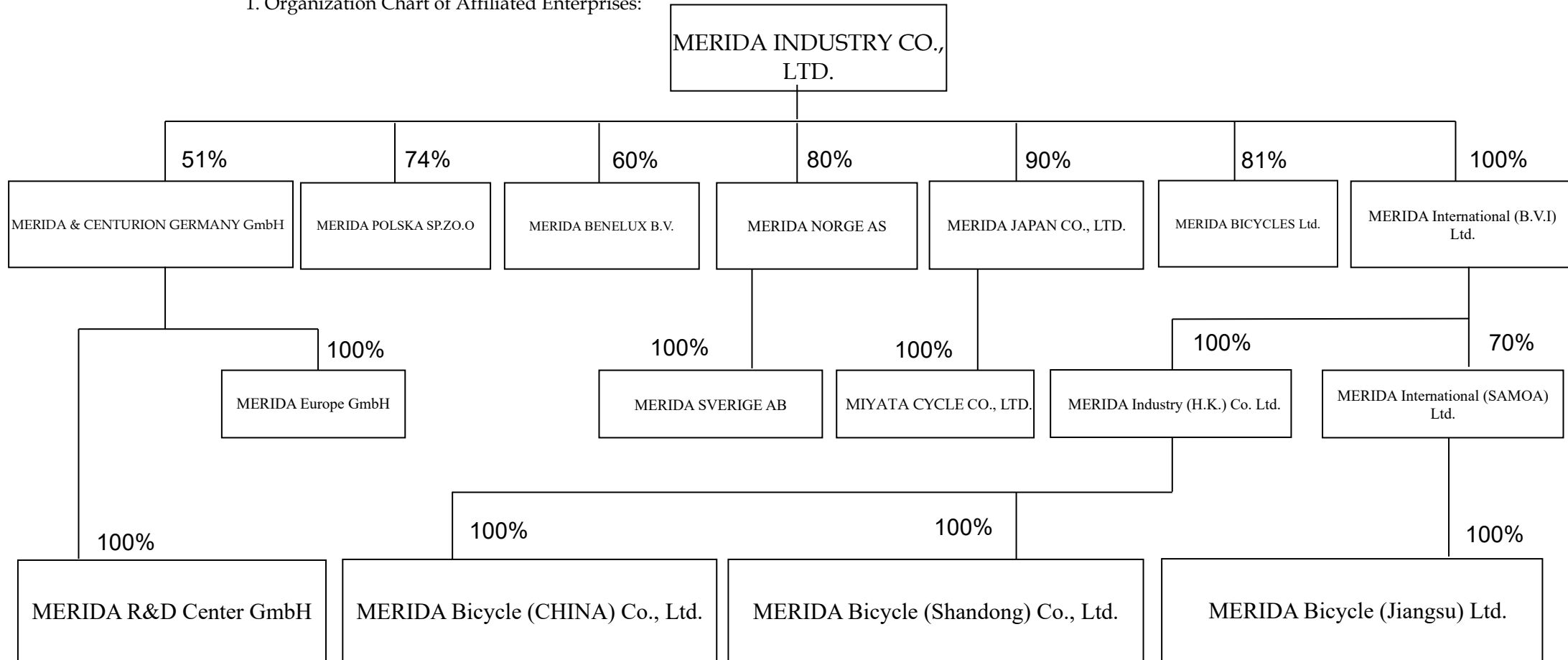
## VI. Special Disclosure

### i. Summary of Affiliated Enterprises:

(1) Consolidated Business Report of Affiliated Enterprises:

Ending Date: December 31, 2024

1. Organization Chart of Affiliated Enterprises:



## 2. Basic Information of Each Affiliated Enterprise:

Ending Date: December 31, 2024

Name of Enterprise	Date of Establishment	Address	Paid-in Capital (in thousand)	Main Scope of Business
MERIDA & CENTURION GERMANY GmbH	September 14, 2001	BlumenstraBe 51 D-71106 Magstadt Germany.	EUR6,000	Sales of Bicycle and Bicycle Parts and Components.
MERIDA Europe GmbH	February 20, 2002	BlumenstraBe 49-51 D-71106 Magstadt Germany.	EUR25	Brand Promotion and Cycling Team Management.
MERIDA R&D Center GmbH	January 16, 2014	BlumenstraBe 49-51 D-71106 Magstadt Germany.	EUR25	Design and Development of Bicycles.
MERIDA POLSKA SP.ZO.O	June 13, 2001	Ul. M.Curie-Sklodowskiej 35,41-800 Zabrze Poland.	PLN135	Sales of Bicycle and Bicycle Parts and Components.
MERIDA BENELUX B.V.	June 10, 1998	Laan van Westenenk 102, 7336 AZ, Apeldoorn, The Netherlands	EUR3,341	Sales of Bicycle and Bicycle Parts and Components.
MERIDA BICYCLES Ltd.	February 28, 1995	Unit 2 Alder Court Rennie Hogg Road Riverside Business Park, Nottingham, NG2 1RX.	GBP592	Sales of Bicycle and Bicycle Parts and Components.
MERIDA International (B.V.I) Ltd.	January 31, 1997	CITCO Building P.O.Box 662, Road Town ,Tortola, British Virgin Islands.	USD42,500	Holding Company.
MERIDA Industry (H.K.) Co. Ltd.	May 18, 1993	Room C, 21F, Lee & Man Commercial Center, No. 169, Electric Rd., Causeway Bay, Hong Kong	HKD202,800	Investment and Holding.
MERIDA International (SAMOA) Ltd.	April 23, 2012	Portcullis TrustNet Chambers, P.O.Box 1225, Apia, Samoa	USD35,000	Investment and Holding.
MERIDA Bicycle (CHINA) Co., Ltd.	July 12, 1990	No. 278, Jihua Rd., Lihu Community, Jihua Neighborhood, Longgang Dist. Shenzhen City	RMB69,936	Manufacturing, Processing, Assembly and Sales of Bicycles and Electrical Bicycles and Parts and Components Thereof.

MERIDA Bicycle (Shandong) Co., Ltd.	March 3, 2007	No. 2388, Junhua Blvd., Dezhou Economic Development Zone, Shandong Province	RMB118,676	Manufacturing, Processing, Assembly and Sales of Bicycles and Parts and Components Thereof.
MERIDA Bicycle (Jiangsu) Ltd.	June 28, 2012	No. 11, Xinxing E. Rd., NANTONG ECONOMIC & TECHNOLOGICAL DEVELOPMENT AREA, Jiangsu Province	RMB219,321	Manufacturing, Sales, Import/Export and Wholesale of Bicycles and Electrical Bicycles and Parts and Components Thereof.
MERIDA JAPAN CO., LTD.	June 1, 2010	11-27 Higashida-cho Kawasaki-ku, Kawasaki-shi, kanagawa MetLife Kawasaki Building 6F	JPY100,000	Sales of Bicycle and Bicycle Parts and Components.
MIYATA CYCLE CO., LTD.	July 1, 2020	2746-5 B1F, Inokuchi, Nakai-Machi, Ashigarakami-Gun, Kanagawa, 259-0151, Japan	JPY30,000	Sales of Bicycle and Bicycle Parts and Components.
MERIDA NORGE AS	June 20, 1976	Vaekeroeveien 210, 0751 Oslo, Norway	NOK26,400	Sales of Bicycle and Bicycle Parts and Components.
MERIDA SVERIGE AB	July 15, 2009	Ovre Husargatan 32, 413 14 Gothenburg, Sweden	SEK1,000	Sales of Bicycle and Bicycle Parts and Components.

3. Information of Identical Shareholders Affiliate Enterprise(s) assumed as a Controlling or Subordinate Company of the Company: None.

4. Industries Covered by Operations of Overall Affiliate Enterprises:

- (1) Manufacturing, Processing, Assembly and Sales of Bicycles and Parts and Components Thereof.
- (2) Manufacturing, Processing, Assembly and Sales of Electrical Power (Assist) Bicycles and Parts and Components Thereof.
- (3) Design and Development of Bicycles, Brand Promotion and Cycling Team Management.



(4) Overseas Holding Company.

5. Information of Directors, Independent Directors and President of Individual Affiliated Enterprise:

Ending Date: December 31, 2024

Name of Enterprise	Titles	Name or Representative	Shares Held	Shareholding Ratio (%)
MERIDA & CENTURION GERMANY GmbH	Shareholder Managing Director Managing Director	MERIDA INDUSTRY CO., LTD. Wolfgang Renner  Gerd Klose	No outstanding shares	51.00 49.00 -
MERIDA Europe GmbH	Shareholder President	MERIDA & CENTURION GERMANY GmbH Wolfgang Renner	No outstanding shares	100.00
MERIDA R&D Center GmbH	Shareholder President	MERIDA & CENTURION GERMANY GmbH Wolfgang Renner	No outstanding shares	100.00
MERIDA POLSKA SP.ZO.O	Shareholder President Vice President	MERIDA INDUSTRY CO., LTD. Waldemar Zenon, Chrapek Ireneusz Marek, Brela	100 17 18	74.07 12.60 13.33
MERIDA BENELUX B.V.	Director Director & President	MERIDA INDUSTRY CO., LTD. Rep.: Zheng Wen-Xiang Peter Koperdraad	766,126 510,752	60.00 40.00
MERIDA BICYCLES Ltd.	Director Director & President	MERIDA INDUSTRY CO., LTD. Rep. : Zheng Wen-Xiang Christopher David Carter	481,763 110,729	81.31 18.69
MERIDA International (B.V.I) Ltd.	Shareholder Chairman  Director Director	MERIDA INDUSTRY CO., LTD. MERIDA INDUSTRY CO., LTD. Rep. : Tseng Song-Zhu Tseng Shang-Yuan Liu Ming-Gen	42,500,000	100.00
MERIDA Industry (H.K.) Co. Ltd.	Shareholder Chairman	MERIDA International (B.V.I) Ltd. MERIDA INDUSTRY CO., LTD. Rep. : Tseng Song-Zhu	202,800,000	100.00

	Director Director	Tseng Shang-Yuan Liu Ming-Gen		
MERIDA International (SAMOA) Ltd.	Shareholder Shareholder Chairman Director Director Director Director Director	MERIDA International (B.V.I) Ltd. 1220 Company MERIDA International (B.V.I) Ltd. Rep.: Tseng Song-Zhu Tseng Shang-Yuan Tseng Gui-Su Liu Ming-Gen Michael Wayne Sinyard Edward Alan Mitchell	24,500,000 10,500,000	70.00 30.00
MERIDA Bicycle (CHINA) Co., Ltd.	Chairman  Director Director Supervisor President	MERIDA Industry (H.K.) Co. Ltd. Rep. : Tseng Song-Zhu Tseng Shang-Yuan Lai Ru-Ding Liu Ming-Gen Tsai Wei-Sheng(Termination of appointment on January 1, 2025.) Wu Min-Fang(Succeeded to the position on January 1, 2025.)	No outstanding shares	100.00
MERIDA Bicycle (Shandong) Co., Ltd.	Chairman  Director Director Supervisor President Domestic Sales Headquarters President	MERIDA Industry (H.K.) Co. Ltd. Rep.: Tseng Song-Zhu Tseng Shang-Yuan Lai Ru-Ding Liu Ming-Gen Shih Qi-Xiang Shih Wen-Lin	No outstanding shares	100.00
MERIDA Bicycle (Jiangsu) Ltd.	Chairman  Director Director Supervisor	MERIDA International (SAMOA) Ltd. Rep. : Tseng Song-Zhu Tseng Shang-Yuan Chen Szu-Ru Liu Ming-Gen	No outstanding shares	100.00

	President	Lai Tong-Sha		
MERIDA JAPAN CO., LTD.	Shareholder	MERIDA INDUSTRY CO., LTD.	1,800	90.00
	Shareholder	Employees	100	5.00
	Chairman	Shinichiro Takaya	100	5.00
	Director & President	Saburo Fukuda		
	Director	Tseng Song-Zhu		
	Director	Zheng Wen-Xiang		
	Director	Tseng Shang-Yuan		
MIYATA CYCLE CO., LTD.	Supervisor	Hiroyuki Tahara		
	Shareholder	MERIDA JAPAN CO., LTD.	300	100.00
	Chairman	Shinichiro Takaya		
	Director & President	Saburo Fukuda		
	Director	Tseng Song-Zhu		
	Director	Zheng Wen-Xiang		
MERIDA NORGE AS	Director	Tseng Shang-Yuan		
	Supervisor	Hiroyuki Tahara		
	Shareholder	MERIDA INDUSTRY CO., LTD.	211,200	80.00
	Shareholder	Bike Holding AS	52,800	20.00
	Chairman	Einar Steen-Olsen		
	Director & President	Stian Steen-Olsen		
	Director	Tseng Song-Zhu		
MERIDA SVERIGE AB	Director	Zheng Wen-Xiang		
	Director	Tseng Shang-Yuan		
	Director	Trond Kongroyd		
	Shareholder	MERIDA NORGE AS	10,000	100.00
	Chairman	Jan Andreasson		
	Director & President	Stian Steen-Olsen		
	Director	Einar Steen-Olsen		

(2) Operation Overview for the Affiliate Enterprises of the Company:

Unit: NT\$ thousands except for EPS in NT\$

Name of Affiliate Enterprise	Paid-In Capital	Total Asset	Total Liabilities	Net Value	Operating Revenue	Gain (Loss) from Operations	Current Gain (Loss) (After Tax)	EPS (After Tax)
MERIDA & CENTURION GERMANY GmbH	204,840	3,433,835	2,143,002	1,290,833	3,281,019	171,971	(218,443)	No outstanding shares
MERIDA Europe GmbH	853.5	71,489	6,521	64,968	51,867	5,021	5,021	No outstanding shares
MERIDA R&D Center GmbH	853.5	28,302	10,276	18,026	64,755	2,898	2,561	No outstanding shares
MERIDA POLSKA SP.ZO.O	1,030	763,500	631,005	132,495	529,724	(49,515)	(29,993)	(222,170)
MERIDA BENELUX B.V.	114,068	433,904	364,948	68,956	496,363	(4,020)	(11,462)	(9)
MERIDA BICYCLES Ltd.	24,405	626,168	486,228	139,940	570,431	2,483	(18,643)	(31)
MERIDA International (B.V.I) Ltd.	1,393,363	3,124,257	0	3,124,257	0	(145)	1,101,642	26
MERIDA Industry (H.K.) Co. Ltd.	856,365	2,505,482	0	2,505,482	0	(276)	940,077	5
MERIDA International (SAMOA)Ltd.	1,147,475	795,091	0	795,091	0	(89)	230,420	7
MERIDA Bicycle (CHINA) Co., Ltd.	313,215	590,188	213,150	377,038	979,958	5,906	11,755	No outstanding shares
MERIDA Bicycle (Shandong) Co., Ltd.	531,503	2,738,828	677,534	2,061,294	8,940,658	1,224,095	928,516	No outstanding shares
MERIDA Bicycle (Jiangsu) Ltd.	1,000,188	1,984,237	1,253,344	730,893	3,502,741	242,709	227,242	No outstanding

								shares
MERIDA JAPAN CO., LTD.	20,990	377,497	333,017	44,479	2,893,183	(47,352)	(49,521)	(24,760)
MIYATA CYCLE CO., LTD.	6,297	16,592	45,040	(28,448)	30,216	(18,818)	(15,721)	(52,404)
MERIDA NORGE AS	72,827	319,567	203,571	115,996	344,997	(1,109)	(18,944)	(72)
MERIDA SVERIGE AB	2,990	35,434	28,238	7,197	134,809	(25,469)	(23,376)	(2,338)

- (3) Statement on Consolidated Financial Report of Affiliated Enterprises: Please refer to page 1 of the consolidated financial statements for the year 2024, available on the Market Observation Post System (MOPS).
- (4) Consolidated Financial Reports of Affiliated Enterprises: Please refer to pages 6 to 12 of the 2024 consolidated financial statements available on the Market Observation Post System (MOPS).
- (5) Relationship Report: Not Applicable.

**ii. Private Placement Securities in the Most Recent Year and up to the Date of Publication of the Annual Report :** None.

**iii. Other Necessary Supplements and Descriptions:** None.

**VII. Violated Matters Prescribed under Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act Occurred in the Most Recent Year and up to the Date of Publication of the Annual Report:** None.

MERIDA INDUSTRY CO., LTD.

Chairman Tseng Song-Zhu