



AIRTAC INTERNATIONAL GROUP  
2025 ANNUAL REPORT

Notice to readers

*This English-version annual report is a translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.*

Printed on March 16, 2026

Market Observation Post System: <http://mops.twse.com.tw/>

AirTAC Website: <http://www.airtac.com/>

## I. Spokesperson and Deputy Spokesperson

### 1. Spokesperson

Name: Tsao, Yung-Hsiang  
Title: Vice General Manager and Chief Financial Officer of AIRTAC INTERNATIONAL GROUP  
Tel: (886)2-2719-7538  
E-mail: [ivan.tsao@airtac.com](mailto:ivan.tsao@airtac.com)

### 2. Deputy Spokesperson

Name: Li, Huai-Wen  
Title: General Manager of AIRTAC INTERNATIONAL GROUP and General Manager of Mainland China Business Group  
Tel: (86)574-8895-0001  
E-mail: [huaiwenli@airtac.com](mailto:huaiwenli@airtac.com)

## II. Headquarters and Subsidiaries

### 1. Company information

Name: AIRTAC INTERNATIONAL GROUP Tel:(886) 2-2719-7538  
Address: PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands

### 2. Taipei Headquarter:

Name: AIRTAC INTERNATIONAL GROUP Tel:(886) 2-2719-7538  
Address: 9F., No.10, Sec. 3, Minsheng E. Rd., Zhongshan Dist., Taipei City 10596, Taiwan (R.O.C.)

### 3. Operation Center in China:

Name: AIRTAC INTERNATIONAL GROUP Tel:(86) 574-8895-0001  
Address: No. 88, Siming East Rd., Hi-tech. Park, Fenghua Dist., Ningbo City, Zhejiang, China

### 4. Branch

Name: AIRTAC INTERNATIONAL GROUP TAIWAN BRANCH (“AirTAC Taiwan”)  
Office Address: 9F., No.10, Sec. 3, Minsheng E. Rd., Zhongshan Dist., Taipei City 10596, Taiwan (R.O.C.) Tel:(886) 2-2719-7538  
Factory Address: No. 28, Kanxi Rd., Xinshi Dist., Tainan City 744092, Taiwan (R.O.C.) Tel:(886) 6-589-6889

### 5. Subsidiaries

#### Subsidiaries in Hong Kong

- AIRTAC INDUSTRIAL (HONG KONG) LIMITED (“Hong Kong Industrial”) Tel:(886) 2-2719-7538  
Address: 13/F., 136 Des Voeux Road Central, Central, Hong Kong
- AIRTAC TRADING (HONG KONG) LIMITED (“Hong Kong Trading”) Tel:(886) 2-2719-7538  
Address: 13/F., 136 Des Voeux Road Central, Central, Hong Kong

#### Subsidiary in British Virgin Islands

- INSTANT REACH INTERNATIONAL LIMITED (“Instant Reach”) Tel:(886) 2-2719-7538  
Address: Vistra Corporate Service Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands

#### Subsidiaries in Singapore

- AIRTAC HOLDING (SINGAPORE) PTE. LTD. (“AirTAC Holding Singapore”) Tel:(65) 6496-0496  
Address: 16 Raffles Quay, #19-01 Hong Leong Building, Singapore 048581
- AIRTAC INTERNATIONAL (SINGAPORE) PTE. LTD. (“AirTAC Singapore”) Tel:(65) 6496-0496  
Address: 16 Raffles Quay, #19-01 Hong Leong Building, Singapore 048581

#### Subsidiaries in China

- Ningbo Airtac Automatic Industrial Co., Ltd. (“AirTAC Ningbo”) Tel:(86) 574-8895-0001  
Address: No. 88, Siming East Rd., Hi-tech. Park, Fenghua Dist., Ningbo City, Zhejiang, China
- Guangdong AirTAC Automatic Industrial Co., Ltd. (“AirTAC Guangdong”) Tel:(86) 757-8521-7397  
Address: No.7, Kaixuan Road, Songxia Industrial Park, Shishan Town, Nanhai Dist., Foshan City, Guangdong, China
- Airtac (China) Co., Ltd. (“AirTAC China”) Tel:(86) 574-8898-9999  
Address: No.8 Huisheng Road, Fenghua Dist., Ningbo City, Zhejiang, China
- Airtac (Jiangsu) Automatic Co., Ltd. (“AirTAC Jiangsu”) Tel:(86) 512-5518-1853  
Address: No.188 Ruike Road, Yushan Town, Kunshan City, Jiangsu, China
- Guangdong Airtac Intelligent Equipment Co., Ltd. (“Guangdong AirTAC Intelligent”) Tel:(86) 752-3989-888  
Address: No. 3, Shiquanling Road, Chenjiang Street, Zhongkai High-Tech. Development Zone, Huizhou City Guangdong, China
- Airtac (Tianjin) Intelligent Technology Co., Ltd. (“AirTAC Tianjin”) Tel:(86) 228-3990-572  
Address: Factory A, 1-3 Floor, D10 of Easter District, No.1 of School west Road, Xiqing School Industrial Area, Tianjin city, China
- Airtac (Fujian) Intelligent Equipment Co. Ltd. (“AirTAC Fujian”) Tel:(86) 592-5806-652  
Address: 101, No.1, Guankou Zhenping Road, Jimei District, Xiamen, Fujian, China
- Airtac (Shandong) Automatic Co., Ltd. (“AirTAC Shandong”) Tel:(86) 531-8898-9636  
Address: 101, Building 4, Tysen-kld Intelligent Power Industrial Park, No. 103, Yushan Road, Licheng District, Jinan City, Shandong, China

#### Subsidiaries in Taiwan

- Airtac Enterprise Co., Ltd. Tel:(886) 3-392-0239  
Address: No. 163, Sec. 1, Wenzhong Rd., Luzhu Dist., Taoyuan City 338, Taiwan (R.O.C.)

#### Subsidiaries in Italy

- ATC (ITALIA) S.R.L. (“ATC”) Tel:(39) 0331-307204  
Address: Via San Vittore 16, 20123 Milano, Italy

#### Subsidiaries in Japan

- Airtac Co. Ltd. (“AirTAC Japan”) Tel:(81) 06-4307-6039  
Address: 3-6-3 KUSUNE, Higashi Osaka-shi, Osaka, Japan

#### Subsidiaries in Malaysia

- AIRTAC INDUSTRIAL (MALAYSIA) SDN. BHD. (“AirTAC Malaysia”) Tel:(60) 7358-7969  
Address: No. 22-01, Jalan Ekoperniagaan 1/3, Taman Ekoperniagaan, 81100 Johor Bahru, Johor, Malaysia

**Subsidiaries in Thailand**

- AIRTAC INDUSTRIAL CO., LTD. (“AirTAC Thailand”)
  - Address: No. 11/12 M00 9, Bangchalong, Bangplee, Samutprakarn, Thailand. 10540.

Tel:(66) 2023-3515

**Subsidiaries in USA**

- AIRTAC USA CORPORATION (“AirTAC USA”)
  - Address:21201 Park Row Drive, Katy, TX, USA 77449

Tel:(1) 281-394-7177

**III. Transfer Agent & Registrar**

Name: Transfer Agency Department, China Trust Commercial Bank  
 Address: 5F., No.83, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City, Taiwan  
 (R.O.C.)

Tel:(886) 2-6636-5566

Website: <https://www.ctbcbank.com>**IV. Firm name, address, website URL, telephone number, and the name of the CPA who attested the most recent year's financial report**

Auditing Firm: Deloitte &amp; Touche

Independent Auditors: Bo-Ren Weng, CPA and Li- Huang Lee, CPA.

Tel: (886) 2-2725-9988

Address: 20F., No.100, Songren Rd., Songshan Dist., Taipei City 110, Taiwan (R.O.C.)

Website: <http://www.deloitte.com.tw>**V. Overseas Securities Listing Exchange and Information: None****VI. Company Website: <http://www.airtac.com>****VII. List of Board of Directors**

<b>Occupation</b>	<b>Name</b>	<b>Nationality</b>	<b>Position &amp; Main Experience</b>
Chairman	Wang, Shih-Chung	R.O.C.	Chairman of AIRTAC INTERNATIONAL GROUP
Director	Lan, Shun-Cheng	R.O.C.	Chairman of Airtac Enterprise Co., Ltd.
Director	Wang, Hai-Ming	P.R.C.	Chairman of Behealthy Electronic Technology Co., Ltd.
Director	Chen, Jui-Lung	R.O.C.	GM of Guang Yang Industrial Works
Director	Li, Huai-Wen	P.R.C.	GM of AIRTAC INTERNATIONAL GROUP and GM of Mainland China Business Group
Director	Tsao, Yung-Hsiang	R.O.C.	Vice GM and Chief Financial Officer of AIRTAC INTERNATIONAL GROUP
Director	Xiao, Xiang-Ming	R.O.C.	Senior Engineer, Packaging R&D Department, Texas Instruments Incorporated
Independent Director	Renn, Jyh-Chyang	R.O.C.	President for Academic Affairs, National Yunlin University of Science and Technology
Independent Director	Lin, Ken-Mao	R.O.C.	Chairman of Welldar Industrial Co., Ltd.
Independent Director	Huang, Yi-Wen	R.O.C.	Attorney-at-law of H.Y. Law Firm
Independent Director	Chou, Tse-Yi	R.O.C.	Chief of Accountant, USI

**VIII. Designated Domestic Agent:**

Name: Tsao, Yung-Hsiang

Title: Vice General Manager and Chief Financial Officer of AIRTAC INTERNATIONAL GROUP

Tel: (886) 2-2719-7538

E-mail: [ivan.tsao@airtac.com](mailto:ivan.tsao@airtac.com)

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## 1. Letter to Shareholders

Dear Shareholders,

### **Foreword**

As the government continues to announce stimulus policies and lift some restrictions, the pneumatic market will gradually recover in 2025. In addition to continuously developing new products with high gross margins, improving product sales mix, improving internal production efficiency and reducing costs, AirTAC Group also continued to expand its brand image, develop new products and new customers to increase market share to support revenue growth.

### **Operating Performance in 2025:**

#### 1. Business performance

Total consolidated revenue for 2025 was NT\$34,329,945 thousand, a 11.97% increase compared with NT\$30,660,133 thousand in 2024. Gross profit for 2025 was NT\$ 15,782,036 thousand, an increase of 10.26% over 2024. Gross margin was 45.97%. Profit from operation for 2025 was NT\$10,287,697 thousand, an increase of 13.98% over 2024, and the operating profit margin was 29.97%. Net profit for year 2025 was NT\$8,399,832 thousand, a 10.19% increase compared with NT\$7,623,278 thousand in 2024. Earnings per share was NT\$42. Total equity was NT\$52,581,178 thousand. Net worth was NT\$262.91 per share.

#### 2. Budget implementation

The Company's internal budget for 2025 has been approved by the Board of Directors, but the financial forecast has not been disclosed, and the overall operating condition is good.

#### 3. Financial and Profitability analysis

In 2025, consolidated non-operating revenue of AirTAC Group amounted to NT \$357,654 thousand, a decrease of NT \$250,534 thousand compared with non-operating revenue amounted to NT \$608,188 thousand in 2024. The main reason was recognizing the net foreign exchange loss and gain. In addition, our return on assets was 14.67% and return on equity was 16.72% in 2025.

#### 4. Research and development status

In R&D, AirTAC continues to shore up the high market shares of our mid-end products used in livelihood manufacturing industry and has been endeavoring in the development of mid-to-high end products in recent years. We plan to roll out about five to ten series of new products every year in the next three years to double the breadth of our product lines. In addition, AirTAC has made effective progress in the continuous development of electronic control systems and electric cylinder-related products. Aside from new product R&D, we also spend heavily on production automation and process improvement to enhance our competitiveness. The 2025 R&D expenditure amounted to NT\$ 1,110,514

thousand, accounting for 3.23% of the year's consolidated revenue. In the continuing efforts to strengthen our R&D capability, it is estimated that the R&D will account for approximately 3% of the consolidated net operating income for the year 2026.

### **Business plan in 2026:**

Besides expanding capacity in existing businesses, AirTAC set up a new Tainan factory and a second R&D center in Taiwan for developing high-precision pneumatic products, electric cylinders and other new products and components. Mass production of self-made linear guides has started. In China, AirTAC has continued to set up local sales branches and offices and established a logistics center to improve operational efficiency. As for the overseas operation base, AirTAC plans to improve the operations in Japan, Malaysia, Thailand and the United States sales subsidiaries gradually. It is expected to improve the operation scale for capturing more market shares and increase our profit. In the future, we will develop electric cylinders and other related new products, agent other automation related components and products by using our dense marketing system in China and around the world to improve the rate of return to shareholders. Base on the factors of world economic situation, changes in the industrial environment, supply, demand and competition of the market, in consideration of our business with existing clients around the world, progress in new clients' development and our own capacity. It is estimated that the sales volume of products in 2026 will have a double-digit growth compared with that in 2025.

### **Future development strategy**

In response to global climate change and global warming, countries around the world are paying more and more attention to environmental protection, and manufacturers are looking for more environmentally and efficient production models. Pneumatic components are driven by air throughout the process, unlike hydraulic systems that are driven by various oil products, and have large energy consumption and pollution, making pneumatic components the best choice in the industrial environment where environmental awareness is rising. China's 15th Five-Year Plan emphasizes industrial upgrading, intelligent manufacturing, expanding domestic demand, investing in new industries such as AI, 5G, and energy storage, and focusing on green development. These are all key advantages for Airtac to seize market share in the future. Pneumatic components are widely used, and customers are all over the electronics, battery, and automobile industries, which can take advantage of China's transformation and domestic demand business opportunities; In addition, pneumatic components are powered by air, which is also in line with China's green and zero-carbon policy.

### **Affected by the external competitive environment, the regulatory environment and the general operating environment**

The development of industrial automation is fast-growing. With the goals of seeking stable, sustainable operation and maximizing benefits for shareholders, the company will continue to explore new clients, develop new products, improve production technologies and production processes to strengthen the company's overall competitiveness. By improving the operational efficiency along with effective cost control, the company expects to obtain higher profits. As automation upgrade is the future trend of all industries, even with the running of overall economic and market demand cycle, the adverse effects on AirTAC can

expect to be reduced with the company’s diversified sales proportion in various industries, competitive product prices yet with higher product quality as well as better sales service to clients to enhance competitiveness and win market share from competitors. We believe that with the continuous efforts and support of our 9,104 employees worldwide and our shareholders, AirTAC will set yet another new record in the process of exploration and development of industrial automation.

*Sincerely,*

Chairman	Wang, Shih-Chung
General Manager	Li, Huai-Wen
Vice General Manager /CFO	Tsao, Yung-Hsiang

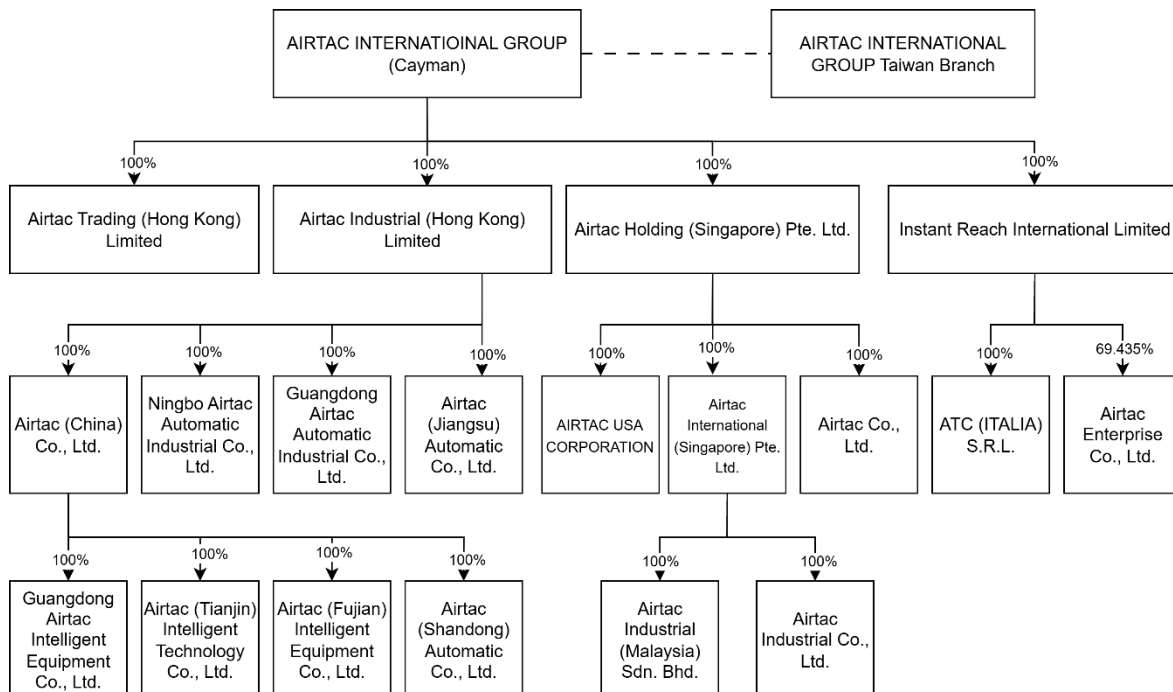
## 2. Company Profile

### 2.1 Company Introduction

AIRTAC INTERNATIONAL GROUP (referred to the “Company” or the “Group” hereinafter) started out as Airtac Enterprise Co., Ltd. (originally named Ching-Ki Enterprise Co., Ltd.), which was established in May 1989 and manufactured mainly solenoid valves in its early stage. Now AIRTAC INTERNATIONAL GROUP offers cylinders of special specifications and more than 40 series and hundreds of varieties of valve products, including solenoid valve, pneumatic valve, manual valve, hand-draw valve, mechanical valve, and throttle valve. Ningbo AirTAC Automatic Industrial Co. Ltd. was established in 2001 to produce cylinders and air source treatment units for industrial automation applications in automotive, machinery, metallurgy, electronics, textile, porcelain, medical instruments and devices, and food packaging. AIRTAC INTERNATIONAL GROUP was incorporated on September 16, 2009 in Cayman Islands as the holding company for the group enterprises and was listed in Taiwan Stock Exchange on December 13, 2010.

As a leading manufacturer of pneumatic preparation components, the Company provides clients with total pneumatic solutions with its vertically integrated processes. The Company’s turnkey services, from product design, R&D to volume production, greatly shorten the lead time in product development and the production process for extensive applications in industrial automation.

### 2.2 Affiliates Organization Chart



### 2.3 Risks: Please refer to Section 6 Review of Financial Conditions, Financial Performance, and Risk Management

### 3. Corporate Governance Report

#### 3.1 Information on board directors, supervisors, president, vice presidents, assistant vice presidents, and chiefs of units and branches

##### 3.1.1 Board Directors and Supervisors

###### 1. Information on board directors

March 15, 2026; Unit: Shares, %

Title	Nationality or Registration Place	Name	Gender	Age	Date Elected	Term (Years)	Date First Elected	Shareholding when elected		Current shareholding		Spouse & Minor Shareholding		Shares held in the name of others		Experience ( Education )	Current jobs with the Company and other companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Note
								Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	ROC	Wang, Shih-Chung	Male	61-70	2025.5.21	3	2009.12.24	—	—	—	—	103,700	0.05	28,563,307	14.28	▪ Chairman of AIRTAC INTERNATIONAL GROUP	Note 1	Director	Xiao, Xiang-Ming	Son-in-law	None
Director	ROC	Lan, Shun-Cheng	Male	61-70	2025.5.21	3	2009.12.24	2,860,152	1.43	2,800,152	1.40	—	—	10,350,000	5.18	▪ Vice Chairman of Airtac Enterprise Co., Ltd.	Note 2	None	None	None	None
Director	PRC	Wang, Hai-Ming	Male	51-60	2025.5.21	3	2009.12.24	—	—	—	—	491,397	0.25	10,828,142	5.41	▪ Chairman of Behealthy Electronic Technology Co., Ltd.	Note 3	None	None	None	None
Director	ROC	Chen, Jui-Lung	Male	61-70	2025.5.21	3	2013.5.22	4,716,081	2.36	4,706,081	2.35	—	—	—	—	▪ GM of Guang Yang Industrial Works	—	None	None	None	None
Director	PRC	Li, Huai-Wen	Male	51-60	2025.5.21	3	2016.5.18	—	—	—	—	—	—	—	—	▪ Executive Vice GM of AIRTAC INTERNATIONAL GROUP	Note 4	None	None	None	None
Director	ROC	Tsao, Yung-Hsiang	Male	51-60	2025.5.21	3	2013.5.22	86,965	0.04	86,965	0.04	—	—	—	—	▪ Vice GM of AIRTAC INTERNATIONAL GROUP	Note 5	None	None	None	None
Director	ROC	Xiao, Xiang-Ming	Male	31-40	2025.5.21	3	2025.5.21	34,069	0.02	35,369	0.02	6,052,000	3.03	—	—	▪ Senior Engineer, Packaging R&D Department, Texas Instruments Incorporated	Note 6	Chairman	Wang, Shih-Chung	Father-in-law	None
Independent director	ROC	Renn, Jyh-Chyang	Male	61-70	2025.5.21	3	2019.6.21	—	—	—	—	—	—	—	—	▪ Department head of Mechanical Engineering Associate and Vice President for Academic Affairs, National Yunlin University of Science and Technology	Note 7	None	None	None	None
Independent director	ROC	Lin, Ken-Mao	Male	71-80	2025.5.21	3	2019.6.21	—	—	—	—	—	—	—	—	▪ Chairman of Welldar Industrial Co., Ltd. ▪ Vice GM of Lynnbro Industrial Co., Ltd.	Note 8	None	None	None	None
Independent director	ROC	Huang, Yi-Wen	Female	41-50	2025.5.21	3	2022.6.16	—	—	—	—	—	—	—	—	▪ Attorney-at-law of H.Y. Law Firm ▪ Attorney-at-law of Via Justice Law Offices	Note 9	None	None	None	None
Independent director	ROC	Chou, Tse-Yi	Female	51-60	2025.5.21	3	2025.5.21	—	—	—	—	—	—	—	—	▪ Vice GM of Swanson Plastics Corporation ▪ Vice GM of Shanghai Maxim Group	Note 10	None	None	None	None

Note 1. Chairman of AIRTAC INTERNATIONAL GROUP, Chairman of Ningbo Airtac Automatic Industrial Co., Ltd., Chairman of Guangdong Airtac Automatic Industrial Co., Ltd., Chairman of Airtac (China) Co., Ltd., Director of ATC (ITALIA) S.R.L., Director of Airtac Enterprise Co., Ltd., Chairman of AIRTAC INDUSTRIAL (HONG KONG) LIMITED, Chairman of AIRTAC TRADING (HONG KONG) LIMITED, Chairman of INSTANT REACH INTERNATIONAL LIMITED, Chairman of AIRTAC HOLDING (SINGAPORE) PTE. LTD., Chairman of AIRTAC INTERNATIONAL (SINGAPORE) PTE. LTD., Director of Airtac Co., Ltd., Chairman of AIRTAC INDUSTRIAL (MALAYSIA) SDN. BHD., Chairman of AIRTAC INDUSTRIAL CO., LTD., Chairman of Airtac (Jiangsu) Automatic Co., Ltd., Chairman of AIRTAC USA CORPORATION, Chairman of Guangdong Airtac Intelligent Equipment Co., Ltd. and Chairman of Airtac (Tianjin) Intelligent Technology Co., Ltd., 18 companies in total.

Note 2. Director of Ningbo Airtac Automatic Industrial Co., Ltd., Director of Guangdong Airtac Automatic Industrial Co., Ltd., Director of Airtac (China) Co., Ltd., Director of ATC (ITALIA) S.R.L., Chairman of Airtac Enterprise Co., Ltd., Director of INSTANT REACH INTERNATIONAL LIMITED, Director of Airtac Co., Ltd., Director of Airtac Co., Ltd., Director of AIRTAC INTERNATIONAL (SINGAPORE) PTE. LTD., Director of AIRTAC INDUSTRIAL (MALAYSIA) SDN. BHD., Director of AIRTAC INDUSTRIAL CO., LTD., Director of Airtac (Jiangsu) Automatic Co., Ltd., Director of AIRTAC USA CORPORATION, 12 companies in total.

Note 3. Director and Vice Chairman of Ningbo Airtac Automatic Industrial Co., Ltd., Director of Guangdong Airtac Automatic Industrial Co., Ltd., and Director of Airtac (China) Co., Ltd., 3 companies in total.

Note 4. GM of AIRTAC INTERNATIONAL GROUP/ GM of Mainland China Business Group, Director and GM of Ningbo Airtac Automatic Industrial Co. Ltd., Director and GM of Guangdong Airtac Automatic Industrial Co., Ltd., Director and GM of Airtac (China) Co., Ltd., Director of Airtac (Jiangsu) Automatic Co., Ltd., Supervisor of Airtac (Fujian) Intelligent Equipment Co. Ltd., Chairman of Airtac (Fujian) Intelligent Equipment Co. Ltd. and Chairman of Airtac (Shandong) Automatic Co., Ltd., 7 companies in total.

Note 5. Vice GM and CFO of AIRTAC INTERNATIONAL GROUP, Director of Ningbo Airtac Automatic Industrial Co., Ltd., Director of Guangdong Airtac Automatic Industrial Co., Ltd., Director of Airtac (China) Co., Ltd., Chairman of ATC (ITALIA) S.R.L., Director of Airtac Enterprise Co., Ltd., Director of INSTANT REACH INTERNATIONAL LIMITED, Representative Director of Airtac Co., Ltd., Director of AIRTAC INTERNATIONAL (SINGAPORE) PTE. LTD., Director of AIRTAC INDUSTRIAL (MALAYSIA) SDN. BHD., Director of AIRTAC INDUSTRIAL CO., LTD., Supervisor of Airtac (Jiangsu) Automatic Co., Ltd., Director of AIRTAC USA CORPORATION, Supervisor of Guangdong Airtac Intelligent Equipment Co., Ltd., Supervisor of Airtac (Fujian) Intelligent Equipment Co. Ltd., Supervisor of Airtac (Tianjin) Intelligent Technology Co., Ltd., Supervisor of Airtac (Shandong) Automatic Co., Ltd. and GM of AIRTAC INTERNATIONAL GROUP Taiwan Branch, 18 companies in total.

Note 6. Manager of Byseacle Co., Ltd.

Note 7. Consultant of Taiwan Fluid Power Association and Professor of Science and Technology, National Yunlin University, 2 companies in total.

Note 8. Chairman of Welldar Industrial Co., Ltd.

Note 9. Attorney-at-law of H.Y. Law Firm

Note 10. Chief of Accountant, USI

2. Supervisors: The Company does not have supervisors, but has set up an Audit Committee on April 28, 2010.
3. All directors of the Company are natural persons. The Company does not have any director that is juridical person.
4. Directors' Professional Qualifications and Independent Directors' Independence Status

Name	Criteria Professional Qualification Requirements and Work Experience	Independent Directors' Independence Status	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director	
Wang, Shih-Chung	Chairman of Airtac International Group, with leadership and decision-making ability, operational judgment, operation management and pneumatic market and related industry experience	Not Applicable	0	
Lan, Shun-Cheng	Chairman of Airtac Enterprise Co., Ltd., with industry knowledge and pneumatic market and related industry experience		0	
Wang, Hai-Ming	Chairman of Behealthy Electronic Technology Co., Ltd., with leadership and ability of operation management		0	
Chen, Jui-Lung	GM of Guang Yang Industrial Works, with industry knowledge and ability of operation management		0	
Li, Huai-Wen	GM of Airtac International Group and GM of Mainland China Business Group, with decision-making ability and operational judgment		0	
Tsao, Yung-Hsiang	Vice GM and CFO of AIRTAC INTERNATIONAL GROUP, former associate manager at Deloitte and Touche, with accounting and financial analysis and crisis management skills		0	
Xiao, Xiang-Ming	Former Senior Engineer, Packaging R&D Department, Texas Instruments Incorporated, with industry knowledge and leadership.		0	
Renn, Jyh-Chyang	Professor of Department of Mechanical Engineering, National Yunlin University and Consultant of Taiwan Fluid Power Association, with industry knowledge and crisis management skills		All of the following situations apply to each and every of the Independent Directors: 1. Satisfy the requirements of Article 14-2 of "Securities and Exchange Act" and "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by Taiwan's Securities and Futures Bureau. 2. Independent Director (or nominee arrangement) as well as his/her spouse and minor children do not hold any the Company's shares. 3. Received no compensation or benefits for providing commercial, legal, financial, accounting services or consultation to the Company or to any its affiliates within the preceding two years, and the service provided is either an "audit service" or a "non-audit service".	0
Lin, Ken Mao	Chairman of Wellstar Industrial Co., Ltd., with ability of operation management and operational judgment		0	
Huang, Yi Wen	Attorney-at-law of Via Justice Law Offices, with crisis management skills		0	
Chou, Tse-Yi	Chief of Accountant, USL, with accounting and financial analysis, crisis management skills and leadership	0		

Note 1: None of the directors of the Company has any circumstance under Article 30 of the Company Act.

Note 2: a. All directors of the Company have not been elected on behalf of the government, corporate or representative in accordance with Article 27 of the Company Act.

b. Served as an independent director of other publicly offered companies, with no more than three companies.

c. During the two years prior to the election and during the term of office, there has been no of the following circumstances:

- (1) An employee of the company or any of its affiliates.
- (2) A director or supervisor of the company or any of its affiliates. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.
- (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 issued 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 managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.
- (5) A director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued 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. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.
- (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, supervisor, or employee of that other company. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.
- (7) If the chairperson, general manager, 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. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.
- (8) A director, supervisor, officer, 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. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent, if the specified company or institution holds 20 percent or more and no more than 50 percent of the total number of issued shares of the public company.
- (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 compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.

## 5. Implementation of the Diversity Policy for Board Members

- (1) The selection and appointment of directors of the Company shall take into account the overall configuration of the Board of Directors. The composition of the board of directors considers diversity, and formulates an appropriate diversity policy based on its own operation, operation type and development needs, including but not limited to the following two major standards.
  - a. Basic conditions and values: gender, age, nationality and culture, etc.
  - b. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc.
- (2) The members of board of directors are nominated via rigorous selection processes. It not only considers background diversity, professional competence and experience, but also attaches great importance to his/her personal reputation on ethics and leadership. All directors of AirTAC have an extensive professional background, talent, and comprehensive industry experience in their respective sectors. They fulfill their responsibility of thorough supervision and management of the Company improving operating systems and help protect the interests of investors. One of the non-executive directors, Mr. Chen, Jui-Lung, serves as the General Manager of Guang yang industrial works Company, which is a manufacturer specializing in fittings and valves. This company is related to the industry in which AirTAC operates. The following table

summarizes the core competencies of the board members of the company:

Position	Name	Gender	Nationality	Core Competences							
				Operational judgements	Accounting and financial analysis	Management administration	Crisis Management	Knowledge of the industry	International market perspective	Policy decisions	Risk Management
Chairman	Wang, Shih-Chung	Male	ROC	✓	✓	✓	✓	✓	✓	✓	✓
Director	Lan, Shun-Cheng	Male	ROC	✓		✓	✓	✓	✓	✓	✓
Director	Wang, Hai-Ming	Male	PRC	✓		✓	✓	✓		✓	✓
Director	Chen, Jui-Lung	Male	ROC	✓		✓	✓	✓		✓	✓
Director	Li, Huai-Wen	Male	PRC	✓		✓	✓	✓	✓	✓	✓
Director	Tsao, Yung-Hsiang	Male	ROC		✓	✓	✓	✓	✓	✓	✓
Director	Xiao, Xiang-Ming	Male	ROC					✓		✓	
Independent director	Renn, Jyh-Chyang	Male	ROC				✓	✓			
Independent director	Lin, Ken Mao	Male	ROC			✓					✓
Independent director	Huang, Yi Wen	Female	ROC				✓			✓	
Independent director	Chou, Tse-Yi	Female	ROC		✓	✓	✓			✓	✓

(3) Directors are elected in accordance with the provisions of the Company Law and the articles of association of the company, and the term of office is three years. Among them, there are 1 director aged 31-40, accounting for 9%, 1 director aged 41-50, accounting for 9%, 4 directors aged 51-60, accounting for 36%, and 5 directors aged 61 and above, accounting for 46%.

(4) The Board of Directors has achieved the diversity policy and specific management objectives as follows:

Goals	Achievement
The number of independent directors exceeds one-third of the total board members.	Achieved
Appropriate and diversified professional knowledge and skills	Achieved
None of the independent directors served more than three terms	Achieved
At least two female directors	Achieved

(5) The number of directors of any gender is less than one-third, because the pneumatic industry is relatively closed, and there are not many women with relevant industry backgrounds. In the future, suitable women will be recruited through the independent director talent database and various channels, to promote gender diversity among directors.

#### 6. Independence of the Board

The Board of Directors consists of 11 directors, including four independent directors, with the goal of increasing the number of independent directors to four in the future. There are 2 current directors also serves as the manager of the company, less than one-third of the number of directors seats. Of all the directors, only two have a spouse or a relative within two degrees of kinship, and there are no circumstances as described in Article 26-3, Paragraph 3 of the Securities and Exchange Act.

### 3.1.2 President, Vice Presidents, Assistant Vice Presidents, and Chiefs of Units and Branches

March 15, 2026 Unit: Shares, %

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shares held in the name of others		Experience ( Education )	Other Position	Managers who are Spouses or Within Two Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
GM of AIRTAC INTERNATIONAL GROUP/GM of Mainland China Business Group	PRC	Li, Huai-Wen	Male	2025.5.12	—	—	—	—	—	—	▪ GM of Mainland China Business Group	Note 1	—	—	—
Vice GM and Chief Financial Officer of AIRTAC INTERNATIONAL GROUP/ GM of AirTAC Taiwan	ROC	Tsao, Yung-Hsiang	Male	2025.5.12	86,965	0.04	—	—	—	—	▪ Senior Finance VP of Paragon Technologies ▪ Auditing assistant manager of Deloitte Taiwan	Note 2	—	—	—
Executive vice GM of AirTAC China	PRC	Dai, Jia-Xing	Male	2019.5.15	—	—	—	—	—	—	▪ Vice Deputy Sales GM of AirTAC China	Note 3	—	—	—
Vice GM of Administrative Department of AirTAC Ningbo Executive vice GM of AirTAC Guangdong	PRC	Mao, Xiao-Yang	Male	2020.1.17	—	—	—	—	—	—	▪ Manager of AirTAC Ningbo ▪ Senior manager of AirTAC Guangdong	—	—	—	—
Vice GM of Manufacturing Department of AirTAC Ningbo	PRC	Wu, Cheng-Jie	Male	2020.1.17	—	—	—	—	—	—	▪ Vice Deputy Sales GM of AirTAC China	—	—	—	—
Vice GM of Technology Department of AirTAC Ningbo	PRC	Jiang, Yong	Male	2020.1.17	—	—	—	—	—	—	▪ Vice Deputy Sales GM of AirTAC China	—	—	—	—
Vice GM of Research and Development Department of AirTAC Ningbo	PRC	Chen, Zao-yang	Male	2023.7.1	—	—	—	—	—	—	▪ Senior manager of R&D Department of AirTAC Ningbo	—	—	—	—
GM of Airtac Jiangsu	PRC	Xu, Jia	Male	2023.7.1	—	—	—	—	—	—	▪ Marketing Director of Airtac Jiangsu	—	—	—	—
Vice GM of sales department of Airtac Jiangsu	PRC	Yang, Rui-Long	Male	2024.7.1	—	—	—	—	—	—	▪ Marketing Director of Airtac Jiangsu	—	—	—	—
Vice GM of sales department of AirTAC China	PRC	Wang, Ben-Yan	Male	2024.7.1	—	—	—	—	—	—	▪ Marketing Director of Airtac China	—	—	—	—
Vice GM of AirTAC Shandong	PRC	Tian, Yong-Gang	Male	2024.7.1	—	—	—	—	—	—	▪ Marketing Director of Airtac Shandong	—	—	—	—
Vice GM of AirTAC Guangdong/Vice GM of AirTAC Taiwan	ROC	Lee, Chih-hao	Male	2025.5.12	—	—	—	—	—	—	▪ Senior Manager of AirTAC Guangdong	—	—	—	—

Note 1. GM of AIRTAC INTERNATIONAL GROUP/GM of Mainland China Business Group, Director and GM of Ningbo AirTAC Automatic Industrial Co. Ltd., Director and GM of Guangdong Airtac Automatic Industrial Co., Ltd., Director and GM of Airtac (China) Co., Ltd., Director of Airtac (Jiangsu) Automatic Co., Ltd., Chairman of Airtac (Fujian) Intelligent Equipment Co. Ltd. and Chairman of Airtac (Shandong) Automatic Co., 7 companies in total.

Note 2. Vice GM and CFO of AIRTAC INTERNATIONAL GROUP, Director of Ningbo Airtac Automatic Industrial Co., Ltd., Director of Guangdong Airtac Automatic Industrial Co., Ltd., Director of Airtac (China) Co., Ltd., Chairman of ATC (ITALIA) S.R.L., Director of Airtac Enterprise Co., Ltd., Director of INSTANT REACH INTERNATIONAL LIMITED, Representative Director of Airtac Co., Ltd., Director of AIRTAC INTERNATIONAL (SINGAPORE) PTE. LTD., Director of AIRTAC INDUSTRIAL (MALAYSIA) SDN. BHD., Director of AIRTAC INDUSTRIAL CO., LTD., Supervisor of Airtac (Jiangsu) Automatic Co., Ltd., Director of AIRTAC USA CORPORATION, Supervisor of Guangdong Airtac Intelligent Equipment Co. Ltd., Supervisor of Airtac (Fujian) Intelligent Equipment Co., Ltd., Supervisor of Airtac (Tianjin) Intelligent Technology Co., Ltd., Supervisor of Airtac (Shandong) Automatic Co., Ltd. and GM of AirTAC Taiwan, 18 companies in total.

Note 3. GM of Airtac (Tianjin) Intelligent Technology Co., Ltd., GM of Guangdong Airtac Intelligent Equipment Co., Ltd. and GM of Airtac (Fujian) Intelligent Equipment Co. Ltd., 3 companies in total.

### 3.2 Remunerations of directors, supervisors, president, and vice presidents in recent years

#### 3.2.1 Remuneration of directors (including independent directors)

Unit: NT\$ thousands

Title	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees						Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary		
		Base Compensation (A)		Severance Pay (B)		Directors Compensation(C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation (G)						
		The company	All 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	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			
												Cash	Stock	Cash	Stock							
Chairman	Wang, Shih-Chung	1,728	1,728	-	-	-	-	38	38	1,766	1,766	14,149	32,573	-	-	35,608	-	35,608	-	61,231	79,655	-
Director	Lan, Shun-Cheng	1,728	1,728	-	-	-	-	38	38	1,766	1,766											
Director	Wang, Hai-Ming	1,729	1,729	-	-	-	-	31	31	1,760	1,760											
Director	Chen, Jui-Lung	1,728	1,728	-	-	-	-	38	38	1,766	1,766											
Director	Li, Huai-Wen	1,729	1,729	-	-	-	-	31	31	1,760	1,760											
Director	Tsao, Yung-Hsiang	1,728	1,728	-	-	-	-	38	38	1,766	1,766											
Director	Xiao, Xiang-Ming	865	865	-	-	-	-	25	25	890	890											
Independent Director	Renn, Jyh-Chyang	2,420	2,420	-	-	-	-	38	38	2,458	2,458	-	-	-	-	-	-	9,775	9,775	-		
Independent Director	Lin, Ken Mao	2,357	2,357	-	-	-	-	38	38	2,395	2,395											
Independent Director	Huang, Yi Wen	2,420	2,420	-	-	-	-	38	38	2,458	2,458											
Independent Director	Chou, Tse-Yi	1,210	1,210	-	-	-	-	25	25	1,235	1,235											
Independent Director	Lin, Yu-Ya	1,211	1,211	-	-	-	-	18	18	1,229	1,229											

1. Please describe the policy, system, standard, and structure of remuneration to independent directors, and the correlation between duties, risk, and time input with the amount of remuneration: Please refer to page 14 "The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with business performance and risks".

2. Other than as disclosed in the above table, the remuneration earned by Directors providing services (e.g. providing consulting services as a non-employee) to the Company and all consolidated entities in the latest fiscal year: None.

3. The Company held a new board of directors at its shareholders' meeting on May 21, 2025. Independent director, Yu-Ya Lin, stepped down after being re-elected on the day of the shareholders' meeting, while director, Xiang-Ming Xiao, and independent director, Tse-Yi Chou, took office after being re-elected on the day of the shareholders' meeting. Their remuneration is disclosed based on the period of their individual term of office.

Remuneration Table

Bracket of remuneration to respective director	Name of Director			
	Total (A+B+C+D)		Total (A+B+C+D+E+F+G)	
	The company	Companies in the consolidated financial statements I	The company	Companies in the consolidated financial statements J
< \$1,000,000	Xiang-Ming Xiao	Xiang-Ming Xiao	Xiang-Ming Xiao	Xiang-Ming Xiao
\$1,000,000 ~ <\$2,000,000	Shih-Chung Wang, Shun-Cheng Lan, Hai-Ming Wang, Jui-Lung Chen, Huai-Wen Li, Yung-Hsiang Tsao, Tse-Yi Chou, Yu-Ya Lin	Shih-Chung Wang, Shun-Cheng Lan, Hai-Ming Wang, Jui-Lung Chen, Huai-Wen Li, Yung-Hsiang Tsao, Tse-Yi Chou, Yu-Ya Lin	Shih-Chung Wang, Hai-Ming Wang, Jui-Lung Chen, Tse-Yi Chou, Yu-Ya Lin	Jui-Lung Chen, Tse-Yi Chou, Yu-Ya Lin
\$2,000,000 ~ <\$3,500,000	Jyh-Chyang Renn, Ken-Mao Lin, Yi-Wen Huang	Jyh-Chyang Renn, Ken-Mao Lin, Yi-Wen Huang	Shun-Cheng Lan, Jyh-Chyang Renn, Ken-Mao Lin, Yi-Wen Huang	Shun-Cheng Lan, Hai-Ming Wang, Jyh-Chyang Renn, Ken-Mao Lin, Yi-Wen Huang
\$3,500,000 ~ <\$5,000,000	—	—	—	—
\$5,000,000 ~ <\$10,000,000	—	—	—	Shih-Chung Wang
\$10,000,000 ~ <\$15,000,000	—	—	—	—
\$15,000,000 ~ <\$30,000,000	—	—	Huai-Wen Li, Yung-Hsiang Tsao	Yung-Hsiang Tsao
\$30,000,000 ~ <\$50,000,000	—	—	—	Huai-Wen Li
\$50,000,000 ~ <\$100,000,000	—	—	—	—
\$100,000,000 or higher	—	—	—	—
Total	12 persons	12 persons	12 persons	12 persons

**3.2.2 Remuneration of supervisors: Not applicable. Since the Company does not have supervisors.**

### 3.2.3 Compensation of president and vice presidents

Unit: NT\$ thousands shares; %

Title	Name	Salary (A)		Severance Pay (B)		Bonus and allowance (C)		Profit Sharing- Employee Bonus (D)				Amount and Ratio of total compensation to net income (%) (A+B+C+D)				Compensation paid to the president and vice president from an invested company other than the company's subsidiary
		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		The Company		Companies in the consolidated financial statements		
								Cash	Stock	Cash	Stock	Cash	Stock	Cash	Stock	
GM of AIRTAC INTERNATIONAL GROUP/ GM of Mainland China Business Group	Li, Huai-Wen	15,169	71,336	—	—	888	4,996	47,864	—	106,425	—	63,921	0.76%	182,757	2.18%	—
Vice GM and Chief Financial Officer of AIRTAC INTERNATIONAL GROUP/ GM of AirTAC Taiwan	Tsao, Yung-Hsiang															
Executive Vice GM of AirTAC China	Dai, Jia-Xing															
Vice GM of Administrative Department of AirTAC Ningbo/ Executive Vice GM of AirTAC Guangdong	Mao, Xiao-Yang															
Vice GM of Manufacturing Department	Wu, Cheng-Jie															
Vice GM of Technology Department	Jiang, Yong															
Vice GM of Research and Development Department of AirTAC Ningbo	Chen, Zao-Yang															
GM of Airtac Jiangsu	Xu, Jia															
Vice GM of sales department of Airtac Jiangsu	Yang, Rui-Long															
Vice GM of sales department of AirTAC China	Wang, Ben-Yan															
Vice GM of AirTAC Shandong	Tian, Yong-Gang															
Vice GM of AirTAC Guangdong/ Vice GM of AirTAC Taiwan	Lee, Chih-hao															
GM of AirTAC Taiwan (resigned)	Hsiao, Yu-Chien															

Note: Mr. Hsiao, Yu-Chien resigned in February 2025, and Mr. Tsao Yung-Hsiang was appointed as the General Manager of AirTAC Taiwan by a resolution of the Board of Directors.

### Compensation Table

Bracket of compensation to respective president or vice president	Name of president or vice president	
	The company	Companies in the consolidated financial statements
< \$ 1,000,000	Xiao-Yang Mao, Cheng-Jie Wu, Yong Jiang, Zao-yang Chen, Jia Xu, Rui-Long Yang, Ben-Yan Wang, Yong-Gang Tian	—
\$1,000,000 ~ <\$ 2,000,000	Yu-Chien Hsiao	Yu-Chien Hsiao
\$2,000,000 ~ <\$ 3,500,000	—	—
\$3,500,000 ~ <\$ 5,000,000	Chih-Hao Lee	—
\$5,000,000 ~ <\$ 10,000,000	Jia-Xing Dai	Rui-Long Yang, Ben-Yan Wang, Yong-Gang Tian, Chih-Hao Lee
\$10,000,000 ~ <\$ 15,000,000	—	Xiao-Yang Mao, Zao-yang Chen, Jia Xu
\$15,000,000 ~ <\$ 30,000,000	Huai-Wen Li, Yung-Hsiang Tsao	Yung-Hsiang Tsao, Jia-Xing Dai, Cheng-Jie Wu, Yong Jiang
\$30,000,000 ~ <\$ 50,000,000	—	Huai-Wen Li
\$50,000,000 ~ <\$ 100,000,000	—	—
\$100,000,000 or higher	—	—
Total	13 persons	13 persons

### 3.2.4 Employee Compensation amount paid to managers

Unit: NT\$ thousands

	Title	Name	Employee Bonus-in Stock	Employee Bonus-in Cash	Total	Ratio of total bonus to net income (%)
Manager	GM of AIRTAC INTERNATIONAL GROUP GM of Mainland China Business Group	Li, Huai-Wen	—	106,425	106,425	1.27%
	Vice GM and Chief Financial Officer of AIRTAC INTERNATIONAL GROUP GM of AirTAC Taiwan	Tsao, Yung-Hsiang				
	Executive Vice GM of AirTAC China	Dai, Jia-Xing				
	Vice GM of Administrative Department of AirTAC Ningbo Executive Vice GM of AirTAC Guangdong	Mao, Xiao-Yang				
	Vice GM of Manufacturing Department of AirTAC Ningbo	Wu, Cheng-Jie				
	Vice GM of Technology Department	Jiang, Yong				
	Vice GM of Research and Development Department of AirTAC Ningbo	Chen, Zao-Yang				
	GM of AirTAC Jiangsu	Xu, Jia				
	Vice GM of sales department of AirTAC Jiangsu	Yang, Rui-Long				
	Vice GM of sales department of	Wang, Ben-Yan				

	Title	Name	Employee Bonus-in Stock	Employee Bonus-in Cash	Total	Ratio of total bonus to net income (%)
	AirTAC China					
	Vice GM of AirTAC Shandong	Tian, Yong-Gang				
	Vice GM of AirTAC Guangdong Vice GM of AirTAC Taiwan	Lee, Chih-Hao				
	GM of AirTAC Taiwan (resigned)	Hsiao, Yu-Chien				
	Chief Audit Officer	Chiang, Hsin-Chih				
	Chief corporate governance officer	Hung, Mei-Lan				

Note: Mr. Hsiao Yu-Chien resigned in February 2025, and Mr. Tsao Yung-Hsiang was appointed as the General Manager of AirTAC Taiwan by a resolution of the Board of Directors.

**3.2.5 Comparison of Remuneration for Directors, Supervisors, Presidents and Vice Presidents in the Most Recent Two Fiscal Years and Remuneration Policy for Directors, Supervisors, Presidents and Vice Presidents:**

1. The ratio of total remuneration paid by the company and by all companies included in the consolidated financial statements for the most recent two fiscal years to directors, supervisors, presidents and vice presidents of the Company, to the net income:

Item	2024		2025	
	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements
Director	0.86%	1.41%	0.85%	1.06%
General Manager and Vice General Manager	0.71%	2.43%	0.76%	2.18%

Note: Remuneration to directors includes their pay as an employee. Thus total pays for president and vice presidents could be redundantly calculated.

2. The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with business performance and risks:
  - (1) In accordance with Article 30.2 of the M&A, the remuneration of directors of the Company can only be paid in cash. The amount of remuneration shall be recommended by the Remuneration Committee and submitted to the Board of Directors for decision, and shall be paid by the Directors in light of the scope and value of the Company's services and the standard of the Company's peers on and off the island. In addition, the Articles of Association of the Company do not specify the proportion of remuneration allocated to directors. The Company regularly evaluates the remuneration of directors in accordance with the performance evaluation method of the Board of Directors. The performance of the directors is evaluated based on the understanding of the company's goals and tasks, the directors' awareness of their responsibilities, the degree of participation in the company's operations, the management and communication of internal relations, the professional and continuing education of the directors and internal control. The company's remuneration for directors adopts a fixed-rate system, which is not related to the company's profit.
  - (2) The remuneration of the general manager and the deputy general manager is in accordance with the "Salary Calculation Management Regulations" and "M/T Level Standard Specifications", which clearly stipulate the salary and various job allowances for each position. In order to reward colleagues for their contribution to the company, and to motivate colleagues to be positive and to enhance their centripetal force towards the company, the company has also formulated the "Operational Measures for the Distribution of Performance Bonuses". Performance bonuses are issued according to the company's annual operation and profitability and work performance. The performance indicators for executives go beyond financial metrics (such as revenue and profit) and core competency indicators (such as leadership and decision making) to include sustainability aspects such as environmental protection (energy conservation, water conservation, waste reduction, pollution prevention), talent development, quality management, customer satisfaction, occupational health and safety, and regulatory compliance. The important decisions of the company's management

are made after balancing various risk factors. The performance of the relevant decisions is reflected in the company's profitability, and the compensation of the management is related to the performance of risk control. According to the Articles of Incorporation of the Company, the Company's Annual Net Income before tax and the distribution of the compensation of employees and directors, and offset its losses in previous years that have not been previously offset; the Company then shall set aside 1% to 3% of the profits proposed to be distributed, as compensation to employees of the Company, which may be distributed under an incentive program approved pursuant to Article 11.1 above. A Director who also serves as an executive officer of the Company may receive compensation in his/her capacity as an employee of the Company.

### 3.3 Implementation of Corporate Governance

#### 3.3.1 Operation of the Board of Directors

A total of 6 meetings of the board of directors were held in 2025. Director attendance was as follows:

Title	Name	Attendance in Person	By Proxy	Attendance rate (%)	Remark
Chairman	Wang, Shih-Chung	6	0	100%	Renewal of office
Director	Lan, Shun-Cheng	6	0	100%	Renewal of office
Director	Wang, Hai-Ming	5	1	83%	Renewal of office
Director	Chen, Jui-Lung	6	0	100%	Renewal of office
Director	Li, Huai-Wen	5	1	83%	Renewal of office
Director	Tsao, Yung-Hsiang	6	0	100%	Renewal of office
Director	Xiao, Xiang-Ming	4	0	100%	New office assumed
Independent director	Renn, Jyh-Chyang	6	0	100%	Renewal of office
Independent director	Lin, Ken-Mao	6	0	100%	Renewal of office
Independent director	Huang, Yi-Wen	6	0	100%	Renewal of office
Independent director	Chou, Tse-Yi	4	0	100%	New office assumed
Independent director	Lin, Yu-Ya	2	0	100%	Term expired

Notes: The directors of the Company were re-elected on 21 May 2025.

Other matters that should be recorded:

1. If any of the following circumstances occur, the dates of meetings, sessions, contents of motions, all independent directors' opinion and the Company's response to independent directors' opinion should be specified:

- (1) Matters referred to in Article 14-3 of the Securities and Exchange Act.

Not applicable. The Company has already established an audit committee.

- (2) Other matters involving objections or expressed by independent directors that were recorded in writing that require a resolution by the board of directors: None.

2. If there is Directors' avoidance of motions in conflict of interest, the Directors' names, contents of motions, causes for avoidance and voting should be specified:

The seventeenth meeting of the board of directors of the sixth term proposes to approve the list of candidates for directors (including independent directors) nominated by the Board. Chairman Shih-Chung Wang, Director Shun-Cheng Lan, Director Hai-Ming Wang, Director Jui-Lung Chen, Director Huai-Wen Li, Director Yung-Hsiang Tsao, Independent Director Jyh-Chyang Renn, Independent Director Ken-Mao Lin and Independent Director Yi-Wen Huang who has a personal interest in the matter under discussion at a meeting of the directors, shall not exercise voting rights nor exercise voting rights on behalf of another director due to conflict of interest. The eighteenth meeting of the board of directors of the sixth term proposes to approve the appointment of the General Manager of the Company. Director Huai-Wen Li who has a personal interest in the matter under discussion at a meeting of the directors, shall not exercise voting rights nor exercise voting rights on behalf of another director due to conflict of interest. The eighteenth meeting of the board of directors of the sixth term Propose to approve the appointment of the General Manager and Vice General Manager of Taiwan Branch. Director Yung-Hsiang Tsao, a candidate for General Manager of the Taiwan branch, who has a personal interest in the matter under discussion at a meeting of the directors, shall not exercise voting rights nor exercise voting rights on behalf of another director due to conflict of interest.

### 3. Implementation Status of Board Evaluations

- (1) The board of directors approved the "Rules for Performance Evaluation of the Board of Directors" of the Company on November 13, 2020. Performance evaluation shall be reviewed every year. The Company's board performance evaluation shall be conducted by an external independent professional institution or a panel of external experts and scholars at least once every three years. Performance evaluations shall be reported before the end of the first quarter of the following year. The results will be a reference for review and improvement.

The performance evaluation of the internal board of directors and the performance evaluation of each functional committee in 2025 are as follows:

Evaluation cycle	Scope of evaluation	Evaluation method	Evaluation items	Results
Performed once a year	Board Performance Evaluation	Internal evaluation of the board	A.Participation in the operation of the company. B.Improvement of the quality of the board of directors' decision making.	The average score is 4.84 out of 5.

<b>Evaluation cycle</b>	<b>Scope of evaluation</b>	<b>Evaluation method</b>	<b>Evaluation items</b>	<b>Results</b>
			<p>C. Composition and structure of the board of directors.</p> <p>D. Election and continuing education of the directors.</p> <p>E. Internal control.</p>	
Performed once a year	The evaluation of individual directors	Self-evaluation by individual board members	<p>A. Familiarity with the goals and missions of the company.</p> <p>B. Awareness of the duties of a director.</p> <p>C. Participation in the operation of the company.</p> <p>D. Management of internal relationship and communication.</p> <p>E. The director's professionalism and continuing education.</p> <p>F. Internal control.</p>	The average score is 4.87 out of 5.
Performed once a year	Audit Committee	The internal evaluation of functional committees	<p>A. Participation in the operation of the company.</p> <p>B. Awareness of the duties of the functional committee.</p> <p>C. Improvement of the quality of decision made by the functional committee.</p> <p>D. Makeup of the functional committee and election of its members.</p> <p>E. Internal control.</p>	The average score is 4.78 out of 5.
Performed once a year	Remuneration Committee	The internal evaluation of functional committees	<p>A. Participation in the operation of the company.</p> <p>B. Awareness of the duties of the functional committee.</p> <p>C. Improvement of the quality of decision made by the functional committee.</p> <p>D. Makeup of the functional committee and election of its members.</p>	The average score is 4.80 out of 5.
Performed once a year	Risk Management Committee	The internal evaluation of functional committees	<p>A. Participation in the operation of the company.</p> <p>B. Awareness of the duties of the functional committee.</p> <p>C. Improvement of the quality of decision made by the functional committee.</p> <p>D. Makeup of the functional committee and election of its members.</p>	The average score is 4.83 out of 5.
Performed once a year	Nomination Committee	The internal evaluation of functional committees	<p>A. Participation in the operation of the company.</p> <p>B. Awareness of the duties of the functional committee.</p> <p>C. Nomination review and decision</p> <p>D. Improvement of the quality of decision made by the functional committee.</p>	The average score is 4.93 out of 5.

Evaluation cycle	Scope of evaluation	Evaluation method	Evaluation items	Results
			E. Makeup of the functional committee and election of its members.	
Performed once a year	Sustainable Development Committee	The internal evaluation of functional committees	A. Participation in the operation of the company. B. Awareness of the duties of the functional committee. C. Improvement of the quality of decision made by the functional committee. D. Makeup of the functional committee and election of its members.	The average score is 4.84 out of 5.

- (a) The indexes of board and functional committees' performance evaluation are determined based on the operation and needs of the Company and suitable and appropriate for evaluations by the company, subject to reviews of the Remuneration Committee.
- (b) When electing or nominating members of the board of directors, the Company base its election on the evaluation results of the performance of the board and base its determination of an individual director's remuneration on the evaluation results of his or her performance.
- (c) The results of the evaluation showed that the overall operation was good and were reported to the board meeting held on February 12, 2026. The results will be a reference for enhancing the professional competence of the Board of Directors and had been announced on the company website for investors' reference.
- (2) The performance evaluation of the external board of directors and the performance evaluation of each functional committee in 2025 are as follows:

The Company appointed Yuxue Enterprise Co., Ltd. to conduct the 2025 performance evaluation of the external board of directors. The Company and the valuation experts have no business dealings with the Company and are independent, and have respectively evaluated the implementation status of the Board of Directors' composition, guidance, authorization, supervision, communication and self-discipline, as well as internal control and risk management, and the evaluation method was conducted by means of data analysis, book review and interviews, and the Board of Directors performance evaluation report was issued on January 28, 2026. On February 12, 2026, the Company reported to the Board of Directors the results of the external Board performance evaluation, including recommendations for improvement and future improvement plans.

#### Evaluation

The Board of Directors of the Company has formulated relevant policies and procedures in all material respects in accordance with relevant laws and regulations and domestic corporate governance indicators. The Board of Directors of the Company is composed of directors with relevant professional and competence, and appropriate work assignments are made based on their experience to effectively operate the relevant functions of the Board of Directors and functional committees, and the overall evaluation results are good.

### Suggestion

To ensure effective corporate governance and the accurate presentation of financial statements, the company's independent directors maintain good communication with the head of internal audit and CPAs and attend audit committee meetings. It is recommended that the key points of the communication process and its results be recorded separately to determine the responsibilities of independent directors and the basis for performance evaluation.

With increasing emphasis on environmental and social issues, the Financial Supervisory Commission (FSC) plans to expand its "Corporate Governance Assessment" to build a culture of sustainable values. Starting in 2026, it will transform into an "ESG assessment". The company should continuously understand and keep abreast of the evaluation indicators in order to promote corporate governance mechanisms and improve the company's sustainable development.

### Future Improvement Plans

The company will record the results of the communication between the independent directors and the internal audit manager and CPAs, and will continue to understand and monitor the evaluation indicators in order to promote the company's governance mechanism and improve the company's sustainable development.

4. Measures taken to strengthen the functionality and performance assessment of the Board in the current year and the most recent year:
  - (1) The Audit Committee and the Remuneration and Nomination Committee, composed entirely of independent directors, assist the Board of Directors in carrying out supervisory tasks. The chairperson of each committee reports on their committee's operations to the board on a regular basis.
  - (2) "Rules of Procedures for Board of Directors Meeting" are adopted pursuant to the regulations of "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" in the board of directors' meeting of the Company.
  - (3) The Company provides its directors and managers with annual liability insurance to cover risks as they carry out their duties, and reviews the insurance coverage on an annual basis to make sure the amount and scope are sufficient to the need.
  - (4) Committed to upholding operational transparency and protection shareholders' interests, the company's website has "Investor Zone", "Social Responsibility" and "Corporate Governance" to provide timely information regarding corporate governance, financial statements and investor conference in Chinese and English. Furthermore, important resolutions of the board of directors are announced after each board meeting is held. The Company also participate institutional investor conferences periodically.

### **3.3.2 Operation of Audit Committee**

A. The main function of the Audit Committee is to supervise the following matters:

- (1) Fair presentation of the financial reports.
- (2) The hiring (and dismissal), independence, and performance of certificated public accountants.

- (3) The effective implementation of the internal control system.
- (4) Compliance with relevant laws and regulations by the Company.
- (5) Management of the existing or potential risks of the Company.
- B. The Audit Committee is responsible for reviewing the following:
- (1) The adoption of or amendments to the internal control system.
- (2) Assessment of the effectiveness of the internal control system.
- (3) The adoption or amendment, of the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others.
- (4) Matters in which a director is an interested party.
- (5) Asset transactions or derivatives trading of a material nature.
- (6) Loans of funds, endorsements, or provision of guarantees of a material nature.
- (7) The offering, issuance, or private placement of equity-type securities.
- (8) The hiring or dismissal of a certified public accountant, or their compensation.
- (9) The appointment or discharge of a financial, accounting, or internal audit officer.
- (10) Annual financial reports which are signed or sealed by the chairperson, managerial officer, and accounting officer.
- (11) Other material matters as may be required by this Corporation or by the competent authority.
- C. A total of 6 meetings of the board of independent directors were held in 2025. The attendance of independent directors was as follows:

<b>Title</b>	<b>Name</b>	<b>Attendance in Person</b>	<b>By Proxy</b>	<b>Attendance rate (%)</b>	<b>Remark</b>
Independent director	Chou, Tse-Yi	4	0	100%	Convener New office assumed
Independent director	Renn, Jyh-Chyang	6	0	100%	Renewal of office
Independent director	Lin, Ken-Mao	6	0	100%	Renewal of office
Independent director	Huang, Yi-Wen	6	0	100%	Renewal of office
Independent director	Lin, Yu-Ya	2	0	100%	Term expired

Notes: The directors of the Company were re-elected on 21 May 2025.

Other matters that should be recorded:

1. If any of the following circumstances occur, the dates of meetings of the board of independent directors, sessions, contents of motions, objections of independent directors, reservations or major proposal items, resolutions of the Audit Committee and the Company's response to Audit Committee's opinion should be specified:

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

<b>Audit Committee meeting date</b>	<b>Contents of motions</b>	<b>Objections of independent directors, reservations or major proposal items</b>	<b>All independent directors' opinion and the Company's response to independent directors' opinion</b>
February 27, 2025 The seventeenth meeting of the audit committee of the fifth term	Approve the business report and the consolidated financial statements of the Company and its subsidiaries for 2024.	None	Approved by all members of audit committee in attendance.
	Approve the Company's earning distribution for 2024.	None	
	Approve the statement on internal control systems of the Company.	None	
	Approve the amendments to the M&A of the Company.	None	
	Approve the release from the prohibition on the directors of the seventh term from participation in competing business.	None	
	Approve the evaluation of the independence and the competence of the Certified Public Accountant for the audit of the financial statement of the Company.	None	
	Approve the nomination and election of the directors (including independent directors).	None	
	Approve the capital increase of Ningbo Airtac Automatic	None	

<b>Audit Committee meeting date</b>	<b>Contents of motions</b>	<b>Objections of independent directors, reservations or major proposal items</b>	<b>All independents directors' opinion and the Company's response to independent directors' opinion</b>
	Industrial Co., Ltd.		
August 15, 2025 The second meeting of the audit committee of the sixth term	Approve the consolidated financial statements of the Company and its subsidiaries for the second quarter of 2025.	None	Approved by all members of audit committee in attendance.
November 13, 2025 The third meeting of the audit committee of the sixth term	Approve the 2026 audit plan of the Company.	None	Approved by all members of audit committee in attendance.
	Approve the capital increase of Ningbo Airtac Automatic Industrial Co., Ltd.	None	

(2) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors: None

2. If there is Independent Directors' avoidance of motions in conflict of interest, the Independent Directors' names, contents of motions, causes for avoidance and voting should be specified:

The seventeenth meeting of the audit committee of the fifth term proposes to approve the list of candidates for directors (including independent directors) nominated by the Board. Independent Director Jyh-Chyang Renn, Independent Director Ken-Mao Lin and Independent Director Yi-Wen Huang, candidates for independent directors, who have personal interest in the matter under discussion at a meeting of the directors, shall not exercise voting rights nor exercise voting rights on behalf of another director due to conflict of interest.

3. Communications between the independent directors, the Company's Chief Internal Auditor and CPAs:

(1) The supervisor of internal audit of the company regularly communicates with the members of the audit committee on the results of the audit reports and makes internal audit reports at quarterly meetings. If there are special circumstances, they will also report to the members of the audit committee immediately. There is no such special situation in 2025. The company's audit committee communicates well with the internal audit supervisor.

<b>Date</b>	<b>Participants</b>	<b>Communication with internal auditing supervisor</b>	<b>Result</b>
February 27, 2025	All independent directors Chief Audit Officer	Review the internal audit report	No objection.
		Review the statement on internal control systems of the Company.	No objection and propose to approve in the board of directors.
May 12 2025	All independent directors Chief Audit Officer	Review the internal audit report	No objection.

Date	Participants	Communication with internal auditing supervisor	Result
May 21, 2025	All independent directors Chief Audit Officer	Review internal audit report	No objection.
August 15, 2025	All independent directors Chief Audit Officer	Review internal audit report	No objection.
November 13, 2025	All independent directors Chief Audit Officer	Review internal audit report	No objection.
		Review 2026 audit plan of the Company	No objection and propose to approve in the board of directors.
December 22, 2025	All independent directors Chief Audit Officer	Review internal audit report	No objection.

- (2) CPA needs to attend the audit committee according to the content of each meeting. The content includes reporting the results of the audit or review of the quarterly financial report, the scope and time plan of the auditing or review, as well as the circumstances of major discoveries, providing that the personnel of the firm affiliated with the certified public accountant have complied with the statement on independence in the professional code of ethics for accountants, the key audit matters that must be communicated in the financial report, and the impact of the amendment of laws and regulations on the company. If there are special circumstances, it will immediately report to the audit committee members. There is no such special situation in 2025. The company's audit committee communicates well with the certified accountant.

Date	Participants	Communication with CPA	Result
February 27, 2025	All independent directors Independent Auditor, Bo-Ren Weng	Discuss any review problems in the financial report of 2024.	No objection.
		Review the independent and suitability of CPA.	
May 12, 2025	All independent directors Independent Auditor, Bo-Ren Weng	Discuss any review problems in the financial report of the first quarter in 2025.	No objection.
August 15, 2025	All independent directors Independent Auditor, Bo-Ren Weng	Discuss any review problems in the financial report of the second quarter in 2025.	No objection.
November 13, 2025	All independent directors Independent Auditor, Bo-Ren Weng	CPA explained the 2025 financial report review plan and the key audit matters of the review, and discuss the	No objection.

Date	Participants	Communication with CPA	Result
		questions addressed by the participants in audit committee.	
		Discuss any review problems in the financial report of the third quarter in 2025.	

### 3.3.3 Corporate Governance Execution Status and Deviations from “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.

Item	Implementation Status			Deviations from “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Summary Description	
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 set and disclose corporate governance on Company’s website and the Market Observation Post System website in accordance with “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”.	None
2. Equity structure and shareholders’ equity				
(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 dedicated personnel and e-mail mailboxes to handle shareholder suggestions, doubts, disputes and litigation matters, and execute them in accordance with the 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 is able to track shareholding by principal shareholders who hold 5% or more of the company's shares. The company also files the information with the authority as required.	None
(3) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	✓		(3) A “Rules Governing Financial and Business Matters between the Corporation and its Affiliated Enterprises” has been established to clearly stipulate business and financial dealings with affiliates as a risk control mechanism. In 2024, there were no significant transactions between the Company and the affiliated enterprises that should be reported to the shareholders' meeting.	None
(4) Does the company establish internal rules against insiders trading with undisclosed information?	✓		(4) The Company has set “The Management Rules of Prevention of Insider Trading” prohibiting company insiders from trading securities using information not disclosed to the market.	None

Item	Implementation Status			Deviations from “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Summary Description	
3. Composition and responsibility of the board of directors				
(1) Has the Board of Directors established a diversity policy, set goals, and implemented them accordingly?	✓		(1) “Corporate Governance principles” of the Company has mentioned the composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs, including but not limited to gender, age, nationality, culture and professional knowledge and skills. Please refer to “3.1 Information on board directors, supervisors, president, vice presidents, assistant vice presidents, and chiefs of units and branches” of this annual report.	None
(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?	✓		(2) In addition to the Remuneration Committee and the Audit Committee in accordance with the law, the Company set up a Risk Management Committee in 2024. A Sustainable Development Committee and a Nomination Committee were established in 2025.	None
(3) Does the company establish a standard to measure the performance of the Board and implement it annually, and are performance evaluation results submitted to the Board of Directors and referenced when determining the remuneration of individual directors and nominations for reelection?	✓		(3) The company has implemented “Rules for Performance Evaluation of the Board of Directors”, and has been performing board performance evaluation every year. The methods of evaluation include the internal evaluation of the board, self-evaluation by individual board members, and internal valuation of the functional committee. External professional institutions or teams of experts and scholars are hired to perform evaluation every three years.  The performance evaluation results of Board of Directors and Functional Committees of the Company are used as a reference when electing or nominating members of the board of directors and base its determination of an individual director's remuneration on the evaluation results of his or her performance. The Company reported the evaluation results of year 2025 in the first quarter board meeting held on February 12, 2026. The results will be a	None

Item	Implementation Status			Deviations from “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Summary Description	
(4) Does the company regularly evaluate the independence of CPAs?	✓		reference for enhancing the professional competence of the Board of Directors.  (4) The company's board of directors regularly assesses the independence of CPAs at least once a year in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and submits the results to the audit committee and the board of directors on February 27, 2025, for review and approval. The engaged CPAs were Bo-Ren Weng and Li-Huang Lee of Deloitte Touche Tohmastu Limited. The Company obtained the declaration letter issued by CPAs that the audit team members have not violated their independence and AQIs. According to the CPA independence evaluation standard (Note 1) and AQIs, there is no violation of the independence regulations of the accountant law and other relevant regulations, and no uncomfortable situation is found. The Company will appoint Bo-Ren Weng and Li-Huang Lee of Deloitte Touche Tohmastu Limited to continue to serve as the engaged CPAs.	None
4. Does the company appoint a suitable number of competent personnel and a supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, assisting directors and supervisors with compliance, handling work related to meetings of the board of directors and the shareholders' meetings, and producing minutes of board meetings and shareholders' meetings)?	✓		The office of the Group is in charge of the corporate governance matters. The main duties are as follow, (1)On June 20, 2023, the Company has been approved by the Board of Directors to appoint a Corporate Governance Officer to develop and plan appropriate corporate systems and organizational structures to promote the independence of the Board of Directors, the transparency and compliance of the Company, and the implementation of internal audit and control. (2)Plan and formulate the schedule and provide it to all directors 7 days before the meeting, so directors can know the contents of relative proposals; remind the directors who are interested parties shall avoid and complete the minutes of the board meeting within 20 days after the meeting; In addition, assist directors in complying with laws and regulations and provide information	None

Item	Implementation Status			Deviations from “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Summary Description	
			<p>on continuing education of related courses.</p> <p>(3)The stock affairs department registers the date of the shareholders' meeting in accordance with the legal deadline every year. The meeting notice, handbook for the meeting, and the minutes will be declared before the deadline. After amending articles or reelecting directors, changes to company registration will be filed.</p> <p>(4)The financial department of the Company is in charge of the registered certificate of the Company.</p> <p>(5)Please refer to Note 2 for the 2025 continuing education of the Chief governance officer.</p> <p>All the above-mentioned corporate governance personnel have more than three years' experience in legal, financial and stock affairs of listed companies.</p>	
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?	✓		Staff is assigned and an e-mail box is set up to handle public relations and the affairs of stakeholders. The Company's website has also set up a designated section for stakeholders, and through the distribution of stakeholder questionnaires, the opinions of stakeholders are collected, and through multiple communication channels, they can understand the sustainability issues of the stakeholder's attention, so as to draw up relevant management policies and implementation plans and respond to the concerns and expectations of stakeholders effectively.	None
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The Company appoints the agent department of China Trust Commercial Bank to handle the affairs of the shareholders' meeting.	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 Company has disclosed financial and corporate governance information on the Company's website.	None
(2) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information	✓		(2) The Company has set up a website in Chinese and foreign languages and update the information regularly. The Company also has a spokesperson system in place and observed applicable regulations and the established system. The Company	None

Item	Implementation Status			Deviations from “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Summary Description	
collection and disclosure, creating a spokesman system, webcasting investor conferences)?			holds or participates investor’s conference from time to time and posts the contents of investors’ conferences on Market Observation Post System and Company’s website.	
(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?		✓	(3)The Company has reported annual financial statements within two months after the end of each fiscal year, announced and reported its financial statements for Q1, Q2, and Q3 and filed monthly operating status in advance of the prescribed deadline.	None
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, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	✓		<p>(1) The Company's human resources management system planning conforms to the "Labor Standard Law" and other relevant laws and regulations.</p> <p>(2) In order to facilitate communication with employees, the company provides a variety of communication channels (internal email announcements, employee suggestion boxes, regular meetings and labor-management meetings, etc.) to ensure the messages are transparency and instantly delivered.</p> <p>(3) The company immediately announces financial, business and major information on the Company's website and Market Observation Post System, so that investors can fully understand the Company's development direction and strategic trends to maximize the interests of shareholders. In 2025, the Company issued 16 announcements, 84 material information both in Chinese and English, and attended 17 investor conferences.</p> <p>(4) The Company has a procurement management program to effectively manage the procurement process to ensure that the raw materials required for operation are provided under the principles of reasonableness, timeliness, quantity and quality. The Company also carries out supplier evaluations and field evaluations, with</p>	None

Item	Implementation Status			Deviations from “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Summary Description	
			<p>delivery status, quality and coordination as the evaluation rating.</p> <p>(5) In order to protect the rights and interests of interested parties, the company establishes various good and smooth communication channels, upholds the principle of good faith and handles properly, and fulfills its corporate social responsibilities.</p> <p>(6) All of the board of directors and independent directors of the Company have professional background and practical experience of the industry. The Company will provide related information of the regulations depending on the needs. Except for special circumstances, all directors and independent directors would attend board meetings. If a director has any damaging relationship with the board of directors, he shall avoid discussion and voting and shall not act on behalf of other directors to exercise his voting rights.</p> <p>(7) The Company provides its directors and managers with annual liability insurance.</p>	
<p>9. Please explain 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 measures.</p> <p>(1) Improvements</p> <p>a. A nomination committee has been established to improve the functions of the company's board of directors and strengthen its management mechanism.</p> <p>b. A Sustainability Committee has been established to strengthen sustainability governance and achieve the company's sustainability goals.</p> <p>c. The sustainability report is uploaded to the public information observation station and the company website by the end of August.</p> <p>(2) Priority enhancement measures</p> <p>a. Develop and disclose biodiversity policies.</p> <p>b. In the previous year, the Company made a preliminary disclosure of the items in Scope 3. In the future, the Company will continue to deepen the scope of the investigation and expects to complete a comprehensive inventory of all emission sources in Scope 3 within three years and gradually achieve full disclosure.</p>				

Note 1 : Assessment table of independence of Certified Public Accountant

Item	Description	Result	Independence ? Y/N
1	Whether Certified Public Accountant has direct or significant indirect financial interests with the Company.	No	Y
2	Whether or not Certified Public Accountant has any financing or guarantees of conduct with the Company or the directors of the Company.	No	Y
3	Whether Certified Public Accountant has a close business relationship and potential employment relationship with the Company.	No	Y
4	Whether Certified Public Accountant or members of their audit team had any positions in the Company as directors, managers of significant influence on the audit during the audit period.	No	Y
5	Whether Certified Public Accountant has any non-audit services to the Company which may directly affect the audit work.	No	Y
6	Whether Certified Public Accountant has an intermediary to issue shares or other securities of the Company.	No	Y
7	Whether Certified Public Accountant has acted as the Company’s defender or on behalf of the Company to coordinate conflicts with other third parties.	No	Y
8	Whether Certified Public Accountant has a kinship with the directors, managers of the Company or persons who have a significant influence on the audit work.	No	Y

Note 2: The training status of Chief Governance Officer

Position	Name	Date	Training Course	Hours
Chief Governance Officer	Hung, Mei-Lan	2025.8.28-2025.8.29	Greenhouse Gas Management Practical Workshop and Sustainable Development Promotion Meeting	9
		2025.9.19	Directors, Supervisors and Corporate Governance Executives Series Course - Practical Application of Internal Control Establishment in Sustainable Information Management	3

Note 3: The training status of Chief Financial Officer

Position	Name	Date	Training Course	Hours
Vice GM and CFO of AIRTAC INTERNATIONAL GROUP	Tsao, Yung-Hsiang	2025.7.9	2025 Cathay Sustainable Finance Season Climate Change Summit Forum	6
		2025.12.1-2025.12.2	Continuing Education Course for Accounting Supervisors of Issuers, Securities Dealers, Stock Exchanges	12

Note 4: The training status of Chief Audit Officer

Position	Name	Date	Training Course	Hours
Chief Audit Officer	Chiang, Hsin-Chih	2025.7.17	Generative AI X Python Data Cleaning and Feature Selection	6
		2025.8.11	Production Cycle Practices and Auditing Focus	6

### 3.3.4 Functional Committee

#### Remuneration Committee

##### 1. Main duties of remuneration committee

- (1) Formulate and regularly review the policies, systems, standards and structure of the Company's annual and long-term performance targets and remuneration of directors and managers.
- (2) Regularly evaluate the achievement of the performance targets of the directors and managers of the Company, and determine the content and amount of their individual remuneration.

##### 2. Member of the Remuneration Committee

Title	Criteria	Professional Qualification Requirements and Work Experience	Independence criteria	Number of other public companies in which the individual is concurrently serving as a remuneration committee
	Name			
Independent director (convener)	Renn, Jyh-Chyang	Please refer to page 5 "Directors' Professional Qualifications and Independent Directors' Independence Status"		0
Independent director	Lin, Ken-Mao			0
Independent director	Huang, Yi-Wen			0
Independent director	Chou, Tse-Yi			0

##### 3. Operation of the Remuneration Committee

Term of the committee members: May 21, 2025 ~ May 20, 2028. A total of 3 meetings of the remuneration committee were held in the most recent years. Director attendance was as follows:

Title	Name	Attendance in Person	By Proxy	Attendance rate (%)	Remark
Convener	Renn, Jyh-Chyang	3	0	100%	Renewal of office
Committee Member	Lin, Ken-Mao	3	0	100%	Renewal of office
Committee Member	Huang, Yi-Wen	3	0	100%	Renewal of office
Committee Member	Chou, Tse-Yi	2	0	100%	New office assumed

Title	Name	Attendance in Person	By Proxy	Attendance rate (%)	Remark
Committee Member	Lin, Yu-Ya	1	0	100%	Term expired

Notes: The directors of the Company were re-elected on 21 May 2025.

Other matters that should be recorded:

1. If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (e.g., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None.
2. Resolutions of the remuneration committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified:

The Remuneration Committee Date	Proposal Contents	Results	Company's respond to the opinions of the remuneration committee
May 12, 2025 The sixth meeting of the remuneration committee of the fifth term	Approve the Company's profit distributable to the employees as compensation for 2024	All members agree.	No objection.
	Approve the appointment of the General Manager of the Company.	All members agree.	No objection.
	Approve the appointment of the General Manager and Vice General Manager of AirTAC Taiwan.	All members agree.	No objection.
August 15, 2025 The first meeting of the remuneration committee of the sixth term	All remuneration committee members elect member Jyh-Chyang Renn to serve as the convener of the remuneration committee	All members agree.	No objection.
December 22, 2025 The second meeting of the remuneration committee of the sixth term	Approved the position and remuneration adjustment for senior managers at or above m6 level of the Company.	All members agree.	No objection.

### Risk Management Committee

On November 8, 2024, the Company established a Risk Management Committee, which is composed of 4 independent directors, all of whom have expertise in "risk management" and "corporate governance", and all members meet the professional competencies required by the Committee, with the aim of strengthening corporate governance and enhancing the effectiveness of the Board.

#### 1. Main duties of risk management committee

- (1) Review the risk management framework and risk management policy.
- (2) Review periodic risk management reports.
- (3) Review material risk management matters as prescribed by the Company or the competent authority.
- (4) Review the risk management related proposals that should be submitted to the Board of Directors.
- (5) Perform other matters as instructed by the Board to be handled by the Risk Management Committee.

#### 2. Members and operation of risk management committee

Term of the committee members: May 21, 2025 ~ May 20, 2028. A total of 2 meetings of the risk management committee were held in the most recent years. Director attendance was as follows:

Name and Title	Professional Qualification Requirements and Work Experience	Attendance in Person	By Proxy	Attendance rate (%)	Remark
Huang, Yi-Wen Independent director	Please refer to page 5 "Directors' Professional Qualifications and Independent Directors' Independence Status"	2	0	100%	Convener
Renn, Jyh-Chyang Independent director		2	0	100%	None
Lin, Ken-Mao Independent director		2	0	100%	None
Chou, Tse-Yi Independent director		2	0	100%	None

Note:

The date, period, content of the main resolutions of the Risk Management Committee, the contents of the proposals, the contents of the recommendations or objections of the members of the Risk Management Committee, the results of the resolutions, and the Company's handling of the opinions of the Risk Management Committee.

The Risk Management Committee Date	Proposal Contents	Results	Company's respond to the opinions of the remuneration committee
August 15, 2025 The first meeting of the risk management committee of the second term	Election of the convener of the Risk Management Committee and the chairman of the meeting of the Company	All members elected Huang, Yi-Wen as the convener of the Risk Management Committee and the chairman of the meeting.	No objection.
November 13, 2025 The second meeting of the risk management committee of the second term	Revise the company's "Risk Management Policies and Measures"	All members agree.	No objection.

### Nomination Committee

To improve the functions of the Company's Board of Directors and strengthen the management mechanism, the Company established a Nomination Committee on August 15, 2025, which consists of 7 directors (including 4 independent directors).

#### 1. Main duties of nomination committee

- (1) Nominate candidates for the company's directors and review their qualifications.
- (2) Establish the organizational structure of the various functional committees under the Board of Directors, and to review the formulation and amendment of the organizational procedures for each functional committee.
- (3) Review the formulation and amendment of the rules and regulations relating to the operation of the Company's Board of Directors.
- (4) Review the Company's corporate governance code.
- (5) Other matters that the Board of Directors instructs the Committee to handle.

#### 2. Members and operation of nomination committee

Term of the committee members: August 15, 2025 ~ May 20, 2028. A total of 1 meeting of the risk management committee were held in the most recent years. Director attendance was as follows:

Name and Title	Professional Qualification Requirements and Work Experience	Attendance in Person	By Proxy	Attendance rate (%)	Remark
Lin, Ken-Mao Independent director	Please refer to page 5 "Directors' Professional Qualifications and Independent Directors' Independence Status"	1	0	100%	Convener
Renn, Jyh-Chyang Independent director		1	0	100%	None
Huang, Yi-Wen Independent director		1	0	100%	None
Chou, Tse-Yi Independent director		1	0	100%	None

Name and Title	Professional Qualification Requirements and Work Experience	Attendance in Person	By Proxy	Attendance rate (%)	Remark
Wang, Shih-Chung Chairman		1	0	100%	None
Lan, Shun-Cheng Director		1	0	100%	None
Tsao, Yung-Hsiang Director		1	0	100%	None

Note:

The date, period, content of the main resolutions of the Nomination Committee, the contents of the proposals, the contents of the recommendations or objections of the members of the Nomination Committee, the results of the resolutions, and the Company's handling of the opinions of the Nomination Committee.

The Nomination Committee Date	Proposal Contents	Results	Company's respond to the opinions of the Nomination committee
August 15, 2025 The first meeting of the nomination committee of the first term	Election of the convener of the Nomination Committee and the chairman of the meeting of the Company	All members elected Lin, Ken-Mao as the convener of the Nomination Committee and the chairman of the meeting.	No objection.

### Sustainable Development Committee

To achieve the Company's sustainability goals and strengthen sustainability governance, the Company established a Sustainability Committee on August 15, 2025. The committee has 5 members (including 1 director) and is the highest level of sustainability management organization, coordinating subsidiaries to jointly implement sustainability management plans and goals.

#### 1. Main duties of sustainable development committee

- (1) Formulate, promote, and strengthen the company's sustainable development policies, annual plans, and strategies.
- (2) Review, track, and revise the implementation status and effectiveness of sustainable development.
- (3) Supervise sustainability information disclosure and review sustainability reports.
- (4) Supervise the implementation of the Company's Code of Conduct for Sustainable Development or other sustainable development-related work as resolved by the Board of Directors.
- (5) Other matters that the Board of Directors instructs the Committee to handle.

## 2. Members and operation of sustainable development committee

Term of the committee members: August 15, 2025 ~ May 20, 2028. A total of 2 meetings of the sustainable development committee were held in the most recent years. The Sustainable Development Committee's professional qualifications, experience, and operational status are as follows:

Name and Title	Professional Qualification Requirements and Work Experience	Attendance in Person	By Proxy	Attendance rate (%)	Remark
Wei, Wan-Ting	Corporate Sustainability and Net-Zero Carbon Planning	2	0	100%	Convener
Xiao, Xiang-Ming Director	Risk control and crisis management	2	0	100%	None
Mao, Xiao-Yang	Occupational safety and health management	2	0	100%	None
Chen, Zao-Yang	Research and development innovation and energy management	2	0	100%	None
Hung, Mei-Lan	Corporate Governance and Social Welfare	2	0	100%	None

Note:

The date, period, content of the main resolutions of the Sustainable Development Committee, the contents of the proposals, the contents of the recommendations or objections of the members of the Sustainable Development Committee, the results of the resolutions, and the Company's handling of the opinions of the Sustainable Development Committee.

The sustainable development committee Date	Proposal Contents	Results	Company's respond to the opinions of the sustainable development committee
September 9, 2025 The first meeting of the risk management committee of the first term	Election of the convener of the Sustainable Development Committee and the chairman of the meeting of the Company	All members elected Wei, Wan-Ting as the convener of the Nomination Committee and the chairman of the meeting.	No objection.
November 13, 2025 The Second meeting of the risk management committee of the first term	The report outlines the achievements of sustainable development work in 2024 and future goals.	None	No objection.

### 3.3.5 Implementation of “Sustainable Development” and Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons

Promoted Item	Implementation Status			Differences with Corporate Governance Best-Practice Principles for TWSE/GTSM-Listed Companies and Reasons
	Yes	No	Summary Description	
1. Does the Company establish a governance framework for the promotion of sustainable developments, and set up a full- (or part-) time unit for the promotion of sustainable developments and have the Board authorizing senior management to be in charge, and how does the Board supervise the operation?	✓		<ol style="list-style-type: none"> <li>1. To deepen corporate sustainability and fulfill corporate social responsibility, the Board of Directors will serve as the highest decision-making body for promoting sustainability. A "Sustainability Committee" will be established under the Board on August 15, 2025. Committee members will be appointed by the Board, with at least one director participating in oversight, and each director electing one of their respective directors to serve as convener and chairperson. The committee will meet at least once a year to review the company's sustainability direction, strategies, and objectives; examine relevant management policies and specific implementation plans; oversee sustainability information disclosure; and review the sustainability report.</li> <li>2. The "Sustainability Committee" plays a cross-departmental communication role, integrating vertical and horizontal connections. The company has established sustainability teams led by senior executives from various departments. Through regular meetings, these teams identify sustainability issues that are relevant to the company's operations and the concerns of stakeholders, formulate strategies and work guidelines, plan and implement programs, and track the effectiveness of implementation to ensure that the sustainability strategy is implemented in daily management.</li> <li>3. The Sustainability Committee shall report to the Board of Directors at least once a year on</li> </ol>	In compliance with the Best Practice Principles.

Promoted Item	Implementation Status			Differences with Corporate Governance Best-Practice Principles for TWSE/GTSM-Listed Companies and Reasons
	Yes	No	Summary Description	
			<p>the results of its sustainability work and future plans, with the Board of Directors overseeing the implementation of various sustainability projects. The most recent submission to the Board was on November 13, 2025. The contents present and reviewed to the board of directors include:</p> <p>A. Vision, goals and action plans for the sustainability-related issues.</p> <p>B. Materiality topic on sustainability and the situation of the stakeholder communication.</p> <p>C. Risk management policies and various risk response measures.</p> <p>D. Implementation status of integrity management, intellectual property rights management and information security.</p> <p>The board of directors listen to the relevant reports (including ESG reports) from the management team regularly. The board of directors concern about the progress, execution and performance of relevant issues, and urge the management team to make adjustments if strategies need to be adjusted.</p>	
2. Does the company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?	✓		<p>1.The principle of data coverage scope considers the materiality of the disclosed information and the actual management needs, and covers the company's main sales bases, main production bases and operating headquarters. Refer to Note 1 for the operations and major production bases mentioned in the sustainability report.</p> <p>2.The company conducts analysis based on the principle of materiality, communicates with internal and external stakeholders, and reviews relevant reports and assessment data. Based on the</p>	In compliance with the Best Practice Principles.

Promoted Item	Implementation Status			Differences with Corporate Governance Best-Practice Principles for TWSE/GTSM-Listed Companies and Reasons
	Yes	No	Summary Description	
			<p>assessment of material issues, it formulates relevant risk management policies and takes action plans to reduce the impact of relevant risks.</p> <p>3. According to the risk after assessment, formulate the relevant risk management policy with detailed notes in the form.</p>	
<p>3. Environmental issues</p> <p>(1) Does the company establish proper environmental management systems based on the characteristics of their industries?</p>	✓		<p>(1) In accordance with the environmental protection laws and regulations established by the competent authorities (such as the Air Pollution Control Act, the Water Pollution Prevention and Control Act, the Waste Disposal Act, and the Toxic and Concerned Chemical Substances Management Act) and with reference to the characteristics of the industry, the company has formulated the system including environmental consideration management procedures, industrial waste management procedures, wastewater management procedures and air pollution prevention and control management procedures, etc., and continues to promote ISO14001 activities in the main plant areas of AirTAC Ningbo and AirTAC Taiwan.</p> <p>Establish specialized units or personnel for environmental management to formulate, promote and maintain relevant environmental management systems and specific action plans, and regularly hold environmental education courses for management and employees.</p> <p>The Company's main factories, AirTAC Ningbo and AirTAC Taiwan, have established environmental management systems in accordance with the ISO14001 and verified by the</p>	In compliance with the Best Practice Principles.

Promoted Item	Implementation Status			Differences with Corporate Governance Best-Practice Principles for TWSE/GTSM-Listed Companies and Reasons
	Yes	No	Summary Description	
(2) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	✓		<p>third-party, conducted greenhouse gas inventories, and tracked emission reduction results, all of which are disclosed in the Company's sustainability report. (The certificate of AirTAC Ningbo is valid from 2023.7.15~2026.7.14, and the certificate of AirTAC Taiwan is valid from 2023.12.16~2026.12.15)</p> <p>(2) The company actively promotes various energy reduction measures, selects equipment with high energy efficiency and energy-saving design, reduces the energy consumption of enterprises and products, and expands the use of renewable energy to optimize energy efficiency.</p> <p>To effectively use resources and reach the goal of energy conservation and carbon reduction and prevent the use of ineffective or waste power and air conditioning consumption, the Company has formulated the "Lighting Energy Conservation Regulations." We adhere to the principle of "who consumes, who calculates, quota management, reasonable use of energy" and include energy conservation evaluation into the performance appraisal of each department and employee. In accordance with the "Energy Meter Configuration Specifications," the Company allocates the corresponding meters for water, electricity, and gas in the plant. Statistical analysis is conducted to facilitate the detection of abnormalities and make improvements accordingly. Corresponding usage regulations have been formulated for public facilities such as air-conditioning and fans</p>	In compliance with the Best Practice Principles.

Promoted Item	Implementation Status			Differences with Corporate Governance Best-Practice Principles for TWSE/GTSM-Listed Companies and Reasons
	Yes	No	Summary Description	
			<p>to avoid energy waste. At the same time, we will also conduct technical modifications on equipment. Outdated motors will be replaced, and solar power introduced.</p> <p>On the other hand, the Company invested in building air-cooled air-conditioning and energy-efficient lights to improve equipment efficiency and reduce energy consumption.</p> <p>The energy intensity (energy use per million sales) in 2025 will be 30.52, down 18% from the base year of 2021. AirTAC continues to improve energy efficiency by replacing inefficient equipment and optimizing production processes. Solar power generation equipment is built in the plant to increase the proportion of green energy use. AirTAC attaches great importance to the use of renewable energy, and according to the solar energy installation area of the plant, 17MW of solar panels have been erected to generate electricity by 2025. In January 2026, the company purchased 3,900 MWh of Green Electricity Certificates (GECs). These certificates, issued by the National Energy Administration of China, originated from a photovoltaic power generation project in Yunnan Province, China, and were traded through the Guangzhou Power Exchange Center. This purchase aims to support renewable energy development and reduce the company's Category II indirect emissions.</p> <p>All raw materials used in our production comply with RoHS standards, and we have completely banned conflict minerals. At the same time, we</p>	

Promoted Item	Implementation Status			Differences with Corporate Governance Best-Practice Principles for TWSE/GTSM-Listed Companies and Reasons
	Yes	No	Summary Description	
(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>are committed to increasing the proportion of recycled raw materials used to reduce our environmental impact. In green manufacturing, through process optimization, the product weight is lightweight, and the use of raw materials is reduced, and the energy consumption is reduced through the introduction of new equipment and process optimization. Use recyclable green packaging materials and change the packaging method to reduce the amount of packaging materials. In terms of upstream and downstream distribution, the distribution method, route optimization and fleet vehicle optimization to reduce the use of fuel generated by transportation.</p> <p>(3) AirTAC combines its existing internal risk management framework with the TCFD framework to conduct a systematic analysis of climate risks and opportunities. By collecting third-party research reports and identifying common risks and opportunities from benchmark companies both domestically and internationally, and through internal meetings with relevant executives and external consultants, AirTAC assesses and focuses on the actual climate change risks and opportunities it will face in its daily operations. Please refer to Note 3 for details regarding the company's assessment of climate change-related risks and opportunities and its corresponding countermeasures.</p>	In compliance with the Best Practice Principles.
(4) Does the company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in	✓		<p>(4) <u>greenhouse gas emissions</u> Please refer to Table 2 for the company's greenhouse gas emissions, inventory results, assurances, and reduction policies for the most recent two</p>	In compliance with the Best Practice Principles.

Promoted Item	Implementation Status			Differences with Corporate Governance Best-Practice Principles for TWSE/GTSM-Listed Companies and Reasons									
	Yes	No	Summary Description										
the last two years, and implement policies on energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water reduction, or waste management?			<p>years.</p> <p><u>Water Management</u> Water consumption and water intensity in the past two years:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Water Consumption</th> <th>Water Intensity</th> </tr> </thead> <tbody> <tr> <td>2024</td> <td>939,087</td> <td>30.63</td> </tr> <tr> <td>2025</td> <td>970,587</td> <td>28.27</td> </tr> </tbody> </table> <p>Note: Water Intensity (Water Consumption/ Million sales)</p> <p>Water intensity in 2025 is projected to decrease by 21% compared to the baseline year of 2021.</p> <p>AirTAC actively promotes various water-saving measures, such as water-saving faucets in toilets, water recovery equipment for process cleaning, water recovery system in wastewater stations, mechanical cleaning wastewater is treated by the wastewater station in the factory and reused in the vibration cleaning process of the workshop, and the boiler steam condensate is partially reused in the boiler room for recycling, so as to save and effectively use water resources. AirTAC Taiwan has introduced ultrasonic hydrocarbon cleaning machine to reduce the amount of wastewater generated by the traditional cleaning line and the automatic dosing machine of the cooling water tower to reduce the cleaning frequency of the cooling water tower. At the same time, the management of water-saving rewards and punishments was carried out to encourage employees to save water, and the total water saving of water-saving projects was 247,749 metric tons.</p> <p><u>Waste management</u> Waste production and waste intensity in the last 2 years:</p>	Year	Water Consumption	Water Intensity	2024	939,087	30.63	2025	970,587	28.27	
Year	Water Consumption	Water Intensity											
2024	939,087	30.63											
2025	970,587	28.27											

Promoted Item	Implementation Status			Differences with Corporate Governance Best-Practice Principles for TWSE/GTSM-Listed Companies and Reasons																		
	Yes	No	Summary Description																			
			<table border="1"> <thead> <tr> <th>Year</th> <th>Hazardous waste</th> <th>Not-Hazardous waste</th> <th>Total weight</th> <th>Waste Intensity</th> <th>Hazardous waste density</th> </tr> </thead> <tbody> <tr> <td>2024</td> <td>5,371</td> <td>15,451</td> <td>27,318</td> <td>0.68</td> <td>0.18</td> </tr> <tr> <td>2025</td> <td>5,884</td> <td>17,174</td> <td>23,058</td> <td>0.67</td> <td>0.17</td> </tr> </tbody> </table> <p>Note 1: Waste intensity (Waste/Million sales)  Note 2: From this fiscal year, the amount of aluminum edge material returned to the factory for reuse after outsourcing the melting furnace will be included, and the data of previous years will be revised together with the data in order to maintain data comparability.</p> <p>Waste density is projected to decrease by 16% in 2025 compared to the baseline year of 2021.</p> <p>Adhering to the spirit of resource recycling, our company promotes waste reduction and classification management at the source, and continuously increases the recycling and reuse rate to achieve zero-waste manufacturing. In 2025, the amount of operational wastewater recycled was 60,822 tons, and the amount of waste recycled and reused was 21,631 tons.</p> <p>Our company reduces raw material usage and waste generation through source reduction and process optimization and has implemented equipment such as oil-water separators to reduce the production of hazardous waste such as cutting fluid. We also strengthen our internal and external packaging material recycling mechanisms and have set up corresponding recycling methods and equipment according to different waste types to improve overall resource utilization efficiency. Waste that cannot be recycled or reused internally is handled by licensed waste disposal companies.</p> <p>In addition, to promote the sustainable use of resources, our company prioritizes in-plant reuse, followed by recycling and reuse, and only as a last resort does it adopt incineration or landfill disposal to reduce</p>	Year	Hazardous waste	Not-Hazardous waste	Total weight	Waste Intensity	Hazardous waste density	2024	5,371	15,451	27,318	0.68	0.18	2025	5,884	17,174	23,058	0.67	0.17	
Year	Hazardous waste	Not-Hazardous waste	Total weight	Waste Intensity	Hazardous waste density																	
2024	5,371	15,451	27,318	0.68	0.18																	
2025	5,884	17,174	23,058	0.67	0.17																	

Promoted Item	Implementation Status			Differences with Corporate Governance Best-Practice Principles for TWSE/GTSM-Listed Companies and Reasons				
	Yes	No	Summary Description					
			environmental impact.					
<p>4. Social issues</p> <p>(1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?</p>	✓		<p>(1) The Company recognizes and voluntarily abides by internationally recognized human rights standards such as the United Nations Universal Declaration of Human Rights, the United Nations Global Compact, and the United Nations International Labor Organization, and respects the protections stipulated in human rights conventions through the "AirTAC Declaration of Human Rights", which is published on the company's website. This policy applies to all managers and employees, related companies, affiliated companies, suppliers, contractors and partners, and other stakeholders, and is committed to preventing any human rights violations. The Company regularly identifies risks by paying attention to major social issues and reviewing its own operations and activities every year. The Company's human rights management policy and specific plans are summarized below.</p> <table border="1"> <thead> <tr> <th>Human Rights Management Policy</th> <th>Plans</th> </tr> </thead> <tbody> <tr> <td>Comply with local labor laws and regulations</td> <td>The Company complies with internationally recognized labor rights and local labor laws and regulations, such as freedom of association, the right to collective bargaining, care for vulnerable groups, the prohibition of child labor, the elimination of all forms of forced labor, the elimination of employment and employment discrimination, etc.,</td> </tr> </tbody> </table>	Human Rights Management Policy	Plans	Comply with local labor laws and regulations	The Company complies with internationally recognized labor rights and local labor laws and regulations, such as freedom of association, the right to collective bargaining, care for vulnerable groups, the prohibition of child labor, the elimination of all forms of forced labor, the elimination of employment and employment discrimination, etc.,	In compliance with the Best Practice Principles.
Human Rights Management Policy	Plans							
Comply with local labor laws and regulations	The Company complies with internationally recognized labor rights and local labor laws and regulations, such as freedom of association, the right to collective bargaining, care for vulnerable groups, the prohibition of child labor, the elimination of all forms of forced labor, the elimination of employment and employment discrimination, etc.,							

Promoted Item	Implementation Status			Differences with Corporate Governance Best-Practice Principles for TWSE/GTSM-Listed Companies and Reasons
	Yes	No	Summary Description	
			<p>and recognizes that there is no discrimination in the use of human resources such as gender, race, socio-economic class, age, marital and family status, etc., and implements equality and fairness in employment, employment conditions, salary, benefits, training, evaluation and promotion opportunities.</p> <p>Provide a safe and healthy working environment</p> <p>Implement reasonable employee welfare measures</p> <p>Establish a channel for communication with employees</p>	
			<p>AirTAC respects the right of employee representatives to negotiate working conditions and provides employees with the necessary information and hardware facilities to promote negotiation and cooperation between employers, employees and employee representatives. Provide an effective and appropriate grievance mechanism for cases that endanger workers' rights and interests to ensure that the grievance process is equal and transparent. The grievance channels are concise, convenient and smooth, and the complaints of employees are appropriately responded.</p> <p>AirTAC Taiwan advocates human rights education and training, and in 2025, a total of 769 people will be trained, with</p>	

Promoted Item	Implementation Status			Differences with Corporate Governance Best-Practice Principles for TWSE/GTSM-Listed Companies and Reasons
	Yes	No	Summary Description	
			a total of 384.5 hours. In mainland China, human rights education and training was held once in 2025 through WeChat official accounts and online teaching platforms, covering all employees.	
(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>(2) <b>Employee compensation</b>  <b>Company Articles of Association</b>  If the company makes a profit, and if there is a balance after deducting the distribution of employee compensation and directors' compensation from the pre-tax profit for the year, after reserving the amount to offset accumulated losses, the company shall allocate one to three percent as employee compensation.</p> <p><b>Salary Policy</b>  AirTAC has established a complete employee promotion and salary system, such as the "M/T level standard specification", which provides salary that is better than the middle and upper level in the industry, and the salary package is higher than the local basic salary. Salary standards for new recruits are based on job requirements, education and experience. After employment, salary adjustments and promotions will be made year by year depending on job performance. In addition, the company has also formulated the "Performance Bonus Management Operational Measures" to issue quarterly performance bonuses to eligible employees every quarter based on operational conditions. In addition, in terms of employee remuneration, it shall be handled in accordance with the provisions of the Company's M&amp;A.</p> <p><b>Salary of entry-level employees</b></p>	In compliance with the Best Practice Principles.

Promoted Item	Implementation Status			Differences with Corporate Governance Best-Practice Principles for TWSE/GTSM-Listed Companies and Reasons
	Yes	No	Summary Description	
			<p>The company incorporates operational performance into its employee compensation system and comprehensively considers employee seniority and annual performance reviews as the principles for adjusting the salaries of entry-level employees. The salary increase for entry-level employees in 2025 is approximately 6%.</p> <p><u>Employee welfare measures</u></p> <p><b>Retirement system</b></p> <p>In terms of pensions, we have a sound financial system and provide stable pensions in accordance with the Labor Standards Act and Labor Pension Regulations of the locations where we operate.</p> <p>All of our subsidiaries located within the territory of the Republic of China have established employee retirement regulations in accordance with the "Labor Standards Act" and the new "Labor Retirement Fund Act" of the Republic of China. The retirement fund is paid by our company by contributing 6% of the monthly salary as retirement fund, which is stored in the individual retirement fund account. In 2025, the retirement fund contribution under the new system in Taiwan will be NT\$35,095 thousand.</p> <p>For the retirement pension insurance of employees of enterprises within China, our company pays social insurance premiums monthly to the local government's special account in accordance with the provisions of the Social Insurance Law of the People's Republic of China. For other overseas locations, the relevant laws and regulations of each region will apply. In 2025, the Group recognized post-retirement benefits of</p>	

Promoted Item	Implementation Status			Differences with Corporate Governance Best-Practice Principles for TWSE/GTSM-Listed Companies and Reasons
	Yes	No	Summary Description	
			<p>NT\$384,020 thousand.</p> <p><b>Welfare system</b> AirTAC offers comprehensive and diverse employee benefits across four main areas: health, lifestyle, vacation, and insurance. Regarding health, the company provides annual free health checkups and has on-site doctors and nurses to support employees.</p> <p>AirTAC Ningbo and AirTAC Guangdong offer employee gyms, regularly conduct health promotion activities and seminars, and implement maternal health protection measures, including providing breastfeeding rooms, guaranteed parking for pregnant women, and more rest time than legally mandated, as well as adjustments to the work and environment for pregnant employees. In terms of lifestyle, the company provides free meals in an employee cafeteria, dedicated employee lounges, and holiday gift certificates or bonuses. Regarding vacation, new employees are entitled to 1.5 days of special leave and paid natural disaster leave. In terms of insurance, in addition to labor and health insurance, there is an accidental death compensation payment. Furthermore, for employees whose employment is terminated, the company provides severance pay exceeding legal limits to assist them through the transition period; overtime pay is also provided in accordance with labor standards.</p> <p><b>Friendly leave system</b> To protect the physical and mental well-being of our employees, we have established a leave system that exceeds legal regulations. While employees have established attendance rules, they are entitled to various leave rights as stipulated by labor laws (such as special leave, sick leave, prenatal check-up leave, and paternity leave, etc.), and can use these rights flexibly at their own discretion.</p>	

Promoted Item	Implementation Status			Differences with Corporate Governance Best-Practice Principles for TWSE/GTSM-Listed Companies and Reasons
	Yes	No	Summary Description	
(3) Whether the Company has provided safe and healthy work environments for its employees, and organizes training on safety and health for its employees on a regular basis?	✓		<p><u>Diversity &amp; Equity in the Workplace</u> AirTAC implements gender equality, regardless of gender, religion, race and nationality, of which 18% of directors are women, about 9% of directors are women, about 9% of executives are women, and about 26% of employees are women. In addition, in accordance with the government's laws and regulations on the employment of people with disabilities, if there is a disadvantaged status, we will also evaluate the employment before hiring, in order to fulfill the corporate responsibility of taking care of the disadvantaged. In terms of local operation, AirTAC was founded in Taiwan, but after years of operation, its territory has extended to all parts of the world, and more local personnel are hired as working partners and senior executives to listen to local voices.</p> <p>(3) <u>Occupational Health and Safety Policy</u> The Company adheres to the Occupational Safety and Health Act and the regulations of customers and related organizations to formulate policies. The company respects the requirements of relevant stakeholders for occupational safety and health in order to build a healthy and happy workplace. With disaster prevention and disaster prevention as the core concept, the company uses appropriate management tools, mature technology and available resources to integrate occupational safety and health problems in the factory area, put forward effective</p>	In compliance with the Best Practice Principles.

Promoted Item	Implementation Status			Differences with Corporate Governance Best-Practice Principles for TWSE/GTSM-Listed Companies and Reasons
	Yes	No	Summary Description	
			<p>countermeasures, continuously promote occupational safety culture, strengthen the protection and management of workers, and invest resources to strengthen the prevention of occupational diseases to create a zero-disaster environment. In addition, the Company has established quantitative indicators to expand its OSH activities to products and related services to improve overall OSH performance and effectively control risks.</p> <p>In 2025, a total of 60 occupational disasters occurred in AirTAC Taiwan, and 60 people were injured, accounting for about 0.66% of the total number.</p> <p>After the review, the company formulated countermeasures, immediately strengthened safety education and publicity, increased protective equipment and improved the safety environment to ensure the safety of employees during work.</p> <p>In addition, there were no fires in AirTAC Taiwan in 2025. In order to respond to disaster prevention, AirTAC has an emergency response notification process, and all major factories will regularly conduct emergency response drills such as fire drills or hazardous chemical leakage drills.</p> <p><u>Monitoring of the working environment of labor</u></p> <p>Each factory conducts 1 to 2 work environment monitoring sessions annually to monitor employee exposure and reduce occupational hazard risks. The mainland China factories also commission third-party professional organizations to conduct occupational hazard factor testing. Based on the monitoring results, each factory</p>	

Promoted Item	Implementation Status			Differences with Corporate Governance Best-Practice Principles for TWSE/GTSM-Listed Companies and Reasons
	Yes	No	Summary Description	
			<p>proposes improvement measures for any abnormal or excessive items to continuously optimize the work environment and enhance employee comfort and health.</p> <p><u>Work safety checks</u> Our company follows ISO 45001 and related safety management guidelines to establish a risk classification and control and hazard identification mechanism. Inspection work covers daily patrols (teams/foremen), weekly and monthly inspections (section-level and supervisory levels), as well as regular inspections and special audits by environmental safety units. The inspection results are regularly reported to the Safety and Health Committee, and improvement measures are continuously tracked until the case is closed. In addition, the plant in AirTAC Ningbo has implemented an EHS platform to strengthen risk management and defect tracking mechanisms.</p> <p><u>Device security management</u> Each plant area is managed in a tiered manner based on the risk level of its equipment to ensure safe operation. Before equipment is introduced, the environmental safety unit conducts a safety inspection. If any deficiencies are found, the manufacturer must be required to make improvements before the equipment can be accepted into the warehouse. Special equipment (such as elevators, forklifts, and pressure vessels) is managed and inspected in accordance with relevant regulations. A system for regular equipment inspection and maintenance has been established, and standard</p>	

Promoted Item	Implementation Status			Differences with Corporate Governance Best-Practice Principles for TWSE/GTSM-Listed Companies and Reasons								
	Yes	No	Summary Description									
			<p>operating procedures have been developed to ensure safe operation. An investigation revealed that no major hazardous machinery exists in any of the plant areas.</p> <p>The company's industrial safety education, training and promotion in the past three years:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Education and training hours</th> </tr> </thead> <tbody> <tr> <td>2023</td> <td>78,778</td> </tr> <tr> <td>2024</td> <td>51,261</td> </tr> <tr> <td>2025</td> <td>51,747</td> </tr> </tbody> </table> <p><u>Company Verification Situation</u> AirTAC Taiwan has been certified ISO45001 occupational health and safety management system to enable the company to effectively identify and prevent risks, protect and provide a safe and secure workplace for employees, and reduce the likelihood of accidents and illnesses for employees. In addition, doctors are regularly stationed to provide health promotion and medical consultation to strengthen employees' health awareness. (Certificate valid from 2024.1.4~2027.1.3)</p> <p><u>Measures to respond to unlawful infringements suffered while performing duties</u> AirTAC has established "Prevention Guidelines for Unlawful Harm During the Performance of Duties" and "Measures for the Prevention, Complaint and Punishment of Sexual Harassment," set up dedicated reporting mailboxes and other response channels, and standardized relevant procedures to ensure that complaints are investigated and reviewed fairly and objectively. By training employees on gender equality</p>	Year	Education and training hours	2023	78,778	2024	51,261	2025	51,747	
Year	Education and training hours											
2023	78,778											
2024	51,261											
2025	51,747											

Promoted Item	Implementation Status			Differences with Corporate Governance Best-Practice Principles for TWSE/GTSM-Listed Companies and Reasons
	Yes	No	Summary Description	
(4) Whether the Company has established an effective capacity development of career training program for employees?	✓		<p>and the importance of protecting their rights, and through a systematic management mechanism, communication channels between employers and employees are established to maintain a high-quality working environment free from discrimination and harassment. In 2025, based on hazard identification, Taiwan proactively provided psychological counseling to 4 individuals, adjusted the job positions of 2 individuals with high risk, and provided education and training to highly relevant individuals, with a total of 74 participants.</p> <p>(4) We are dedicated to fostering talents in the automated machinery industry through a comprehensive training program covering new and on-the-job training, internal and external training, and basic and supervisor development, providing multi learning channels. At the same time, we assess the effectiveness of employee learning development alongside education and training, while continuing to observe whether the employees under training has made progress in an effort to generate talent values necessary for sustainable development. Senior executives lead by example in learning, fostering a learning culture and promoting employee career development. Our company encourages employees to obtain professional certifications, providing full pay and subsidies for related expenses during examinations and training. Internal training includes professional training such as workplace illegal infringement,</p>	In compliance with the Best Practice Principles.

Promoted Item	Implementation Status			Differences with Corporate Governance Best-Practice Principles for TWSE/GTSM-Listed Companies and Reasons
	Yes	No	Summary Description	
(5) Do the company's products and services comply with relevant laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer protection and grievance procedure policies implemented?	✓		<p>ISO45001 internal audit training, and business development courses. External training includes courses such as supervisor training programs and workplace communication skills.</p> <p>(5) The Company manages customer service via the CRM system. CRM system has several big data analysis and linkage including data analysis, error warning, warranty service to increase customer service efficiency, and data analysis basis. We enhance customer service, and customer satisfaction to increase customer delivery value and build a long-term, stable, trusting relationship with customers to further attract new customers so as to maintain existing ones, increase efficiency, and competitive advantage.</p> <p>The company prioritizes customer privacy protection. To implement personal data protection and management, AirTAC has established a "Personal Data and Privacy Protection Policy and Regulations" based on the relevant requirements of local regulations, such as Taiwan's Personal Data Protection Act. This policy serves as the highest guiding principle for privacy protection and covers all employees within the group, as well as customers, suppliers, contractors, and external consultants. The policy clearly regulates and requires the use and protection of personal data. Regarding privacy protection, AirTAC Taiwan completed 421.5 hours of training for 843 employees in 2025. Furthermore, there were no</p>	In compliance with the Best Practice Principles.

Promoted Item	Implementation Status			Differences with Corporate Governance Best-Practice Principles for TWSE/GTSM-Listed Companies and Reasons
	Yes	No	Summary Description	
			<p>violations of the Personal Data Protection Act in 2025.</p> <p>At AirTAC, we attach great importance to product manufacturing responsibility. We ensure that there is no violation of health and safety laws and regulations during the life cycle of products and services. In an effort to fulfill corporate social responsibility such as protecting the health, the safety of customers and end users while enforcing environmental protection, our raw materials are all tested by a third-party unit. Our raw materials all meet health and safety requirements, such as RoHS 2.0.</p> <p>In terms of product marketing and labelling, our company complies with the relevant laws and regulations of the operating locations and international standards to ensure the accuracy, completeness, and transparency of product information disclosure. Product labels all include product specifications, instructions for use, and safety precautions in accordance with relevant regulations to protect the rights and interests of customers and end users.</p> <p>For the rights and interests of customers, the company has a customer service policy, the company provides a variety of service communication channels, through regular customer visits, dealer customer management, once a year in each region of the large customer satisfaction survey and other communication channels, in order to collect information and analyze and improve, enhance service satisfaction.</p>	

Promoted Item	Implementation Status			Differences with Corporate Governance Best-Practice Principles for TWSE/GTSM-Listed Companies and Reasons
	Yes	No	Summary Description	
			In addition to proactively collecting customer feedback, customer complaints are communicated not only through the company's CRM system but also through all sales locations and dedicated hotlines within the group. Generally, upon receiving a customer complaint, staff at each sales location provide initial information and a preliminary response. For products with customer questions, if the factory has stock, the product will be replaced within 2 business days; if the factory does not have stock and re-production is required, the product will be replaced within 5 days to 2 weeks. Furthermore, the company has established a "Customer Rights Protection Policy" and a "Customer Complaint Handling Procedure" to ensure that every customer complaint is properly tracked and effectively handled.	
(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) Our company has established a "Supplier Management Policy" to ensure that the quality, environment and operation management of suppliers meet the company's requirements and to establish a supplier evaluation and management mechanism. The evaluation items include the supplier's quality and environmental management policies, objectives and quantitative indicators, special personnel education and training, production and warehousing labeling management, hazardous materials management and product certification status. It also requires the implementation of environmental management systems, avoidance of the use of	In compliance with the Best Practice Principles.

Promoted Item	Implementation Status			Differences with Corporate Governance Best-Practice Principles for TWSE/GTSM-Listed Companies and Reasons
	Yes	No	Summary Description	
			<p>harmful or restricted substances, and the establishment of chemical management mechanisms to reduce environmental impact and comply with regulatory requirements.</p> <p>Our company has also obtained commitment letters from suppliers regarding environmental sustainability, honest business practices, and labor rights. The procurement department promotes the "Green Procurement Declaration," requiring major raw material suppliers to comply with RoHS regulations and provide inspection reports regularly. It also encourages suppliers to obtain certifications such as IATF 16949 and ISO 14001 through a priority procurement mechanism. At the same time, local supply strategies are adopted to reduce carbon emissions from transportation and promote local economic development.</p> <p>In 2025, AirTAC Taiwan local procurement (Taiwan) was account for 47%, while AirTAC Ningbo's and AirTAC Guangdong's local procurement (Mainland China) were account for 76% and 96%, respectively.</p>	
5. Does the company reference internationally accepted reporting standards or guidelines, and prepare 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?		✓	5. Our company prepares sustainability reports in accordance with internationally accepted reporting guidelines (GRI Standards), TCFD and SASB standards. The specific key performance information in the 2024 sustainability report has been assessed with limited assurance by PricewaterhouseCoopers in accordance with ISAE 3000 and ISAE 3410 standards. The independent assurance report has been attached to the sustainability report and was submitted to the	In compliance with the Best Practice Principles.

Promoted Item	Implementation Status			Differences with Corporate Governance Best-Practice Principles for TWSE/GTSM-Listed Companies and Reasons
	Yes	No	Summary Description	
			<p>Board of Directors for approval on August 15, 2025.</p> <p>The Company has also engaged PricewaterhouseCoopers to provide limited assurance on certain key performance information in the 2025 Sustainable Report, and the relevant independent assurance report will be disclosed together with the report.</p> <p>Please refer to the company's website for the Company's past sustainability reports.</p>	

6. If the Company has established its corporate social responsibility guidelines in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, describe the operational status and differences with the CSR Best Practice Principles:

In order to practice sustainable development, the company has formulated the "Sustainable Development Best Practice Principles", which will continue to be implemented and implemented with all colleagues of the company in accordance with the norms and spirit of the "Sustainable Development Best Practice Principles".

7. Other important information to facilitate better understanding of the Company's promoted sustainable development implementation:

AirTAC Yumei Charity Foundation takes "Sunshine Action" and "Blue Student Aid Project" as its two main axes, continuously and actively organizes various charitable activities and promotes social public welfare undertakings. We look forward to giving back to the community and society through donations or other public welfare means.

(1) Sunshine Action

- a. Long-term care households and emergency assistance: Regularly subsidize poor families and provide emergency assistance support for long-term care households, taking care of 1,794 households in Taiwan in 2025, with a total investment of NT\$19 million. (Regions include: New Taipei City, Yilan County, Chiayi County, Tainan City, Pingtung County and Taitung County).
- b. In 2025, a total of NT\$19.4 million was donated to the private Hsiangyuan Memorial Nursing Home, St. Teresa Children Center in Hsinchu County, the Maria Theresia Scherer foundation in Dawu Township, Taitung County, Pingtung Intellectual Disability Association, The association of South-Unk Health Care Promotion for Taitung County, Keelung Association for Liver Disease Prevention and Control, the Social Welfare Department of New Taipei City, the Social Affairs Bureau of Yilan County, the Social Affairs Bureau of Tainan City Government, New Life Foundation and Chiayi County Government's disaster relief subsidies for Typhoon Danas, etc.
- c. Donation to Food Bank: Long-term donation to Hualien County, Taitung County and Chiayi County Food Bank, with a donation of NT\$10 million in 2025 to provide basic daily necessities, special nutrition and milk powder to disadvantaged families.
- d. Donation of long-term care buses: In 2025, two long-term care buses were donated to Chiayi

Promoted Item	Implementation Status			Differences with Corporate Governance Best-Practice Principles for TWSE/GTSM-Listed Companies and Reasons
	Yes	No	Summary Description	
			<p>County, eight rehabilitation buses to Pingtung County, and thirteen rehabilitation buses to provide transportation for low-income households and impoverished families in remote areas, as well as people with disabilities, to seek medical treatment or rehabilitation.</p> <p>e. Blood donation activities: 965 employees in Taiwan independently initiated blood donation to help people, a total of 1,172 bags of blood (a total of 293,000 cc of blood donation) To thank colleagues for their practical actions, for colleagues to give paid blood donation leave for 1 day, the company and purchase the lunch box of Children Are Us Foundation to supplement nutrition for colleagues, so that colleagues donate blood at the same time and support children have Intellectual development disorders with practical actions.</p> <p>(2) Blue Student Aid Project</p> <p>a. AirTAC Youmei Scholarship: Long-term funding for 8 universities in Taiwan (National Cheng Kung University, Taipei University, Taitung University, Donghua University, Pingtung University, Feng Chia University, Yunlin University of Science and Technology, Southern Taiwan University of Science and Technology) and 1 high school vocational school (Tainan Houbi High School) has set up AirTAC Youmei Scholarship to provide long-term funding for poor students and ensure the school life of disadvantaged students, with a total of NT\$98.8 million was allocated to support 1,300 students in 9 schools. We hope to support economically disadvantaged students in completing their studies and break the cycle of poverty.</p> <p>b. School building renovation and improvement of the teaching environment, and purchase of new teaching equipment: it donated NT\$32million to Gongdong High School and NT\$500,000 to Gan Yuan Elementary School to help improve the teaching environment and purchase new teaching equipment.</p> <p>(3) Partnered with universities to promote reading and cultural activities for children in rural areas, and donated a total of NT\$12 million in 2025.</p> <p>In order to establish the reading habits of children in rural areas and bridge the gap between urban and rural areas, we have cooperated with 5 universities to donate a total of NT\$12 million in 2025 to organize multi-faceted reading and public welfare related activities such as reading tours, story theaters, reading clubs, winter (summer) camps, reading and writing camps, library exploration camps, and mobile book trucks, looking forward to bringing reading to remote and outlying island areas. Expand children's reading horizons and cultivate their interest in reading, and look forward to using reading to open up the diverse possibilities and future of rural and disadvantaged children.</p> <p>a. Donated NT\$2 million to Southern Taiwan University of Science and Technology: The focus is on promoting academic support, improving reading habits, and enhancing arts and cultural abilities for children in rural and economically disadvantaged areas of Chianan. For example, the Student Affairs Office leads the provision of tutoring and supplementary education for students in rural and disadvantaged areas (such as Zhuqiao Junior High School, Jiangjun Junior High School, etc.) to improve students' reading abilities. In collaboration with the Guangyan Poetry Society, the "Engaging Primary and Secondary Schools - Little Kids' Story House" program aims to enhance children's reading interest through guided story readings. In collaboration with Chongde Youth Society, we organized a "Scripture Reading Class Growth Camp" to subtly inspire children's thinking abilities through the process of reading scriptures. In 2025, a total of 45 events and camps were held, with 843 student volunteers and approximately 2,300 children and community members benefiting.</p>	

Promoted Item	Implementation Status			Differences with Corporate Governance Best-Practice Principles for TWSE/GTSM-Listed Companies and Reasons
	Yes	No	Summary Description	
			<p>b. Donated NT\$2 million to Yunlin University of Science and Technology: Focusing on promoting the tutoring of children in Yunlin Township and improving their reading ability, a total of 332 people participated in the reading club activities in the rural primary schools of Yunlin County (Pijiao Elementary School in Tuku Township, Honglun Elementary School in Tuku Town, Quanzhou Elementary School in Taixi Township, Shangde Elementary School in Taixi Township, Lintou Elementary School in Douliu City, Shuibe Elementary School in Gukeng Township, Guilin Elementary School in Gukeng Township, etc.). For example, the Yunlin County Library's book and painting activities enhanced children's reading abilities; the "Youth Imprints: Painting My Hometown" program for disadvantaged families improved the painting skills of children from disadvantaged families; and winter vacation English tutoring camps enhanced the English reading interest of children in rural areas. In 2025, a total of 26 events and camps were held, with 400 student volunteers and approximately 1,500 children and community members benefiting.</p> <p>c. Donated NT\$2 million to Taipei University: Taipei University collaborates with elementary schools in rural areas across Taiwan to organize diverse reading camps, summer and winter vacation tutoring programs, music theory camps, charity concerts, and arts performances at schools in these areas (such as Chengcheng Elementary School in Nantou, Longtan Elementary School in Jiaoxi, Yilan, and Fuxing Junior High School in Changhua). These initiatives aim to enhance children's reading skills and appreciation of arts and culture. In 2025, a total of 22 events and camps were held, with 575 student volunteers and approximately 2,600 children and community members benefiting.</p> <p>d. Donated NT\$2 million to Taitung University: The program focuses on supporting the academic progress of children in rural and economically disadvantaged areas of Taitung, improving their reading habits and arts and cultural abilities. It collaborates with the Department of Humanities and Education at National Taitung University and student clubs to promote initiatives such as: "Joyful Learning, Joyful Growth" and "Youth Academy" with the Arts and Youth Society, providing reading companionship, musical instrument performances, and arts and cultural creation to foster children's holistic development; and "English Phonics Prodigy Reading Program" with the College of Humanities, helping children overcome learning barriers through warm and supportive reading. In 2025, a total of 30 events and camps were held, with 510 student volunteers, benefiting approximately 2,600 children and community members.</p> <p>e. "Fengjia Architectural Small Book House" is a combination of Fengjia architecture students and social forces, according to the location of the library and environmental resources combined with partnership, so that the book house is not only a book house, but also the book house itself can have the function of a cultural field described by Pierre Bourdieu, improve the reading ability of children in rural areas, cultivate reading habits, and even become a cultural place for social education in the local community, "Feng Jia Architecture Small Book House" aims to set up 100 small book houses, In 2025, we donated NT\$4 million to Feng Chia University to join the Feng Chia Building Small Book House Project, in addition to building and renovating book houses, promoting reading habits in rural areas and supporting tribal or local arts, culture and cultural activities in existing book houses.</p> <p>The "Book Wish Sets Sail, Book Journey Meets the Light" reading event was held at Huanan Experimental Elementary School in Gukeng, Yunlin. With "Reading * Making a Wish * Fulfillment" as the main theme, each student was able to choose a book on-site and make a reading</p>	

Promoted Item	Implementation Status			Differences with Corporate Governance Best-Practice Principles for TWSE/GTSM-Listed Companies and Reasons
	Yes	No	Summary Description	
			wish during the event. Through related activities, students were encouraged to develop a greater interest in reading.	

Note 1: The details of the operations and major production bases mentioned in the sustainability report are as follows:

Operations Center	Illustration
Taipei Headquarter	Referred to as AirTAC Taiwan in the report, it accounted for approximately 2% of the Group's operating revenue and approximately 13% of its output value in 2025.
AirTac International Group Taiwan Branch	
Ningbo Airtac Automatic Industrial Co., Ltd.	It is referred to as AirTAC Ningbo in the report, accounting for approximately 74% of the Group's output value in 2025.
Guangdong Airtac Automatic Industrial Co., Ltd.	It is referred to as AirTAC Guangdong in the report, accounting for approximately 13% of the Group's output value in 2025.
Airtac (China) Co., Ltd.	Consolidated as referred to as AirTAC China in the report, it accounted for approximately 94% of the Group's operating income in 2025.
Airtac (Jiangsu) Automation Co., Ltd.	
Guangdong Airtac Intelligent Equipment Co., Ltd.	
Airtac (Tianjin) Intelligent Technology Co., Ltd.	
Airtac (Fujian) Intelligent Equipment Co., Ltd.	
Airtac (Shandong) Automatic Industrial Co., Ltd.	

Note 2: In accordance with the principle of the importance of sustainable development, our company conducts risk assessments on key issues and, based on the assessed risks, has established the following relevant risk management policies or strategies:

Major issues	Risk Assessment	Risk Management Policy
Environment	Environmental Impact and Management	<ol style="list-style-type: none"> <li>1. Establish a sewage treatment system to reuse industrial washing wastewater after treatment for industrial washing operations; add a rainwater recovery and storage system for sewage treatment.</li> <li>2. Develop low carbon products Develop lightweight, space-saving, energy-saving products, reduce energy efficiency losses, and use environmentally friendly, recyclable materials and environmentally friendly packaging with ink-free printing.</li> <li>3. Perform energy anomaly analysis According to the configuration specification of energy measuring instruments, configure corresponding meters for water, electricity and gas in the plant area. Statistical analysis is carried out every week to facilitate timely detection and processing of abnormalities.</li> <li>4. The Company combined its internal risk management framework and TCFD framework to construct the Company's climate risk identification process, and identified a total of 3 opportunities and 4 risks after discussion at the management meeting. The following measures are established according to the climate risk identification process: Establish a notification mechanism for major incidents, set up an emergency response team to strengthen the timeliness of recovery of key systems, and quickly resume business operations to cope with possible disruptions caused by extreme weather. The contents are disclosed in the Sustainability Report.</li> <li>5. The main factories of AirTAC Ningbo and AirTAC Taiwan have obtained the certification of "ISO14001 Environmental Management System". (The validity period of the AirTAC Ningbo certificate is from 2023.7.15~2026.7.14; the validity period of the AirTAC Taiwan certificate is from 2023.12.16~2026.12.15.)</li> </ol>
Society	Occupational safety	<ol style="list-style-type: none"> <li>1. Completed "ISO 45001 Occupational Health and Safety Management System" verification. Certificate period is from 2024.1.4~2027.1.3.</li> <li>2. Fire drills and occupational safety education and training are held regularly every year to cultivate employees' ability to respond to emergencies and self-safety management, so as to prevent employees from approaching situations that may cause injury or illness.</li> </ol>

Major issues	Risk Assessment	Risk Management Policy
	Product Safety	The company attaches great importance to the responsibility of product manufacturing, and ensures that there is no violation of health and safety regulations during the life cycle of products and services, in order to protect the health and safety of customers and end users, and to implement corporate social responsibilities such as environmental protection. All raw materials of AirTAC have been inspected by a third notary public, and their materials and contents meet relevant health and safety requirements, such as EU RoHS 2.0. AirTAC Ningbo, the main plant, has obtained the "ISO9001" and "IATF16949" quality certifications to track product quality and safety through the management system. In 2025, there is no major penalties for non-compliance with health and safety regulations.
Corporate Governance	Socioeconomic and Legal Compliance	<ol style="list-style-type: none"> <li>1. By establishing a governance organization and implementing an internal control mechanism, we ensure that all personnel and operations of the company truly comply with relevant laws and regulations.</li> <li>2. The products developed by the company are subject to patent applications to protect the company's rights and interests.</li> <li>3. AirTAC is not subject to any major penalties for violating the law in 2025.</li> </ol>
	Strengthen the functions of directors	<ol style="list-style-type: none"> <li>1. The board of directors is convened in accordance with the regulations, and in order to effectively exert the functions of the board of directors, the audit committee and the remuneration committee are divided under the board of directors according to their powers and functions. The functional committees are composed of independent directors, which effectively implement the independent supervision and check and balance mechanism to ensure the resolutions and actions of the board of directors.</li> <li>2. Every year, we plan training topics for directors and provide the latest system development and policies for directors.</li> <li>3. Insuring directors' liability insurance for directors to protect them from lawsuits or claims.</li> </ol>
	Stakeholder Communication	<ol style="list-style-type: none"> <li>1. In order to prevent stakeholders from differing from the company's position, resulting in misunderstandings and risks of business operations or lawsuits, the company analyzes important stakeholders and important issues of concern every year.</li> <li>2. Establish various communication channels, actively communicate, and reduce confrontation and misunderstanding. Set up an investor mailbox, which will be handled and responded by a dedicated person.</li> </ol>

Note 3: Climate-related information:

1. Implementation of climate-related information

Item	Execution
<p>1. Describe the Board of Directors and management's oversight and governance of climate-related risks and opportunities.</p>	<p>The Board of Directors is the highest oversight body for the Company's climate-related risks and opportunities. The Sustainability Committee is a functional committee directly under the Board of Directors, responsible for reviewing the Company's direction, strategies and objectives for sustainability, examining relevant management policies and implementation plans, and supervising the disclosure of sustainability information and the preparation of sustainability reports.</p> <p>The Sustainability Committee has established a Sustainability Task Force composed of senior executives from various departments. Through cross-departmental collaboration, the Task Force integrates and assesses climate-related risks and opportunities, and tracks the implementation of various climate initiatives. It also continuously monitors domestic and international climate policies and industry trends, adjusting relevant management practices as needed.</p> <p>The Sustainability Committee reports to the Board of Directors at least once a year on the progress and implementation of sustainability initiatives, and submits future work plans. By listening to these reports, the Board of Directors monitors the progress and implementation of various climate-related measures, ensuring the effective operation of the relevant management mechanisms.</p>
<p>2. Describe how the identified climate risks and opportunities affect the business, strategy and finances (short, medium and long term).</p>	<p>AirTAC collects third-party research reports and common risk opportunities for domestic and foreign benchmark companies, and assesses and focuses on the real climate change risks and opportunities that AirTAC will encounter in its daily operations through internal meetings with key executives and external consultants. According to the company's operating conditions, the definition is short-term: 1~5 years, medium-term: 6-10 years, and long-term: more than 10 years). Please refer to the attached table for the identified climate risks and opportunities and the assessment of their impact on the Company's business, strategy and finance.</p>
<p>3. Describe the financial impact of extreme weather events and transition actions.</p>	<p>Please refer to the attached table for the financial impact of extreme weather events and transition actions.</p>
<p>4. Describe how the process of identifying, assessing and managing climate risks is integrated into the overall risk management system.</p>	<p>The Board of Directors is the highest supervisory body for the Company's risk management. The Risk Management Committee is a functional committee directly under the Board of Directors, responsible for coordinating the Company's overall risk management mechanism and incorporating climate-related risks into its management scope. The risk management organization consists of various relevant functional units. The top executives of each unit collect and analyze data based on historical experience, industry cases, and external information (such as media reports) to identify the climate risks most relevant to the company's operations. The relevant risk information is then compiled and submitted to the risk management committee. The Risk Management Committee shall report the risk assessment results and management effectiveness to the Board of Directors at least once a year.</p>

Item	Execution
<p>5.If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and key financial impacts used should be described.</p>	<p>AirTAC refers to the climate scenarios of the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC) and the TCCIP AR6 climate scenario simulation data to analyze the possible financial or operational impact of climate risks.</p> <p>Transition Risk Climate Scenario: In order to mitigate climate change, countries have gradually adopted caps on greenhouse gases, carbon taxes, and carbon fees to increase enterprises' willingness to reduce carbon emissions. Taiwan's Environmental Protection Agency (EPA) has launched a carbon fee collection mechanism for major carbon emitters with carbon emissions of up to 25,000 metric tons, and the scenario is set to levy carbon fees based on annual emissions without considering preferential rates. The total amount of carbon emission trading allowances set for high-emitting industries in Chinese mainland, and AirTAC Ningbo and AirTAC Guangdong are still not included in the key emitting enterprises, and the scenario setting assumes that carbon emission allowances need to be purchased to achieve local government carbon reduction targets under the estimated annual output value growth without continuing to impose carbon reduction management measures. Simulate the financial impact of paying carbon fees and carbon trading fees in order to comply with regulatory requirements under the expected normal business development in 2030. According to the IEA World Energy Model, the ratio of carbon fees to revenue under the scenarios of STEPS, NDCs and NZE 2050 is 0.15%, 0.16% and 0.34% respectively.</p>
<p>6.If there is a transition plan to address and manage climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical and transition risks.</p>	<p>The Company's transition plan to manage climate-related risks is as follows:</p> <p>(1)Goal setting</p> <p>We have set short-term (2026), medium--term (2030) and long-term (2036) targets for greenhouse gas emissions, water consumption, and waste generation and emission intensity from 2021.</p> <p>a. Greenhouse gas intensity (Greenhouse gas category I and II emissions (Market-based) / Million in sales revenue):</p> <p>AirTAC has committed to achieving carbon neutrality by 2060. Using 2021 as the base year, the short-term target (2026) is to reduce greenhouse gas intensity by 40%. The medium-term goals (by 2030) are to reduce greenhouse gas intensity by 48% and increase the share of renewable energy use to 25%. The long-term goal (2036) is to reduce greenhouse gas intensity by 55% and increase the share of renewable energy use to over 35%.</p> <p>b. Water intensity (water consumption/million sales) is based on 2021 as the base year, and the original short-term target (2026) was to reduce water intensity by 17%. By 2025, water intensity had decreased by 21% compared to the baseline year, achieving the original target ahead of schedule. Therefore, the Company has further set a medium-term target (2030) of 26% reduction from the base year and revised its long-term target (2036) upward to 32% reduction, continuously improving water efficiency.</p> <p>c. Waste intensity (waste generation/million sales) and hazardous waste intensity (hazardous waste generation/million sales):</p> <p>With 2021 as the base year, the short-term goal (2026) is to reduce waste density by 17% and hazardous waste density by 12%. The newly set medium-term targets (2030) are a 25% reduction in</p>

Item	Execution
	<p>waste intensity and an 18% reduction in hazardous waste intensity. The long-term goal (2036) has been revised upward to reduce waste density by 35% and hazardous waste density by 25%, while continuing to promote waste recycling and reuse rates of over 97%.</p> <p>(2)Management of Transformation Risks (Policy, Regulatory, and Technological Risks): The key initiatives include technological improvements and process optimization, equipment upgrades and replacement of high-energy-consuming and low-efficiency equipment, improving energy efficiency in the production process, adding solar panels, and increasing the proportion of renewable energy.</p> <p>(3)Supply chain management and Scope 3 check Progressively conduct Scope 3 carbon surveys and set carbon management requirements for suppliers.</p> <p>(4)Management of physical climate risks-Climate resilience and adaptation strategies Strengthen plant infrastructure to withstand extreme weather (e.g., floods, droughts). Establish a water management plan to reduce the impact of climate change on the supply chain.</p>
7.If internal carbon pricing is used as a planning tool, the basis for price setting should be stated.	Adopting the International Energy Agency's (IEA) Net Zero by 2050 scenario, and using a shadow carbon price of US\$90 per ton as a reference for major capital expenditures and operational decisions, climate risks are incorporated into financial assessments to guide the low-carbon transition.
8.If climate-related targets are set, information such as the activities covered, the scope of greenhouse gas emissions, the planning timeline, and the progress made in achieving them each year should be stated. If carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant targets, the source and quantity of carbon reduction credits or renewable energy certificates (RECs) to be exchanged should be stated.	<p>AirTAC is committed to achieving carbon neutrality by 2060. With 2021 as the base year, the Company has set short-, medium- and long-term reduction targets for greenhouse gas intensity (Scope I and Scope 2 emissions (Market-based)). The short-term target (2026) is a 40% reduction. The medium-term target (by 2030) is to reduce energy consumption by 48% and increase the share of renewable energy use to 25%. The long-term goal (by 2036) is to reduce energy consumption by 55% and further increase the share of renewable energy uses to over 35%.</p> <p>The greenhouse gas concentrations for 2021, 2022, 2023, 2024 and 2025 are projected to be 5.4, 4.54, 3.92, 3.78, and 3.52, respectively. The greenhouse gas concentration in 2025 is expected to be approximately 35% lower than the baseline year of 2021.</p> <p>In addition, in January 2026, the Company purchased 3,900 MWh of Green Electricity Certificates (GECs). These certificates were issued by the Green Certificate Issuance Agency under the National Energy Administration of China, with the electricity source being a photovoltaic power generation project in Yunnan Province, China, and the transaction was completed through the Guangzhou Power Exchange Center.</p>
9.Greenhouse Gas Inventory and Assurance (Table 2).	

Tables:

1. Risks and opportunities related to climate change

The transition risks are "carbon tax/carbon fee regulation", "uncertainty in the development of new energy-saving technologies", and "impact on corporate reputation"; the physical risks are "extreme weather and climate"; the top four opportunities are "improving efficiency and reducing energy consumption", "improving water resource efficiency" and "developing low-carbon products".

(1) Climate-related risks

Climate-related risks					
Type of risk	Estimated period of occurrence	Risk factors	Description of the risk scenario	Description of the potential financial impact	Management practices
Transition risk	Short term	Carbon tax/carbon fee regulation	Countries are promoting carbon fees, carbon taxes, and mandatory reporting of product carbon footprints (such as CBAM), which may require the purchase of carbon credits, payment of carbon fees, or increased reporting obligations, directly increasing operating costs.	1. The financial impact assessment of carbon tax and carbon fees simulates the financial impact of carbon fee and carbon trading fee expenditures required to comply with regulatory requirements under the future carbon fee and carbon trading fee collection conditions in Taiwan and mainland China in 2030. Based on the IEA World Energy Model, the carbon fee as a percentage of revenue is 0.15%, 0.16%, and 0.34% under the STEPS, NDCs, and NZE 2050 scenarios, respectively. 2. CBAM's declared expenditure for 2025 is €4,000.	1. To increase the use of renewable energy, in addition to installing more solar energy installations, the proportion of renewable energy procurement will also be increased. 2. An impact assessment of domestic and international carbon regulations will be conducted, and plans will be made to introduce internal shadow carbon pricing in advance.
	Medium term	Uncertainty in the development of new energy-saving technologies	The company continues to invest in low-carbon transformation technologies and process optimization to reduce emissions intensity and meet carbon reduction targets. However, the pace of technological development and policy changes present uncertainties. If the invested technologies fail to achieve	Investing in energy-saving and carbon-reducing equipment and developing carbon-reducing technologies increases capital expenditures and R&D costs.	1. Implement technology improvement, process optimization, equipment transformation and replacement of high-energy-consuming and low-efficiency equipment to improve the energy efficiency in the production process. 2. We have introduced ISO14001 environmental management system to ensure efficient use of energy.

Climate-related risks					
Type of risk	Estimated period of occurrence	Risk factors	Description of the risk scenario	Description of the potential financial impact	Management practices
			expected efficiency, it may lead to additional capital expenditures, increased R&D costs, premature equipment replacement or depreciation, and higher operating costs.		
	Short term	Impact on corporate reputation	Failure to meet climate goals may lead to a decline in ESG-related international ratings, which may impact corporate goodwill and affect investors' willingness to invest.	It is not possible to quantify it at this time.	<ol style="list-style-type: none"> <li>1. Regularly publish sustainability reports every year to let stakeholders understand the company's energy conservation and carbon reduction actions and directions.</li> <li>2. Actively respond to sustainability-related questionnaires of international organizations, such as CDP.</li> <li>3. Actively engage with stakeholders to understand investors' expectations and suggestions on AirTAC on climate issues.</li> </ol>
Physical Risk	Long term	Extreme weather climate	<ol style="list-style-type: none"> <li>1. Extreme weather events (such as droughts, torrential rains, and floods) can cause operational disruptions, supply chain delays, or equipment damage, thereby affecting production efficiency and delivery capabilities.</li> <li>2. Global warming and long-term temperature increases may lead to increased</li> </ol>	If the Company's production disruption affects revenue, the Company's one-day revenue loss is estimated to be NT\$150 million.	<ol style="list-style-type: none"> <li>1. Continue to implement process water conservation and water recycling. Improve the efficiency of water pollution prevention and treatment, and strengthen the removal of pollutants from water.</li> <li>2. Implement climate risk mitigation plans and continue to implement daily water conservation and water shortage adaptation.</li> <li>3. Maintain backup suppliers and safety stock levels in all critical</li> </ol>

Climate-related risks					
Type of risk	Estimated period of occurrence	Risk factors	Description of the risk scenario	Description of the potential financial impact	Management practices
			demand for air conditioning and process cooling, resulting in higher electricity and water consumption and consequently higher operating costs.		supply chains to avoid supply chain disruptions. 4. Develop contingency plan management procedures, enhance the recovery time of critical systems, and quickly restore operations.

(2) Climate-related opportunities

Type of opportunities	Estimated period of occurrence	Chance factor	Description of the potential financial impact	Management practices
Resource efficiency	Short term	Improve energy efficiency and reduce energy consumption	In 2025, 24.05 million will be invested in the introduction and upgrading of equipment, optimization of processes and fuel conversion, which is expected to reduce operating energy costs by approximately 16.16 million annually.	<ul style="list-style-type: none"> <li>● Introduce energy-saving and low-consumption equipment.</li> <li>● Set energy intensity reduction targets and review progress regularly.</li> </ul>
	Short term	Increased water efficiency	The actual water-saving benefits generated by the water-saving projects invested in 2025 are approximately NT\$5.59 million.	<ul style="list-style-type: none"> <li>● We will continue to promote water-saving measures, improve water use efficiency, and strengthen research on water-saving technologies and water resource development plans to ensure resilience in the face of climate disasters.</li> <li>● Establish clear water resource management objectives, and continuously track and control the achievement of these objectives through the environmental task force to ensure effective compliance with water resource-related regulations.</li> </ul>

Type of opportunities	Estimated period of occurrence	Chance factor	Description of the potential financial impact	Management practices
Products & Services	Medium term	Develop low-carbon products to reduce operating costs and maintain market competitiveness.	The development of new energy-saving products and low-carbon services will increase orders and increase revenue. By 2025, sustainable products will account for approximately 27% of total sales.	<ul style="list-style-type: none"> <li>● Develop lightweight, space-saving, and energy-saving products to reduce energy efficiency losses.</li> <li>● Through the route optimization of logistics vehicles (energy saving and emission reduction) and the use of a large number of environmentally friendly packaging materials, the recognition of customers who pay attention to green concepts will be improved, and the willingness to purchase AirTAC products will be increased.</li> </ul>

## 2. The company's greenhouse gas inventory and assurance in the last two years

### (1) Greenhouse gas inventory information

Describe the greenhouse gas emissions (metric tons CO<sub>2</sub> e), intensity (metric tons CO<sub>2</sub> e/million sales) and the scope of the information in the most recent two years.

Year	greenhouse gas emissions (metric tons CO <sub>2</sub> e)			intensity (metric tons CO <sub>2</sub> e/million sales)	Scope of Information
	Scope 1	Scope 2	Scope 3		
2024 Location-based	18,192	97,728	Not yet counted	3.78	<ul style="list-style-type: none"> <li>● AirTAC International Group Taiwan</li> <li>● Ningbo Airtac Automatic Industrial Co., Ltd.</li> <li>● Guangdong Airtac Automatic Industrial Co., Ltd.</li> <li>● Airtac (China) Co., Ltd.</li> <li>● (Including all manufacturing plants and major sales companies, it has covered more than 95% of the Group's greenhouse gas emissions)</li> </ul>
2025 Location-based	19,441	103,294	Not yet counted	3.58	
2025 Market-based	19,441	101,354	Not yet counted	3.52	

Note 1: Scope 1 (direct emissions) includes four greenhouse gases: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O and HFC, and does not involve SF<sub>6</sub>, PFC and NF<sub>3</sub> greenhouse gas emissions.

Note 2: Scope 2 (indirect emissions), which includes purchased electricity, was calculated in 2024 based on the average grid emission factor in the region where the operating company is located, using a location-based method. In 2025, due to the purchase of green certificates, market-based figures were disclosed separately.

Note 3: Greenhouse Gas Inventory Standards: According to the Greenhouse Gas Protocol.

Note 4: The intensity of greenhouse gas emissions is calculated in metric tons CO<sub>2</sub> e per million sales of turnover.

## (2) Greenhouse gas assurance information

Description of the confidence situation for the most recent two years as of the date of printing of the annual report, including the scope of the confidence, the confidence organization, the confidence criterion and the confidence opinion.

The Company has commissioned Deloitte Touche Tohmatsu to conduct a limited assurance on the basis of the ISAE3000 and ISAE3410 of specific key performance information for all companies within the boundaries of the 2023 Sustainability Report, which is attached to the Appendix to the 2024 Sustainability Report. Specific KPIs are 2023 data on greenhouse gas emissions (Scope 1, Scope 2). Based on the procedures implemented and the evidence obtained, Deloitte Touche Tohmatsu has not noted any matters that would lead Deloitte Touche Tohmatsu to believe that the selected confidence indicators in AirTAC International Group's 2023 Sustainability Report were not prepared in accordance with the standards of preparation in all material respects.

In 2024, PricewaterhouseCoopers performed assurance work on the Company's Greenhouse Gas Declaration prepared in accordance with the Greenhouse Gas Inventory Protocol (GHG Protocol) in accordance with ISAE 3410 issued by the International Auditing and Assurance Standards Board (IAASB) and the Guidelines for the Management of Assurance Bodies in Sustainable Reports of Listed Companies. A limited assurance report was issued. The assurance conclusion was that, based on the procedures performed and the evidence obtained, PricewaterhouseCoopers did not find any material discrepancies in the Airtac Group's 2024 Greenhouse Gas Declaration prepared in accordance with the GHG Protocol and climate information for listed companies.

The 2025 Greenhouse Gas Inventory information has also been assured by PricewaterhouseCoopers, and the assurance report will be disclosed in the 2025 Sustainability Report.

## 3. Greenhouse gas reduction targets, strategies and specific action plans

Describe the base year of greenhouse gas reduction and its data, reduction targets, strategies, specific action plans and the achievement of reduction targets.

AirTAC is committed to achieving carbon neutrality by 2060. With 2021 as the base year, the short-term target (2026) is to reduce greenhouse gas intensity (Scope 1 and Scope 2 (Market-Based) emissions per million of sales) by 40%. The medium-term target (2030) is to reduce greenhouse gas intensity by 48%. The long-term target (2036) is to reduce greenhouse gas intensity by 55% and increase the share of renewable energy use to over 30%.

Our company continuously promotes energy conservation and carbon reduction measures through technological improvements and process optimization, equipment upgrades and replacement of high-energy-consuming equipment, and improved energy efficiency. We also increase the proportion of renewable energy used by adding solar power generation equipment and purchasing green electricity certificates. The greenhouse gas intensity for 2021-2025 is projected to be 5.4, 4.54, 3.92, 3.78, and 3.52, respectively. The greenhouse gas intensity in 2025 represents a decrease of approximately 35% compared to the base year of 2021.

**3.3.6 Fulfillment of Ethical Corporate Management and Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"**

Evaluation criteria	Implementation Status			Differences with Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and Reasons
	Ye	No	Summary Description	
<p>1. Establishment of ethical corporate management policies and programs</p> <p>(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?</p>	✓		<p>(1) The Board of Directors passed the Company's "Ethical Corporate Management Best-Practice Principles". Each operation center is supposed to implement the related policy. The internal audit department is responsible for supervision annually. All directors and senior managers of the Company have signed the "Statement of Compliance with Integrity Management Policy" in order to actively implement the commitment of the Integrity Management Policy.</p>	<p>In compliance with the Ethical Corporate Management Best Practice Principles.</p>
<p>(2) Does the company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?</p>	✓		<p>(2) The Company's Ethical Corporate Management Best-Practice Principles have specified in detail that the company's directors, managers and all employees are prohibited from engaging in high level of dishonesty behavioral risk business activities in Article 7, paragraph 2 or other business scope of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies".</p>	<p>In compliance with the Ethical Corporate Management Best Practice Principles.</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</p>	✓		<p>(3) The Company's "Ethical Corporate Management Best-Practice Principles" and Employee's Handbook has clearly specified the punishments against law breaking, offering and accepting bribes, offering or accepting unreasonable gifts or</p>	<p>In compliance with the Ethical Corporate Management Best Practice Principles.</p>

Evaluation criteria	Implementation Status			Differences with Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and Reasons						
	Ye	No	Summary Description							
the company enforce the programs above effectively and perform regular reviews and amendments?			hospitality, or other inappropriate benefits with clear channels of appeal, and trainings of related principles are carried out for employees.							
2. Implementation of ethical corporate management (1) Whether the Company has assessed the integrity of the record of counterparties, and entered into contracts with counterparties with the terms of integrity act provisions.	✓		(1) The Company has set Supplier Management Measures, if there are any doubts about the credibility of the supplier, cannot make purchases. The Company's Supplier Agreement states that all suppliers shall not offer bribes to the employees of the Company. The Company will pursue responsibilities and terminate the business relationship with the bribing supplier.	In compliance with the Ethical Corporate Management Best Practice Principles.						
(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?	✓		(2) The company's general manager's office plans to promote the integrity management policy and the formulation of the plan for preventing dishonest behavior based on the work responsibilities and scope of each unit. The general manager office of the Group also assists the board of directors and management in formulating and supervising the implementation of integrity management policies and prevention plans, ensuring the implementation of the integrity management code. Report its implementation and results to the board of directors once a year, and the latest date for reporting to the board of directors is November 13, 2025. The implementation of the integrity management policy of the Company in 2025 is as follows: <table border="1" data-bbox="671 1812 1102 2045"> <tbody> <tr> <td>Education and training</td> <td>In order to promote the advocacy and education of all employees, AirTAC Taiwan hold a staff meeting in 2025 for a total of 806 people, advocating the precautions of important norms such as the Code of Integrity Management.</td> </tr> <tr> <td>Promise</td> <td>Directors and senior managers sign a statement of compliance with ethical management policies.</td> </tr> <tr> <td>Advocacion</td> <td>Publicize through the company's</td> </tr> </tbody> </table>	Education and training	In order to promote the advocacy and education of all employees, AirTAC Taiwan hold a staff meeting in 2025 for a total of 806 people, advocating the precautions of important norms such as the Code of Integrity Management.	Promise	Directors and senior managers sign a statement of compliance with ethical management policies.	Advocacion	Publicize through the company's	In compliance with the Ethical Corporate Management Best Practice Principles.
Education and training	In order to promote the advocacy and education of all employees, AirTAC Taiwan hold a staff meeting in 2025 for a total of 806 people, advocating the precautions of important norms such as the Code of Integrity Management.									
Promise	Directors and senior managers sign a statement of compliance with ethical management policies.									
Advocacion	Publicize through the company's									

Evaluation criteria	Implementation Status			Differences with Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and Reasons
	Ye	No	Summary Description	
			<p>announcement or bulletin board and promote the concept of integrity to colleagues.</p> <p>Whistleblowing system - the complaint channel for violations of professional ethics is audit@airtac.com</p>	
(3) Whether the Company has set up and implement policies to prevent conflict of interests and providing channels to report such conflict.	✓		(3) The Company's Employee Handbook requires relevant personnel not to benefit themselves, prevent conflicts of interest. Use various meetings to communicate and convey the entrepreneurial spirit of integrity management.	In compliance with the Ethical Corporate Management Best Practice Principles.
(4) Whether the Company has built an effective accounting system and internal control system to carry out ethical corporate management, with internal auditors auditing the process or to engage a certified public accountant to carry out the audit.	✓		(4) The Company has established an effective accounting system and internal control system. In addition, internal auditors schedule regular audits according the level of risks. The internal audit unit has periodically examined the Company's compliance with the accounting systems and internal control systems, and has engaged a certified public accountant to carry out the audit.	In compliance with the Ethical Corporate Management Best Practice Principles.
(5) Whether the Company has periodically organized internal and external training for integrity management.	✓		(5) Our company's employee handbook requires employees to be honest and is included in employee onboarding and on-the-job training. For current employees, the honest business policy is promoted through WeChat official accounts in mainland China, while in Taiwan, all employees are required to receive annual education and training on honesty (including anti-corruption and anti-bribery themes) to deeply instill a culture of honesty. In 2025, the honest business education and training in Taiwan was held once, with 806 participants and a total training time of 403 hours.	In compliance with the Ethical Corporate Management Best Practice Principles.
3. Operating situation of whistle-blowing system (1) Whether the Company has adopted a concrete whistle-blowing system, established a convenient whistle-blowing channel	✓		(1) In order to actively prevent dishonest behavior and encourage internal and external personnel to report dishonest behavior or misconduct, the company has set	In compliance with the Ethical Corporate Management Best Practice Principles.

Evaluation criteria	Implementation Status			Differences with Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and Reasons
	Ye	No	Summary Description	
and dedicated appropriated personnel appointed to handle the objects.			up employee suggestion boxes, internal communication software and mailboxes in the general manager's office (e.g. general managers and general managers of subsidiaries) to appeal against dishonest behavior. The stakeholder area of the company website also provides effective communication methods for employees, shareholders, stakeholders and external personnel. There is a whistleblower mailbox for violating professional ethics and the general manager's office of the group is the special unit for reporting and accepting reports. Those who are dishonest will be punished in order to implement the integrity policy.	
(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) The company has formulated the "Measures for Handling Cases of Reporting Illegal and Immoral or Dishonest Behaviors", specifying the relevant procedures, and keeping the identity and content of the whistleblower strictly confidential. In 2025, there are no cases involving dishonesty.	In compliance with the Ethical Corporate Management Best Practice Principles.
(3) Does the company provide proper whistleblower protection?	✓		(3) The Company has adopted measures for protecting whistleblowers from inappropriate disciplinary actions due to their whistle-blowing.	In compliance with the Ethical Corporate Management Best Practice Principles.
4. Strengthening information disclosure (1) Whether the Company has disclosed related information on ethical corporate management on the Company's website and Market Observation Post System.	✓		(1) The Company discloses the Code of Ethics on the Company's website and public information observatory for inquiries at any time. In addition, in the sustainability report and annual report, the content of the ethical management code and the effectiveness of the promotion are also disclosed in detail.	In compliance with the Ethical Corporate Management Best Practice Principles.

Evaluation criteria	Implementation Status			Differences with Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and Reasons
	Ye	No	Summary Description	
5. Should the Company promulgate its own ethical corporate management principles in accordance with the “Ethical Corporate Management for TWSE/GTSM-listed Companies”, describe differences between real practices and the principles established: None.				
6. Other important information to facilitate understanding of the Company’s implementation of ethical corporate management practices:				
(1) The Handbook for the Meeting of Board of Directors of the Company states if any director is an interested party with respect to any agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interests of the company, the director may not participate in discussion or voting on that agenda item, and further, shall enter recusal during discussion and voting on that item and may not act as another director's proxy to exercise voting rights on that matter.				
(2) The Company’s “Rules of Business Integrity” has been implemented after the Board of Directors through the implementation, any amendments thereto in the same fashion.				
(3) The company conducts risk assessments on corruption-related matters for the operating activities of its main operating bases. Through the local management units will conduct annual self-inspection and self-assessment of compliance with laws and regulations, to achieve effective control and implementation. It is regularly audited independently by the audit unit to ensure the operation of the overall mechanism, and to jointly manage and prevent the occurrence of dishonest behavior. In 2025, there was no corruption and anti-competitive behavior.				

**3.3.7 Other significant information that will provide a better understanding of the state of the Company’s implementation of corporate governance:**

1. Succession planning for board members

The Company has established a comprehensive director selection system, carefully considered the allocation and diversity standards of the board of directors, and the selection process of all directors is fair, open and just, in line with the company’s "Articles of Association", "Director Election Method" and "Code of Practice on Corporate Governance". According to the regulations, the company selects persons with the knowledge, skills and accomplishments necessary to perform the duties as directors based on the industry professional background, work field and practical experience, etc.

The succession planning of the company’s directors shall not only meet the requirements of laws and regulations, but also consider the professional knowledge, skills, experience, gender, and other diversified backgrounds and independence standards required by the board members based on the company’s development direction and medium and long-term strategic goals. In addition to diversified professional knowledge and skills (such as law, accounting, industry, finance, marketing or technology) and industry experience, director successors should have overall capabilities including operational judgment, accounting and financial analysis capabilities, and management capabilities ( Including the operation and management of subsidiaries), crisis management capabilities, industry knowledge, international market outlook, leadership, decision-making capabilities, and should be able to interact with the company's

business main axis, medium and long-term steady growth and development strategies, and continue to improve corporate governance and risk management knowledge.

The Company evaluate the performance of directors every year, which serves as a reference for the subsequent selection of directors' successors.

## 2. Succession planning for important management

Successors of important management levels must have high execution ability, correct values and personality traits such as integrity and integrity, and embrace the corporate philosophy of "pursuing excellence, sustainable management, integrity first, and service-oriented" as the standard, and strive to achieve the goal of employee satisfaction, customer satisfaction and shareholder satisfaction.

In terms of succession planning, in addition to arranging professional skills and corporate governance-related courses, the company also plans to have employees attend board meetings and participate in important internal management meetings, and strengthen their practical experience through on-the-job training such as project task management, so as to help potential successors complete their succession preparations before the scheduled time.

To strengthen corporate governance and ensure sustainable operation, the Board of Directors has established a succession planning mechanism for key management positions. In 2025, Mr. Huai-Wen Li, the former Executive Vice General Manager, was promoted to General Manager. He has long served the company and possesses extensive management experience. This arrangement aligns with the principle of division of responsibilities between the Chairman and General Manager in corporate governance and demonstrates the company's concrete implementation of its succession planning for the management team.

In addition, the company conducts annual employee performance appraisals. Through daily observation and evaluation, it understands the key areas for improvement and development needs of managers at all levels, and uses the appraisal results as an important reference for succession planning and talent development.

### 3.3.8 Status of the execution of Internal Control Systems

#### 1. Statement of Internal Controls

#### AIRTAC INTERNATIONAL GROUP

#### Statement of Internal Controls

February 12, 2026

The Company states the following with regard to its internal control systems for 2025 based on the results of self-evaluation:

1. The Company is fully aware that the establishment, implementation, and maintenance of the internal control systems are the responsibility of the board of directors and management. The purpose is to make sure the target achieved and reasonable assurance on business operation effects/efficiency (profits, performance and asset security), reliable, timely, transparent reports in accordance with the related statements & laws.
2. An internal control system has its inherent limitations. No matter how perfect is its design, an effective internal control system can only provide reasonable assurance for the attainment of the three goals described above. Moreover, the effectiveness of internal control systems could change along with the changes in environment and circumstances. However, the Company's internal control system is equipped with the function of self-monitoring, that the Company will take immediate action once a deficiency is identified.
3. The Company determines whether the design and implementation of its internal control systems are effective based on the criteria provided in the *Regulations Governing Establishment of Internal Control Systems by Public Companies* (referred to as the "Governing Regulations" hereunder). Said criteria divide internal control into five elements based on the process of management control: 1. Control Environment, 2. Risk Assessment and Response, 3. Control Operation, 4. Information and Communication, and 5. Supervision. Each element contains several items. Please refer to the Governing Regulations.
4. The Company has evaluated the validity of the design and implementation of its internal control systems based on the aforesaid criteria.
5. Based on the results of aforementioned evaluation, it is found that the internal control systems of the Company for the year ended December 31, 2025 (including the supervision and management of subsidiaries) was effective in design and implementation, that it reasonably assures the accomplishment of aforesaid goals. The understanding of the achieved results of the internal control system design and execution works that business operation effects/efficiency, reliable, timely, transparent reports in accordance with the related statements & laws and reasonably ensure the above targets to meet.
6. This Statement shall become a major part of the Company's annual report and be made public. Any false representation or concealment in this Statement shall be subjected to legal consequences as stipulated in Articles 20, 32, 171 and 174 of the *Securities and Exchange Act*.
7. This statement has been passed by the Company's board of directors in a meeting held on February 12, 2026, where all of the eleven attending directors have agreed to the contents of this statement.

AIRTAC INTERNATIONAL GROUP

Chairman	Wang, Shih-Chung
General Manager	Li, Huai-Wen

2.If a CPA was engaged to examine the internal control systems, disclose the CPA examination report: None.

**3.3.9 Major resolutions of the shareholders’ meetings and board of directors’ meetings in the most recent year and as the date of the publication of the annual report:**

(1) Major resolutions and execution of the shareholders’ meetings:

Date	Major resolutions of the shareholders’ meetings	Status of the execution
May 21, 2025	1.2024 remuneration to directors and employees.	The amount of profit distributable is RMB 21,757,000, to be paid in cash. There is no distribution of directors' remuneration.
	2.Adoption of the Company’s Operation and Business Report and Consolidated Financial Statements for the year 2024.	Approved.
	3.2024 cash dividends of the Company’s earnings distribution.	The Company proposes to distribute cash dividends of RMB 4.68 per share, and the total cash dividend is RMB 935,999,991. The date of payment is October 30, 2025.
	4.Election of the directors (including independent directors) of the seventh term of the Company	Eleven directors were elected (including four independent directors). The term of such directors shall commence from May 21, 2025 until May 20, 2028.
	5.Approve the amendments to the “M&A” of the Company.	Approved and disclosed on the Company’s website.
	6.Release the directors of the seventh term from non-competition restrictions.	Approved.

(2) Important resolutions adopted in board of directors’ meetings in the most recent year and the current year up to the date of annual report:

Date	Important resolutions adopted in board of directors meetings
February 27, 2025	<ol style="list-style-type: none"> <li>1. Approve the business report and the consolidated financial statements of the Company and its subsidiaries for 2024.</li> <li>2. Approve the Company’s profit distributable to the employees as compensation for 2024.</li> <li>3. Approve the earning distribution of the Company for 2024.</li> <li>4. Approve the statement on internal control systems of the Company.</li> <li>5. Approve the purchase of directors’ liability insurance.</li> <li>6. Approve the amendments to the M&amp;A of the Company.</li> <li>7. Approve the nomination and election of the directors (including independent directors) of the seventh term of the Company.</li> <li>8. Approve the release from the prohibition on the directors of the seventh term from participation in competing business.</li> <li>9. Approve the date, venue, convening method, record date for book-closed period, and meeting agenda of the 2025 annual general meeting of the shareholders of the Company</li> </ol>

Date	Important resolutions adopted in board of directors meetings
	10. Approve the evaluation of the independence and the competence of the Certified Public Accountant for the audit of the financial statement of the Company. 11. Approve the list of candidates for directors (including independent directors) nominated by the Board.
May 12, 2025	1. Approve the consolidated financial statements of the Company and its subsidiaries for the first quarter of 2025. 2. Approve the appointment of the General Manager of the Company.
May 21, 2025	Elect a chairman/chairperson of the Board of the Company.
August 15, 2025	1. Approve the consolidated financial statements of the Company and its subsidiaries for the second quarter of 2025. 2. Approve the 2024 Sustainability Report of the Company. 3. Approve the record date for the 2024 Earnings Distribution Plan and relevant matters of the Company. 4. Appoint the members of the Company's Remuneration Committee. 5. Appoint the members of the Company's Risk Management Committee. 6. Appoint the members of the Company's Nomination Committee. 7. Appoint the members of the Company's Sustainable Development Committee.
November 13, 2025	1. Approve the consolidated financial statements of the Company and its subsidiaries for the third quarter of 2025. 2. Approve the 2026 audit plan of the Company.
December 22, 2025	1. Approve the 2026 consolidated financial budget and the business report of the Company and its subsidiaries. 2. Approve the Company's ratio of profit distributable to the employees as compensation for the year 2026.
February 12, 2026	1. Approve the business report and the consolidated financial statements of the Company and its subsidiaries for 2025. 2. Approve the Company's profit distributable to the employees as compensation for 2025. 3. Approve the earning distribution of the Company for 2025. 4. Approve the statement on internal control systems of the Company. 5. Approve the purchase of directors' liability insurance. 6. Approve the amendments to the "Guidelines for Acquisition and Disposal of Assets" of the Company. 7. Approve the date, venue, convening method, record date for book-closed period, and meeting agenda of the 2026 annual general meeting of the shareholders of the Company 8. Approve the evaluation of the independence and the competence of the Certified Public Accountant for the audit of the financial statement of the Company.

**3.3.10 Different opinions of directors or supervisors on record or in written statement on major resolutions approved by the board of directors in the recent year and as of the date of the publication of the annual report: None.**

### 3.4 Information on CPA Fees

Name of accounting firm	Name of CPA	Audit period	Audit fees	Non-audit fees	Total	Note
Deloitte & Touche	Weng, Bo-Ren	2025.1.1-2025.12.31	10,567	1,732	12,299	-
	Lee, Li-Huang					

Note: The aforesaid CPA fees include fees of RMB \$2,048 thousand which included RMB \$200 thousand of fees for transfer pricing analysis (equivalent to NTD \$9,208 thousand according to the exchange rate of 4.496 at the end of 2025) paid to Deloitte Touche Tohmatsu in China in 2025. Other non-audit fees refer to the fees to provide transfer pricing reports.

**3.4.1 Replacement of accounting firm and the auditing fee for the replacement year decreases from the previous year which requires mandatory disclosure of the auditing fees of the two years and provision of reasons: None.**

**3.4.2 Auditing fee decrease over 10% from the previous year: None.**

**3.5 Information on Replacement of CPA: None.**

**3.6 Chairman, Presidents, and Financial or Accountant Managers Who Served at the Accounting Firm of the CPAs or Its Affiliates in the Most Recent Year: None.**

**3.7 Changes in Shareholding Transfer or Shareholding Pledge by Directors, Supervisors, or Managers, and Major Shareholders in the Most Recent Year and as of the Date of the Publication of the Annual Report:**

**3.7.1 Changes in shareholding transfer by directors, supervisors, or managers, and major shareholders (the Company does not have supervisors)**

Unit: shares

Title	Name	2025		As of March 15, 2026	
		Changes in shareholding	Changes in pledged shareholding	Changes in shareholding	Changes in pledged shareholding
Chairman & GM	Wang, Shih-Chung	—	—	—	—
Director	Lan, Shun-Cheng	(11,000)	—	(60,000)	—
Director	Wang, Hai-Ming	—	—	—	—
Director	Chen, Jui-Lung	—	—	(10,000)	—
Director GM of the Group GM of Mainland China Business Group	Li, Huai-Wen	—	—	—	—
Director Vice GM of the Group CFO/ GM of the AirTAC Taiwan	Tsao, Yung-Hsiang	—	—	—	—
Director	Xiao, Xiang-Ming	3,000	—	—	—
Independent Director	Renn, Jyh-Chyang	—	—	—	—
Independent Director	Lin, Ken-Mao	—	—	—	—
Independent Director	Huang, Yi-Wen	—	—	—	—
Independent Director	Chou, Tse-Yi	—	—	—	—

Title	Name	2025		As of March 15, 2026	
		Changes in shareholding	Changes in pledged shareholding	Changes in shareholding	Changes in pledged shareholding
Independent Director	Lin, Yu-Ya	—	—	—	—
Executive vice GM of AirTAC China	Dai, Jia-Xing	—	—	—	—
Vice GM of Administrative Department of AirTAC Ningbo Vice GM of AirTAC Guangdong	Mao, Xiao-Yang	—	—	—	—
Vice GM of Manufacturing Department of AirTAC China	Wu, Cheng-Jie	—	—	—	—
Vice GM of Technology Department of AirTAC Ningbo	Jiang, Yong	—	—	—	—
Vice GM of R&D Department of AirTAC Ningbo	Chen, Zao-Yang	—	—	—	—
GM of AirTAC Jiangsu	Xu, Jia	—	—	—	—
Vice GM of Sales department of Airtac Jiangsu	Yang, Rui-Long	—	—	—	—
Vice GM of sales department of AirTAC China	Wang, Ben-Yan	—	—	—	—
Vice GM of AirTAC Shandong	Tian, Yong-Gang	—	—	—	—
Vice GM of AirTAC Guangdong Vice GM of the AirTAC Taiwan	Lee, Chih-Hao	—	—	—	—
Chief Audit Officer	Chiang, Hsin-Chih	—	—	—	—
Chief Corporate Governance Officer	Hung, Mei-Lan	—	—	—	—
10% shareholder	Ding Kan Investment Ltd.	(70,000)	1,700,000	(150,000)	—

Note1: Director Xiao, Xiang-Ming and independent director Chou, Tse-Yi were newly elected at the shareholders' meeting on May 21, 2025, and their shareholdings began to be declared from that date.

Note 2: Independent director Lin, Yu-Ya steps down at the shareholders' meeting on May 21, 2025. Her shareholdings will no longer be reported from that date.

**3.7.2The counterparty of share transfer is a related party: None.**

**3.7.3The counterparty of share pledge is a related party: None.**

### 3.8 Information Disclosing the Relationship between Top Ten Shareholders defined as Related Parties, Spouse or a Relative within Two Degrees:

Unit: shares; March 15, 2026

Name	Own shareholding		Shareholding of spouse and Shares held by spouse and minor children		Shares held in other's name		The title or name and relationship of top ten shareholders if they are a related party, or the spouse or a relative within the second degree of kinship to another		Remark
	Shares	%	Shares	%	Shares	%	Title (name)	Relationship	
Ding Kan Investment Ltd. Chairman: Wang, Shih-Chung	26,106,227	13.05%	—	—	—	—	Wang, Qiu-Ting	Child of the Director	None
	—	—	103,700	0.05%	28,563,307	14.28%	Ding Kan Investment Ltd./ Wang, Qiu-Ting	Director/ Parent-Child	None
YHZ Ltd. Chairman: Wang, Hai-Ming	10,828,142	5.41%	—	—	—	—	—	—	None
	—	—	491,397	0.25%	10,828,142	5.41%	YHZ Ltd.	Director	None
Express Brilliant Ltd. Chairman: Lan, Shun-Cheng	10,350,000	5.18%	—	—	—	—	Lan, Shun-Cheng	Director	None
	2,800,152	1.40%	—	—	10,350,000	5.18%	Express Brilliant Ltd.	Director	None
Wang, Qiu-Ting	6,052,000	3.03%	35,369	0.02%	—	—	Ding Kan Investment Ltd.	Child of the Director	None
Chen, Jui-Lung	4,706,081	2.35%	—	—	—	—	—	—	None
Citibank (Taiwan) entrusted with the custody of the Singapore Government Investment Account	4,046,639	2.02%	—	—	—	—	—	—	None
Custody Bank of Japan, Ltd. SMTB Global Robotics Equity Mother Fund	3,792,324	1.90%	—	—	—	—	—	—	None
SAUDI CENTRAL BANK - FUND MANAGER Fisher INTERNATIONAL BANK(UK) LIMITED-ADMINISTRATOR HSBC BANK PLC	2,933,693	1.50%	—	—	—	—	—	—	None
Citibank (Taiwan) entrusted with	2,879,012	1.44%	—	—	—	—	—	—	None

Name	Own shareholding		Shareholding of spouse and Shares held by spouse and minor children		Shares held in other's name		The title or name and relationship of top ten shareholders if they are a related party, or the spouse or a relative within the second degree of kinship to another		Remark
	Shares	%	Shares	%	Shares	%	Title (name)	Relationship	
the custody of the investment account of the Central Bank of Norway									
Lan, Shun-Cheng	2,800,152	1.40%	—	—	—	—	Express Brilliant Ltd.	Director	None

### 3.9 The Amount of Shares and Total Share of Stake in the Same Invested Company Owned by the Company, Directors, Supervisors, Managers of the Company, and the Enterprises Directly or Indirectly Controlled by the Company.

Unit: shares; %

Investment	Investment by the Company		Investment by directors, supervisors, managers and companies controlled directly or indirectly by the Company		Total investment	
	Shares	%	Shares	%	Shares	%
Airtac Industrial (Hong Kong) Limited	167,426,238	100%	—	—	167,426,238	100%
Airtac Trading (Hong Kong) Limited	7,000,000	100%	—	—	7,000,000	100%
Instant Reach International Limited	1	100%	—	—	1	100%
Airtac Holding (Singapore) Pte. Ltd.	12,000,000	100%	—	—	12,000,000	100%
Ningbo AirTAC Automatic Industrial Co., Ltd.	Note	100%	—	—	Note	100%
Guangdong AirTAC Automatic Industrial Co., Ltd.	Note	100%	—	—	Note	100%
Airtac (China) Co., Ltd.	Note	100%	—	—	Note	100%
Airtac (Jiangsu) Automatic Co., Ltd.	Note	100%	—	—	Note	100%
Airtac Enterprise Co., Ltd.	69,435	69.435%	—	—	69,435	69.435%
ATC(ITALIA)S.R.L	4,000,000	100%	—	—	4,000,000	100%
Airtac International (Singapore) Pte. Ltd.	7,500,000	100%	—	—	7,500,000	100%
Airtac Co., Ltd.	2,000	100%	—	—	2,000	100%
AIRTAC USA CORPORATION	3,000	100%	—	—	3,000	100%
Airtac Industrial (Malaysia) Sdn. Bhd.	1,000,000	100%	—	—	1,000,000	100%
Airtac Industrial Co., Ltd.	1,000,000	100%	—	—	1,000,000	100%
Guangdong Airtac Intelligent Equipment Co., Ltd.	Note	100%	—	—	Note	100%
Airtac (Tianjin) Intelligent Technology Co., Ltd.	Note	100%	—	—	Note	100%
Airtac (Fujian) Intelligent Equipment Co., Ltd.	Note	100%	—	—	Note	100%
Airtac (Shandong) Automatic Co., Ltd.	Note	100%	—	—	Note	100%

Note: The subsidiaries in China are limited companies that do not issue shares.

### 3.10 Dealing with Internal Key Information and Guarding Inside Trading

In accordance with Article 8 of the “Regulations Governing Establishment of Internal Control Systems by Public Companies”, the Company settled “The management procedure of dealing with internal key information and guarding inside trading”, which prohibit insiders of the Company from trading securities using information not disclosed to the market. It is advisable that the rules include stock trading control measures from the date directors of the Company become aware of the contents of the company's financial reports or relevant results. Measures include, without limitation, those prohibiting a director from trading its shares during the closed period of 30 days prior to the publication of the annual

financial reports and 15 days prior to the publication of the quarterly financial reports.

At least once a year, the Company handles the education and advocacy of "The management procedure of guarding inside trading" and "The management procedure of dealing with internal key information" and related laws and regulations for the current directors, managers and employees, and arranges the education advocacy for the new directors and managers after taking office. New employees are educated and promoted by personnel during pre-employment training.

In the quarterly email advocating the prohibition of insider trading, the company reminds insiders not to trade their shares during the closed period of 30 days prior to the publication of the annual financial reports and 15 days prior to the publication of the quarterly financial reports. The Company notified the insiders of the closure period prior to the publication of the quarterly financial reports to avoid misunderstanding of the Regulation on January 21, 2025, April 16, 2025, July 21, 2025, and October 22, 2025, respectively.

## 4. Capital Overview

### 4.1 Capital and Shares

#### 4.1.1 Sources of capital

##### 1. Types of shares

March 15, 2026; Unit: shares

Type of shares	Registered capital			Remark
	Outstanding shares	Unissued shares	Total	
Registered common shares	199,999,998	2	200,000,000	Listed stocks

##### 2. Capital formation

Unit: \$/ Share

Year/ Month	Issuing Price	Authorized capital		Paid-in capital		Remark		
		Shares	Amount	Shares	Amount	Sources of capital	Capital Increased by Assets other than Cash	Others
2009.09	US\$ 1	20,000,000	US\$ 20,000,000	1	US \$ 1	Capitalization by cash	—	—
2009.10	US\$ 1	20,000,000	US\$ 20,000,000	2	US \$ 2	—	Long-term Investment	—
2009.12	US\$ 1	20,000,000	US\$ 20,000,000	3	US \$ 3	—	Long-term Investment	—
2009.12	US\$ 1	20,000,000	US\$ 20,000,000	19,999,996	US \$ 19,999,996	Capitalization of capital surplus	—	—
2010.04	NTD 10	200,000,000	2,000,000,000	64,699,999	NTD 646,999,990	(1) The originally authorized capital of US\$20,000,000 is changed to NTD 2,000,000,000. (2) Originally issued USD\$20,000,000 capital is converted to NTD 647,000,000.	—	Note 1
2010.06	NTD 10	200,000,000	2,000,000,000	132,999,998	NTD 1,329,999,980	Capitalization of capital surplus in the amount of NTD 683,000,000.	—	Note 2
2010.12	NTD 10	200,000,000	2,000,000,000	149,999,998	NTD 1,499,999,980	Issuance of new shares in the amount of NTD170,000,000 for capitalization.	—	Note 3
2013.06	NTD 10	200,000,000	2,000,000,000	160,499,998	NTD 1,604,999,980	Capitalization of earnings in the amount of NTD 105,000,000.	—	Note 4
2013.11	NTD 10	200,000,000	2,000,000,000	170,499,998	NTD 1,704,999,980	Issuance of new shares in the amount of NTD100,000,000 for Capitalization in cash.	—	Note 5
2015.06	NTD 10	200,000,000	2,000,000,000	179,024,998	NTD 1,790,249,980	Capitalization of earnings in the amount of NTD 85,250,000.	—	Note 6
2017.08	NTD 10	200,000,000	2,000,000,000	189,024,998	NTD 1,890,249,980	Issuance of new shares in the amount of NTD100,000,000 for Capitalization in cash.	—	Note 7
2021.11	NTD 10	200,000,000	2,000,000,000	199,999,998	NTD 1,999,999,980	Issuance of new shares in the amount of NTD109,750,000 for Capitalization in cash.	—	Note 8

Note 1: Passed in shareholders' meeting held on 2010.04.17.

Note 2: Capitalization of capital surplus had been approved in shareholders' meeting held on 2010.06.29.

Note 3: Capitalization of issuing new shares for cash had been approved in shareholders' meeting held on 2010.06.29.

Note 4: Capitalization of earnings had been approved in shareholders' meeting held on 2013.05.22.

Note 5: Capitalization of issuing new shares for cash had been approved in shareholders' meeting held on 2013.05.22.

Note 6: Capitalization of earnings had been approved in shareholders' meeting held on 2015.05.28.

Note 7: Capitalization of issuing new shares for cash had been approved by board of directors' meeting held on 2017.03.29.

Note 8: Capitalization of issuing new shares for cash had been approved by board of directors' meeting held on 2021.05.28

3. Information of Shelf Registration: None.

#### 4.1.2 List of major shareholders: Names, shares and percentage of shareholding of shareholders with more than 5% or top ten of Company's shares:

March 15, 2026; Unit: shares

Shareholding Name of major shareholder	Total shares held	Percentage of ownership
Ding Kan Investment Ltd.	26,106,227	13.05%
YHZ Ltd.	10,828,142	5.41%
Express Brilliant Ltd.	10,350,000	5.18%
Wang, Qiu-Ting	6,052,000	3.03%
Chen, Jui-Lung	4,706,081	2.35%
Citibank (Taiwan) entrusted with the custody of the Singapore Government Investment Account	4,046,639	2.02%
Custody Bank of Japan, Ltd. SMTB Global Robotics Equity Mother Fund	3,792,324	1.90%
SAUDI CENTRAL BANK -FUND MANAGER Fisher INTERNATIONAL BANK(UK) LIMITED-ADMINISTRATOR HSBC BANK PLC	2,933,693	1.50%
Citibank (Taiwan) entrusted with the custody of the investment account of the Central Bank of Norway	2,879,012	1.44%
Lan, Shun-Cheng	2,800,152	1.40%

#### 4.1.3 Dividend policy and the status of implement:

1. Dividend policy set out in the Company's Articles of Association

According to the Company's amended Articles of Association passed in general shareholders' meeting held on May 21, 2025, the Company's Annual Net Income before tax and the distribution of the compensation of employees and directors, and offset its losses in previous years that have not been previously offset; the Company then shall set aside 1% to

3% of the profits proposed to be distributed, as compensation to employees of the Company, which may be distributed under an incentive program. A Director who also serves as an executive officer of the Company may receive a compensation in his/her capacity as an employee of the Company. The percentage of the distribution of compensation to employees and to Directors, and whether the distribution to employees shall be made by shares or cash, shall be approved by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors and the decision of the Directors shall be reported to the Members at the general meeting. The employees that are entitled to receive the shares or cash may include qualified employees of any Subsidiary of the Company. If there is any Annual Net Income (after tax) of the current fiscal year after final account, it shall first be used to offset its losses in previous years which have not been previously offset (include the adjusted amount of undistributed earnings); then a special capital reserve shall be set aside in accordance with the Applicable Public Company Rules or as requested by the authorities in charge. The board shall prepare and propose a profit distribution proposal to the shareholders' meeting for a dividend distribution of any surplus, plus the undistributed earnings (include the adjusted amount of undistributed earnings) to be resolved and adopted by the shareholders' meeting. Any balance left over may be distributed as Dividends in accordance with the Statute and the Applicable Public Company Rules, and after taking into consideration of the profits of the current year, current and future development plan, investment environment, funding requirements, the competition condition of domestic and foreign companies, as well as the shareholders' interest and the capital structure of the Company. Unless otherwise resolved by the Directors at the board meeting and the Members at the general meeting by an Ordinary Resolution, the amount of profits distributed to Members shall not be lower than 30% of the distributable surplus earnings generated from the current fiscal year and the amount of cash dividends distributed shall not be less than 10% of the profits proposed to be distributed of the current fiscal year.

## 2. Proposed dividend distribution for the year

According to the 2025 dividend distribution plan passed by the board of directors in meetings held on February 12, 2026, the Company will distribute cash dividends in the amount of RMB\$ 6.28 per share, equivalent to approximately NTD\$ 28.58656001 per share.

### **4.1.4 The effects of stock dividends proposed by shareholders' meeting, on the operational performance and earnings per share: None.**

#### **4.1.5 Employees' compensation and remuneration for directors:**

1. Percentages and scope of employee compensation and remuneration for directors and supervisors provided in Company's Articles of Association:

The Company's Annual Net Income before tax and the distribution of the compensation of employees and directors, and offset its losses in previous years that have not been previously offset; the Company then shall set aside 1% to 3% of the profits proposed to be distributed, as compensation to employees of the Company, which may be distributed under an incentive program. A Director who also serves as an executive officer of the Company may receive a compensation in his/her capacity as an employee of the Company. The percentage of the distribution of compensation to employees and to Directors, and whether the distribution to employees shall be made by shares or cash, shall be approved by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors and the decision of the Directors shall be reported to the Members at the general meeting.

2. Accounting treatment for the difference between accrual and actual payment for employee compensation and remuneration for directors and supervisors:

- (1) The Company's directors do not receive distribution of earnings.
- (2) At the end of a fiscal year, significant changes in the amounts of employee bonus and remuneration to directors as decided by the board of directors will be recorded under the year's expense. If the amounts change on the date earnings the earnings distribution plan is adopted in a shareholders' meeting, the difference will be treated as changes in accounting estimates and recorded in the year the shareholders adopt the resolution.
- (3) If it is resolved in shareholders' meeting that employee compensation will be distributed in shares, the number of the employees' compensation will be determined by dividing the amount of the employees' compensation resolved by the closing price per share on the day immediately preceding the meeting of the Company's shareholders.

3. Information on proposal of the board of directors to issue employee bonus:

- (1) Earnings per share after the proposed payout of employee bonus and compensations for board directors and supervisors: Cash compensation for employees amounted to RMB 30,033,000. Employee bonus expense has been provided in the 2025 financial statements, and earnings per share for the year are NTD 42 on such basis.
- (2) The ratio of the proposed distribution of employee stock dividend payments to the total amount of the net income and employee bonus on the proprietary or individual financial statements : No employee stock dividend was paid in 2025.

4. Actual dividends for employee compensations and remuneration for board directors and

supervisors of previous year: The earnings of 2024 were approved by the board of directors' meeting and shareholders' meeting held in 2025, and the employee compensations was RMB 21,757,000.

**4.1.6 Repurchase of the bank's shares: None.**

**4.2 Issuance of Corporate Bonds: None.**

**4.3 Issuance of Preferred Shares: None.**

**4.4 Issuance of Global Depositary Receipts (GDR): None.**

**4.5 Employee Stock Options: None.**

**4.6 Restricted Right Shares for Employees : None.**

**4.7 Status of New Shares Issuance in Connection with Mergers and Acquisitions: None.**

**4.8 Financing Plans and Implementation : No plans outstanding to valued securities or private equities released or plans finished but the effects not appeared yet during the recent three years.**

## 5. Operational Highlights

### 5.1 Business Activities

#### 5.1.1 Business Scope

##### 1. Main areas of business operations

The Group engages in the manufacture and sale of pneumatic control components, pneumatic actuator, air preparation units and pneumatic accessories.

##### 2. Revenue breakdown by product

Unit: NT\$ thousands; %

Product	2024		2025	
	Amount	% of revenue	Amount	% of revenue
Actuator	14,547,118	47.45%	16,270,250	47.39%
Control components	6,575,232	21.44%	7,165,402	20.88%
Air preparation units	1,781,590	5.81%	1,943,353	5.66%
Others	7,756,193	25.30%	8,950,90	26.07%
Total	30,660,133	100.00%	34,329,945	100.00%

##### 3. Main products (services)

Actuator (cylinder)	Standard cylinder, miniature cylinder, compact/ultra-compact cylinder, multi-mounting cylinder, twin rod and tri-rod cylinder, slide table cylinder, rodless cylinder, rotary table cylinder, air gripper, twist clamp cylinder, clamp cylinder, unclamping cylinder, stopper cylinder, accessories
Control components (valve)	Solenoid valve, air valve, manual control valve, mechanical control valve and other valve, fluid control valve
Air preparation unit	F.R.L. combination, FR.L. combination, filter & regulator, filter, regulator, lubricator, soft star-up valve, safe on-off valve, air distribution block, drain, pressure gauge
Sensor	Electronic pressure sensor, electronic sensor, spring sensor, photoelectric sensors
Transmission element	LRM series miniature linear guide, LCG series crossed roller way, LSH standard linear guide, LSD low installation linear guide, LRW series wide miniature linear guide
Accessories	Shock absorber, speed controller, Piping system and its supporting product

#### 4. New products (services) development

##### (1) Pneumatic products

- (a) Actuator(cylinder): MI/MIC/MF/MFC series cylinder modifications, SE standard cylinder upgrades and improvements, SAI series standard cylinder improvements, and SC series standard cylinder improvements.
- (b) Control components (valve): CPSV10 series pilot valves with manual pins, 4FD series valve manifolds, 7SD series valve manifolds, GPVT proportional pressure regulating valves, vacuum generators (energy-saving type), and 3PV series solenoid valves.
- (c) Preparation unit: GB series air source treatment, GBZ shut-off valve, GBV slow-opening valve.
- (d) Others: Stainless steel SUS316 connector.

##### (2) Transmission products: LGQH roller type linear guide and ball screw.

##### (3) Electronic products

- (a) Sensors: DMHS strong magnetic resistance sensor, DISG inductive proximity sensor (cylindrical), DPL analog pressure digital display sensor.
- (b) Electric cylinders: KEBP belt-driven linear slides and electric grippers.

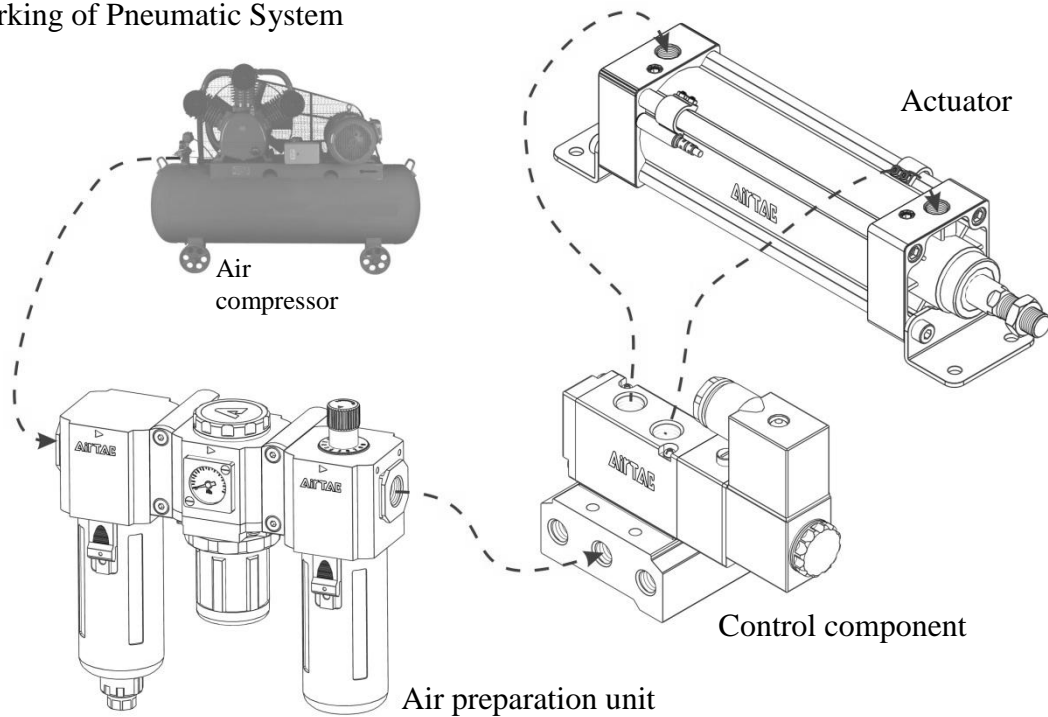
##### (4) Semiconductor industry products: SMAP process gas pressure reducing valve, SMFR process gas diaphragm valve, SMKT series compression fittings, VCR fittings.

### 5.1.2 Industry overview

#### 1. Description of pneumatic components

“Pneumatic” is an abbreviation for “pneumatic technology” or “pneumatic transmission and control”. Pneumatic technology is a modern-day and practical technology that uses compressor as power source. The compressed air generated after it is treated by an air preparation unit is used as a working medium, where a control component (directional control valve) is used to change the inflow/outflow frequency, speed, and direction of the compressed air, and an actuator (cylinder) is used to convert the energy of compressed air into kinetic energy to drive a predetermined movement.

## The Working of Pneumatic System



Pneumatic technology is an important means to achieve production control and automatic control. It offers the advantages of energy saving, pollution free, high efficiency, low cost, safety, reliability, and structural simplicity. Pneumatic components are used extensively in machinery and production lines, mainly as key components in mechanical automation system. The extensive applications of pneumatic technology today symbolize the advances the pneumatic industry has gained. It is also the must-tread path to industrial upgrade.

In the past, pneumatic technology was used simply in low-cost automation process to save labor. In recent years, its applications broaden along with the advancement of the pneumatic technology itself and its support technologies. A few representations of pneumatic technology are discussed as follows:

- (1) A classic example of electro-mechanical integration is a control system composed of “computer remote control + programmable controller + sensor + pneumatic component.” In the example of automotive industry, such systems are used in welding production line, fixtures, robot, conveyor, assembly line, painting line, generator, and tire manufacturing.
- (2) Composite integration that helps reduce the use of cables (e.g. serial transmission), piping and components to save space, simplify assembly/disassembly process and improve work efficiency.
- (3) Production automation and parts processing and assembly on mechanical processing line, such as the handling, inversion, positioning, clamping, feeding, unloading, assembly, cleaning and testing of work pieces.
- (4) Automated metering and packaging of powder, granulated and lump materials in fertilizer, chemical, food, pharmaceutical and bioengineering industries, automated cigarette rolling and packaging in tobacco industry, and automated metering and filling of viscous liquids (e. g. paint, ink, cosmetic and toothpaste) and toxic gas (e.g. gas).

## 2. International pneumatic component technology

The union of fluid, microelectronics and computer technologies charts a new horizon for pneumatic technology. According to reported data, 95% production machinery, 90% numerically controlled machining center, and 95% automated production lines around the world now adopt pneumatic technology. Pneumatic technology is applied in many fields of the national economy. The level of pneumatic applications has become an important yardstick of a country's industrial level.

## 3. Market demand analysis

In China today, agriculture, hydraulic engineering, transportation, Medicare, electric information, energy saving/environment protection, new energy...etc. industries are experiencing faster growth, that also jack up the demands for mechanical equipment. In most cases, mechanical equipment calls for large quantities of high-performance and highly reliable pneumatic components.

Along with changes in the macro environment of the mechanical industry, specifically agricultural machinery, electronic products manufacturing, automotive manufacturing, Medicare instruments, environment protection machinery, CNC machine. In addition, pneumatic products will have promising outlook in printing packaging, plastic machinery, instrument production equipment, woodwork machinery, rubber machinery and gaming machine equipment.

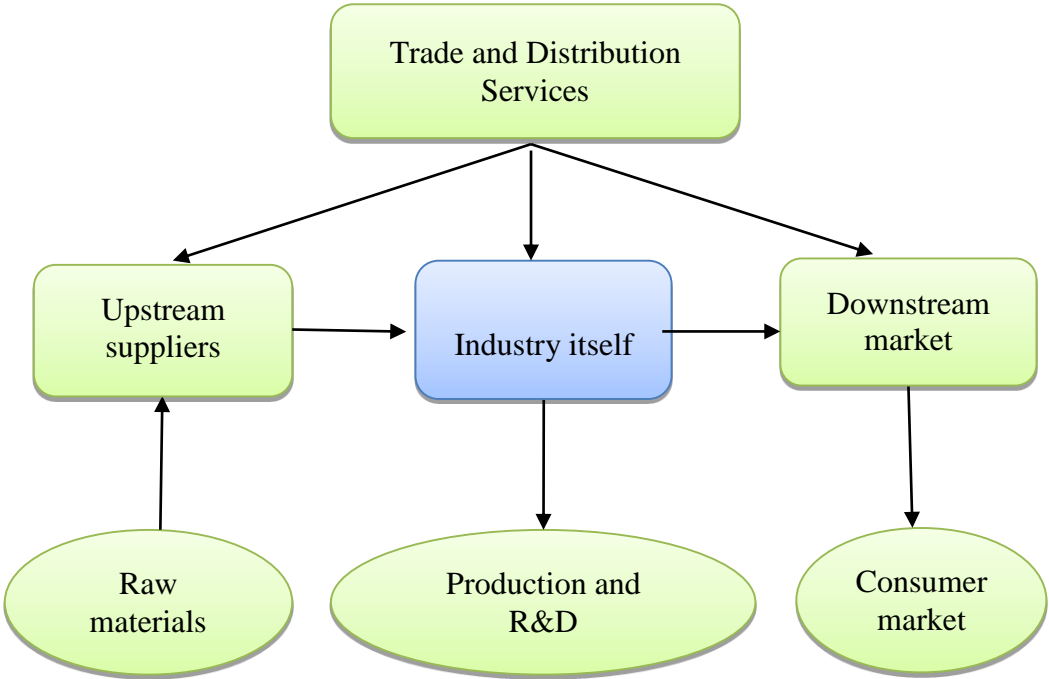
As the China population bonus got weaker further and the raise of product quality requests, labor intensive manufacturing modes are speeding up to the automation manufacturing. "Manpower replaced by machines" had been already the trendy wind direction to China enterprises in next.

## 4. Pneumatic component industry chain

The Company is specialized in the R&D, manufacture and sale of pneumatic components that are used extensively in machine tools, automated production equipment, automobile manufacturing equipment, and special-purpose machinery. As the Company continues to develop new products, the fields of application for the Company's products also continue to expand.

The Company is in the mid-stream (the industry itself) in the pneumatic component industry chain. Its upstream comprises suppliers of aluminum, steel, cooper and plastic materials. The midstream manufacturers produce pneumatic components, using die casting, extrusion, injection molding and punching technologies. The downstream are users in machinery,

equipment and related application fields.



Metals: aluminum alloy, medium carbon steel, brass.  
 Plastic: plastic particles and PU particles.  
 Other materials: enamel-insulated wire, sealer, and fixation material.

Product R&D  
 Die casting extrusion, molding and processing.  
 Assembly and packaging.

Automobile manufacturing equipment,  
 Electronics manufacturing  
 Automated production equipment industry,  
 Machine tools,  
 special-purpose machinery industry,  
 other equipment industries.

#### (1) Upstream material supplies

Raw materials used for the production of pneumatic products are classified as follows:

Metal: aluminum alloy, zinc alloy, steel materials, copper materials.

Plastic: PU particles, color master batch, POM, PBT.

Others: enamel-insulated wire, sealer, lubricating material and magnetic materials.

#### (2) Downstream industries

The downstream industries are consumer markets of pneumatic products, primarily machine tool, automobile manufacturing equipment, automated production equipment, special-purpose equipment and other equipment industries.

### 5. Market competition

Different industries need different kinds of pneumatic products. The costs of R&D, equipment, brand establishment, and marketing arising thereof also differ significantly. Pneumatic component manufacturers with brand recognition have great sales advantages. Although there are many manufacturers in the pneumatic component market, brand manufacturers that can be called competitors are quite limited. In China's market, the top three manufacturers are SMC (Japan), AirTAC (Taiwan), and FESTO (Germany) followed by global brands such as CKD in Japan, Norgren in the United Kingdom and the U.S. Parker, etc. Some domestic brands in mainland China have developed through market segmentation to find the correct positioning and gradually become bigger.

### 6. Various development trends of products

In recent years, with the development orientation of intelligent, digital, energy-saving and environmental protection in the automation industry advocated by "Industrial 4.0" in Germany and "Made in China 2025", the Company has successively planned to devote to the research and development of a series of new products, such as energy-saving pneumatic actuators, intelligent pneumatic control components, linear guides, ball screw, cylinders, etc., in response to the development trend of products in the automation industry proposed by the Government. In 2018, the company successfully launched the linear guide products, featuring "rolling", with the functions of high efficiency, energy saving, precise positioning, precise guidance, fast response to CNC instructions and high speed, synchronization and reversibility of transmission. It is an irreplaceable key accessory of CNC machine tools and mechatronics products, and an important basic component in line with the ecological and environmental protection concepts of the 21st

century. Products such as integrated valve assemblies and new electric proportional valves launched in 2019, bus valve islands and manifold pressure regulating valves launched in 2022, sensors launched in 2025, and electric products such as lead cylinders planned are continuously developing towards combination, integration, and intelligence. This series of product R&D investment will contribute to our company's vision of becoming a long-term strategic partner of automation machinery and equipment manufacturers.

### **5.1.3 Technology and R&D overview**

#### **1. Technical levels of Company products and R&D**

The Company has been keen on nurturing R&D personnel, investing in R&D and creating a corporate environment conducive to innovation. Since 2007, 85 new products developed by the Company, including Regulator, Slide Table, Magnetic Coupled Rodless Cylinder have been included in the Ningbo City New Product R&D Initiative. The Company's R&D Center was also rated as a provincial level R&D Center and provincial level technology center and provincial level enterprise institute. Our company currently holds 242 patents, including 37 invention patents such as "Pneumatic Finger", "Integrated Valve", "Precision Pressure Regulator Valve", "Oil Mist Separator", "Linear Slide Rail", "Belt-type Linear Slide Table", "Self-lubricating Linear Rail", and "Explosion-proof Coil"; 143 utility model patents such as "Sensor" and "Angle Cylinder"; and 62 design patents such as "Air Source Processing Component (GL300 Oiler)". In 2025, three invention patents, 15 utility model patents, and one design patent for the process gas pressure reducing valve and vacuum generator developed by the company were accepted by the State Intellectual Property Office.

AirTAC is currently developing new products in line with market needs and outpacing customer needs to set a solid foundation for the Company in market competition. In 2017, AirTAC prepared to build the second construction in Tainan plant and the new factory in Ningbo, 170,000 square feet. These two plants will be used to produce high-end pneumatics and electromotive components. Since 2017, AirTAC has invested a lot of capital to hire professional personnel in linear guide area and to design and produce the linear guide products with high quality and fair price. While continuing to focus on pneumatic and transmission products, AirTAC did not stop there. From 2023 to 2025, it further increased its investment, introduced a professional R&D team, and began to develop electronic products and semiconductor industry-specific products, marking AirTAC's official entry into emerging fields with higher technological content and market potential. In 2025, AirTAC will reach a new milestone—the establishment of a CNAS experimental center. This high-standard testing

center will provide strong support for the company's technological innovation and become an important driving force for AirTAC's diversified development. Through continuous technological innovation and product upgrades, AirTAC is building a complete product ecosystem covering multiple fields such as pneumatics, transmission, electronics, and semiconductors, injecting a continuous stream of innovative vitality into the company's sustainable development.

In the near future, AirTAC will enhance the level and precision of its existing products, develop pneumatic components required by high-tech industries, focusing on linear guides, with electronic products as a future development direction and semiconductor products as an emerging market. The company will develop a more advanced product system in terms of materials, technology, and quality.

## 2. R&D personnel and education background

Unit: persons

Year	2024	2025	March 15, 2026
Education			
Master and higher	17	20	19
College	641	657	624
High school	231	169	161
Total	889	846	804

## 3. R&D expenditure in the last five years

Unit: NT\$ thousands

Item	2021	2022	2023	2024	2025
R&D expense	595,112	735,832	895,969	1,040,124	1,110,514
Net income	25,399,895	26,072,874	29,827,352	30,660,133	34,329,945
% of net income	2.34%	2.82%	3.00%	3.39%	3.23%

## 4. Successfully developed technologies or products in the past five years

Year	Product
2021	6D series integrated solenoid valve
	GA100 triple
	2WA series two-way valve
	PBK mini cylinder (rod does not rotate)
	HFKP dustproof pneumatic finger
2022	JSK 50/63 Welding Clamping Cylinder
	HRS Ultra-thin Rotary Cylinder
	JSI Standard Cylinder

Year	Product
	SC sensor mount
	2SA two-way valve
	JSDR Pressure regulating valve
	PEV Quick exhaust valve
	POV Shuttle valve
	PAV Double pressure valve
	Pneumatic indicator
	PPA Pipe plug muffler
	DPH Electronic digital pressure sensor
	DPSD Electronic digital pressure sensor (downward type)
	DPS Electronic digital pressure sensor (M8 connector)
2023	LSH Black chrome series linear rail
	LSD Black chrome series linear rail
	LRM Black chrome series linear rail
	LRW Wide miniature linear guide
	LSH series high dustproof type line guideway
	LSD series high dustproof type line guideway
	LSH45 standard type linear guideway
	6DW series integrated valve and communication module
	6DEtherCAT/IO-Link communication module
	6D Series Integrated Valve (Inch Tube)
	2LA/2KLA two-way valve
	2SA/2KSA320/400/500 two-way valve
	JSK40 infinitely adjustable strong welding clamping cylinder
	JSCK fixed-angle strong welded clamping cylinder
	JSCKH manual type strong welding clamping cylinder
	Mini cylinder metal straps
	SC cylinder upgraded
2024	B52-LSH/LSD lithium battery industry line rail
	B53-LSH/LSD lithium battery industry line rail
	LSH heavy preloaded linear guideway
	6DM series integrated valve
	6D Derivative solenoid valve
	CFB092 Explosion-proof solenoid valve
	JSK80 Powerful welded clamping cylinders
	ACT series standard cylinders
2025	LRW Black chrome series linear rail
	LSQH series silent linear guide
	LSH series self-lubricating linear guide

Year	Product
	LSD series self-lubricating linear guide
	LSHH25 High-temperature resistant linear guide
	6VS100/200 Solenoid valve (including CPSV15 pilot valve)
	PRSU Fork photoelectric sensors
	A1500C/2000C air preparation unit
	B2000C/3000C series air preparation components
	ACK corner cylinders upgraded
	ACQ125~160 ultra-thin cylinder upgrade and improvement
As of the Date of the Publication	DIST inductive proximity sensor (for JCK cylinders)
	DMS/EMS-RW Waterproof, Oil-Resistant, and Flexibility-Resistant Sensor
	6SV/6SA/6STV/6STA series valves
	4SV/4SA/4STV/4STA series valves
	7SV/7SA series valves
	B4000C Series Air Source Processing Components
	JCP Single Telescopic Pin
	JCH Double Telescopic Pin
	JQK base plate cylinder
	SMRH Clean Pressure Reducing Valve
	PTA/PTS push-lock type speed control valve
	UWS98A Double-Layer Flame-Retardant Tube
	AZK vacuum generator
	RSM rodless cylinder upgrade and improvement
	SDA80-100 Cylinder Upgrade and Improvement
ACQ80~100 Cylinder Upgrade and Improvement	

#### 5.1.4 Short and long-term development strategies and business plans

##### 1. Short-term development strategy and plan

###### (1) R&D strategy and plan

- A. Upgrade the performance of existing product series by improving various functions tailored to client's use habit and feedback.
- B. Develop more products for industries that have demands for pneumatic products.

###### (2) Marketing strategy and plan

- A. Proactively offer professional assistance to clients to help them improve the efficiency of their production equipment and help them in production line planning and cost saving to win client appreciation.
- B. Salespersons assist the client to increase the efficiency of producing machine by offering professional techniques.
- C. Vie for bigger market share with outstanding products and professional salespersons and

create a win-win situation with clients, while achieving certain profit margin.

(3) Production strategy and plan

- A. Search for qualified and steady suppliers. As pneumatic components are constantly exposed to acidic or dirty gases when they work in an industrial environment and tend to break down easily, it is necessary to implement rigorous control at the source of production, i.e. selection of raw materials, to maintain the quality of components.
- B. Have a firm grip on costs and production efficiency and conduct onsite check regularly to ensure production optimization.

(4) Operating and financial strategy and plan

Improve management performance, stimulate employee potentials, and shore up the internal organization.

2. Long-term development strategy and plan

(1) R&D strategy and plan

- A. Gear R&D towards the development of products for application in high-tech industries, and that are more compact, stable, and precise and have more complex mechanism. Upgrade from the current mid-end applications to applications in high-tech machinery and biotech machinery.
- B. Build up system integration capability to provide customers with software/hardware design, whole-plant design and consulting services.

(2) Marketing strategy and plan

- A. Cultivate international marketing personnel, build rapport with local customers, readily grasp market movement and discern the directions of product development.
- B. Establish a worldwide sales network and set up sales centers to extend and reach the brand awareness and recognition worldwide.

(3) Production strategy and plan

- A. Continue to search for qualified suppliers and build a long-term relationship with important suppliers to obtain reasonable prices and lower the costs of production.
- B. Pick a suitable location to build up industry cluster so as expand capacity.

(4) Operating and financial strategy and plan

- A. Promote the concept of internationalization and build the management capability of a multinational enterprise within the organization, and actively cultivate an internationalized workforce to strive towards the goal of becoming a multinational enterprise.
- B. Diversify the capital raising channels, strengthen the financial structure and group constitution.
- C. Strengthen risk management and implement a sound, efficient and flexible business philosophy.

## 5.2 Market, Production and Sales Overview

### 5.2.1 Market analysis

#### 1. Revenue breakdown by region

Unit: NT\$ thousands

Region	2024		2025	
	Amount	%	Amount	%
Greater China (Note)	29,440,186	96.02%	33,005,523	96.14%
Others	1,219,947	3.98%	1,324,422	3.86%
Total	30,660,133	100.00%	34,329,945	100.00%

Note: Including Revenue in Mainland China and Taiwan

#### 2. Market share

According to the statistic of the China Hydraulics Pneumatics & Seals Association, the revenue of pneumatic components of main brands was about RMB 22~24 billion in Mainland China in 2025. As the economy enters a period of economic growth after the epidemic has recovered and competition in the industry is increasing, the company continues to exert its core competitiveness by strengthening channel construction, improving service capabilities, and implementing more competitive marketing strategies. In 2025, the sales of pneumatic products in the mainland China exceed RMB 7.1 billion and the estimated market share is close to 29~31%. It is believed that the company will continue to expand its market share and maintain its leading position in the industry after continuously launching key new products and intensively deploying key industries and projects in 2026.

With the continuous expansion of 3C, 5G, medical, battery and machine tool industries, the demand for linear guides will also grow rapidly, and the linear guide industry has huge development potential in the future. AirTAC is also constantly striving to extend its product chain and get involved in emerging industries. In the first half of 2018, it plans to enter the linear rail sector with considerable market potential. The domestic sales value of the main competitive linear guide brands in mainland China is about RMB 15 billion. In the past 2025, the demand for linear guide in the market is still growing steadily. The company will strive to base itself on the advantages of the integration of research, production and sales. Through product research and development, quality assurance, product delivery and other core competitiveness, while continuing to strengthen the network layout and improve service

standards. AirTAC build brand awareness in the field of linear guides to gain recognition and recommendation from many customers. The sales of linear guide increased more than 20%. It is believed that under the continuous marketing and promotion in 2026, the company can make rapid breakthroughs, rapid development, set a new benchmark in the linear rail industry and strengthen AirTAC's position as the leading brand in transmission.

### 3. Supply in pneumatic component market in the future

As China's pneumatic market plays an increasingly significant role in the world market, the labor charge in Mainland China increases substantially and customer demands for improvement of product quality have led to automated and semi-automated production situation turning more and more obvious. On the other hand, due to increased competition among enterprises, it will be more industry concentration and further similar situation upstream and downstream industry chain integration. To achieve scale, controllable costs and the quality of the business model, reconstruction and additional demand of automation will increase further. The Company's main products "pneumatic components" and "linear guide" are the integral part of the critical components of various types of automated production equipment. With the China government's approval of the "Action Plan for Digital Transformation of Manufacturing" on May 11, 2024, more enterprises will usher in new opportunities for transformation and upgrading, and drive China's manufacturing industry towards a new stage of high-quality development through digital technology. The plan points out the need to increase support for the digital transformation of SMEs, organically combining it with large-scale equipment upgrades and technological transformation and upgrading projects. Subsequently, on October 28, 2024, six departments issued the "Notice on the Action Plan for the Gradual Cultivation of Smart Factories," aiming to build a "three-in-one" working system of smart factories, solutions, and standards, creating an "upgraded version" of smart manufacturing, which is a core measure to promote smart manufacturing. Furthermore, in August 2025, the Ministry of Industry and Information Technology issued the "Action Plan for Stabilizing Growth of the Electronic Information Manufacturing Industry (2025-2026)," requiring the promotion of industrial transformation and upgrading, facilitating the smooth flow of domestic and international markets, tapping into demand potential, promoting the integration of technological innovation and industrial innovation, and building a modern industrial system. Following this, in October 2025, the Central Committee of the Communist Party of China issued the "Suggestions on Formulating the 15th Five-Year Plan," which called for the construction of a modern industrial system, consolidating and strengthening the real

economy, optimizing and upgrading traditional industries, and cultivating and expanding emerging and future industries. The next 5 to 15 years will be a period of rapid development in the automation and intelligence of manufacturing. With the implementation of the 15th Five-Year Plan, the high-quality development of manufacturing will receive strong support and guarantee.

The International Monetary Fund (IMF) released the World Economic Outlook report on January 19, 2026, adjusting China's economic growth forecast for 2026 to 4.5%, 0.3 percentage point higher than the forecast in October 2025. Future economic growth mode is determined by the export to the domestic oriented market. But the Chinese domestic market is without sales channel due to the vast territory and difficult to access the market. Moreover, the current industry of mechanical equipment requires shorter delivery time, which results in the supplier of pneumatic components having to establish sufficient and effective service network and sophistic supplying capacity with quick response for maintain the leading position in the industry.

Above all, the demand for pneumatics in Chinese market will increase rapidly, and suppliers with good sales network, high performance products, or high R&D capacity will domain the market.

In terms of overseas markets, The International Monetary Fund (IMF) predicts that the global economic growth rate will be 3.3% in 2026, the same as in 2025.; the US and Eurozone economies will grow by 2.4% and 1.3% respectively in 2026; the economic growth rate of emerging markets and developing economies will be 4.2% in 2026. Affected by relevant policy uncertainties in the trade field and other related fields, demand in many countries has shown a weak trend, but related uncertainties are expected to gradually weaken in the future.

#### 4.Competitive edge

##### (1) Brand name and customer recognition

The brand name “AirTAC” is composed of a few elements; “Air” means air-driven products; “T” means the Company’s products are “technological” that are key components for use in mechanical industry, meaning the Company is in “Technology Industry”; “A” denotes “Automatic”, meaning pneumatic components are an indispensable part of automation industry and machine production; “C” means “Components.” This brand name clearly

embodies the features of the Company products, the industries that use the products and their applications. “亞德客 AirTAC” is now accredited as a well-known trademark of China, which can protect the AirTAC brand from infringement nationwide. In addition, because of the brand awareness and product breadth AirTAC enjoys in China, its products are now the industry standards in the local markets.

By sales, the “AirTAC” is now the second brand in China’s pneumatic component market. This is quite an achievement for an industrial product and a manufacturer. Now AirTAC is ready to move on into the world market to introduce the brand AirTAC to worldwide customers of pneumatic components.

## (2) Vertical product integration to meet the one-stop shopping needs of customers

The Company now offers vertical integration services from R&D, design, metal forming, injection molding, processing of other metal parts, assembly, and installation, coupled with complete and elaborate lab testing to ensure the stability of product quality and expand production to achieve economy of scale, thereby reducing the unit cost of production. The vertical integration capabilities also enable the Company to effectively address the needs of different industries and clients, have fast reaction and greater flexibility in product design to let clients feel that their needs are fully understood, expand the application markets, and meet the one-stop shopping needs of downstream customers.

## (3) Global logistics capability

The overall pneumatic component industry is expected to grow at a steady pace in the future, but the sheer number of players on the market has intensified the price competition. As the downstream application markets continue to expand, the Company has established four production bases in Taiwan and China with the aims to achieve product diversification, mass production, lower costs and meet customer needs. The Company has also set up sales headquarters in China, Europe, United States, Southeast Asia, and Japan to use the production resources more effectively and extend the sales network. The Company’s global logistics capability and sound ERP system (Enterprise Resource Planning) make the best allocation of enterprise resources, effectively reduce costs, shorten the delivery time, and provide important reference data in strategy setting. The ERP system has become an important advantage for the Company in global market competition.

#### (4) Strong and market-sensitive R&D capability

The Company has advanced manufacturing technology. Invest heavily in introducing precision automatic die-casting machines, precision extrusion machines, turning and milling machines, four-axis horizontal machining centers, six-axis automatic machining machines, high-frequency heat treatment, carburizing heat treatment, wire rail grinding and other automation equipment from Germany, Japan and other places. In recent years, it has also continuously upgraded the production line, and with modern first-class production equipment and manufacturing technology, it has achieved a high degree of vertical integration of the industrial chain, realized mass production in a short cycle, and effectively reduced costs.

The Company has a complete product line. With respect to pneumatic control components, the Company offers electronic control valves, pneumatic control valves, manual valves, mechanical valve and other valves, fluid control valves, etc. With respect to air preparation units, the Company offers many kinds of F.R.L. combination, F.R. combination, regulating filter, filter, regulator, oil feeder, slow-start valve, stop valve, air block, drainer, pressure gauge, etc. With respect to actuator, the Company offers standard cylinders, miniature cylinders, compact cylinders, multi-mount cylinders, twin-rod and tri-rod cylinders, slide table cylinders, rodless cylinders, rotary cylinders, pneumatic grippers, clamping cylinders, rotary clamp cylinders, stopper cylinders, and cylinder accessories including oil buffers, speed controllers, products for piping and related systems, which are all developed for different industries and tailored to different customer needs. The Company also develops products based on customer feedback and research on future industry trends to expand the product lines to high-end applications, such as semiconductor equipment, medical equipment, and biotech equipment, and onto whole-plant design to become a total solution provider.

In the linear guide system products, AirTAC has successively launched miniature linear guides and standard linear guides. In response to the diversified development and conditions of different industries and to continuously meet the diverse needs of customers, the company can also provide a variety of customized size and function series products.

#### (5) Complete sales network

The Company has a complete sales network in China. Led by the subsidiary AirTAC (China) Co., Ltd., the Company has branch offices, representative offices and distributors throughout

the urban and rural areas of China. The Company has 100 direct selling office and more than 380 distributors by the end of December 2025. AirTAC will continue to optimize and integrate marketing channels in mainland China in 2026. Because the Company's clients are spread in different industries and areas, an extensive sales network gives customers quick access to AirTAC products. The Company also has more than 300 distributors in Europe, USA and Asia that allow AirTAC products to make headway into the world markets.

#### (6) Comprehensive after-sale service system

The Company provides not just products, but also a complete set of services. Starting from first approaching a client, the Company helps the client make the most of their existing production resources and establish improvement plan to help them save costs. Technical supports and services available to clients include production line upgrade, implementation of automation items, maintenance and repair, as well as installation, testing, planning and project design to create maximum value beyond the pneumatic products. In terms of after-sales service, the company implements a joint guarantee system. If you purchase the company's products from any regular sales channel in China, you can obtain technical services from every branch in China. The Company also guarantees that a customer will receive service in 24 hours after making a request for service. This way, customers are ensured quality services and the Company will gain customer trust in the long run.

### 5. Favorable and unfavorable factors for long-term growth and response strategy

#### (1) Favorable factors

##### A. Industrial upgrades and smart production models in the China market bring business opportunities

In mainland China's "14th Five-Year Plan" starting in 2021, China focus on artificial intelligence, quantum information, integrated circuits, life and health, brain science, biological breeding, aerospace science and technology, deep sea and other cutting-edge fields, and implement a number of Forward-looking and strategic national major scientific and technological projects. At the same time, develop strategic emerging industries and accelerate the growth of a new generation of information technology, biotechnology, new energy, new materials, high-end equipment, new energy vehicles, green environmental protection, aerospace, marine equipment and other industries. China promote the deep integration of various industries such as the Internet, big data, and artificial intelligence, promote the development of advanced manufacturing clusters, build a number of strategic emerging industry growth engines with distinctive features, complementary advantages,

and reasonable structure, and cultivate new technologies, new products, new business formats, and new model. The "Suggestions of the CPC Central Committee on Formulating the 15th Five-Year Plan for National Economic and Social Development," adopted in October 2025, emphasizes developing new productive forces in accordance with local conditions. Specific measures include strengthening research on key core technologies, charting a science and technology roadmap, and deploying major science and technology tasks in fields such as integrated circuits, industrial machine tools, high-end instruments, photonics, embodied intelligence, and the low-altitude economy. It also emphasizes focusing on planning and building a modern industrial system, creating advanced manufacturing clusters, maintaining the proportion of manufacturing, and cultivating and strengthening emerging pillar industries such as semiconductors and integrated circuits, intelligent connected new energy vehicles, and embodied intelligent robots. At the same time, it actively plans for future industries such as future manufacturing, future information, and future health. Furthermore, it emphasizes focusing on expanding domestic demand and deepening reform and opening up, with the plan taking the expansion of domestic demand as a strategic move and mutually reinforcing the development of new productive forces.

At the same time, 24 provinces and cities in the "new infrastructure" station have recently launched nearly 50 trillion investment projects, and large-scale infrastructure projects have been launched everywhere. It mainly includes seven major areas: 5G base station construction, ultra-high voltage power transmission, intercity high-speed railways and urban rail transit, new energy vehicle charging piles, big data centers, artificial intelligence, and industrial internet, striving to create a modern infrastructure system that is intensive, efficient, economical, smart, green, safe and reliable. The increase in the proportion of new infrastructure not only supports the steady growth of infrastructure investment, but also has a positive significance for manufacturing investment.

China will build a batch of advanced manufacturing bases with international competitiveness. In order to strengthen the technological transformation of the enterprise, it will formulate policies to support the technological transformation of the enterprise, accelerate the application of new technologies, new processes, and new equipment to upgrade traditional industries, support enterprises to improve the level of equipment, accelerate the elimination of backward technology and equipment, and improve the comprehensive usage level of energy resources. In 2015, the State Council officially issued "Made in China 2025". Currently, it is in the critical period of the "second step" (to reach

the middle level of the world's manufacturing power by 2035). It emphasizes the development of advanced equipment manufacturing industry, focuses on improving the level of basic component research and development and system integration, accelerates the upgrading of major equipment products, and actively cultivates the concept of developing high-end equipment manufacturing industry, which has effectively promoted the expansion of transmission market demand.

B. Extensive applications of product render the Company business less vulnerable to economic cycle

Pneumatic components are extensively applied in a variety of industries, from machine tools, semiconductor, automotive, daily necessities to construction and textile as key components in automated processes. Due to the dispersion of industrial applications, except for the systemic risk of economic recession, pneumatic component industry is less likely to expose to the risk where multiple industries hit bottom at the same time. As such, pneumatic components could always find buyers and the industry as a whole does not experience distinct high or low season, or face the risk of industry concentration risk. Moreover, as the China markets grow, all kinds of industries grow along which will boost the demands for pneumatic products.

C. The emergence of green industry boosts demands for pneumatic components

Countries around the world are paying more and more attention on environment protection amidst the increasingly serious phenomenon of global warming. While governments put more control on waste and pollution generated in production, manufacturers are looking for more environmental friendly and efficient production mode. Pneumatic components are all air-driven, unlike hydraulic systems that are oil driven, consume considerable energy and generate pollution. Hence pneumatic components are the best choice in industrial settings in the wake of heightened environmental awareness.

D. Increased wages in mainland China, increased proportion of automation

Businesses in China experienced sharply rising wages, and some manufacturers move plant facilities to the western part of China or transfer business to Southeast Asian countries. But more companies decide to stay where they are and at the same time upgrade to automated process to replace labor-intensive plant operations in order to reduce manpower

requirement and improve product quality stability. Automated process equipment needs many pneumatic components. The trend of automation becomes the force driving the Company's business growth.

E. The slowdown of global economy leads to reasonable demands from manufacturers

Murky economic situation coupled with dragging on long-term aging population in developed and Emerging countries and low labor force participation rate influence future economic growth. Therefore, some manufacturers continue to make rationalized procurement selection on automation components demand, namely the tendency to select good quality and reasonably priced pneumatic products. In this way, more conducive to company to expand product sales advantage.

F. Reduce external environmental fluctuations and promote domestic substitution.

Domestic substitution refers to the process of replacing imported products with domestically manufactured or produced ones. This is driven by several factors: firstly, enhancing a nation's economic independence and ensuring sufficient resources to cope with external fluctuations; secondly, reducing reliance on key technologies and products and improving national security. Domestic substitution will become an important trend in future economic development, and this trend will be further promoted with the further development of internet and Internet of Things technologies. It drives technological upgrades and innovation in related industries, promoting industrial development and economic strength. Pneumatic components will also benefit from this process.

(2) Unfavorable factors and response strategy

A. Great volatility of material prices on the international market and supply-demand imbalance pose greater challenges to raw material inventory management and cost control

Aluminum, cooper, plastic and steel are the main raw materials for Company's products. As revenues grow, the consumption of raw materials would also increase sharply. In recent years, the fluctuation of raw material prices are big and the volatility in raw material prices makes it difficult for manufacturers to grasp their costs and delivery date. Thus raw materials and cost control are big challenges to the Company at the present time.

Response strategy

- a. Externally forge long-term rapport with upstream suppliers to mitigate the impact of price volatility in raw materials; internally designate the material management and procurement unit of the parent company to carry out price management for the Group's procurement operation to get a better grip of the material price trends and make immediate response in times of steep price volatility.

- b. Strengthen cost control capability and use vertically integrated production operation to better control the product cost and enhance competitiveness, and keep the impact of material price volatility on cost instability to the minimum.
- B. Although China's economy continues to grow and the markets expand, many small manufacturers would imitate the products or even the logo of large and well-known manufacturers and sell their copycats in the market at a much lower price, while giving buyers the impression that they were purchasing the brand name products. But the poor or unstable quality of those copyrights often leads to product breakdown or consumer dispute, which at times causes problem for brand manufacturers. Because such phenomenon is rather common in the China markets, it poses certain obstacle to brand manufacturers in operations.

#### Response strategy

- a. The Company has registered the brand “亞德客 AirTAC” in the local markets in China and has been accredited as a well-known trademark of China on April 27, 2012. Nobody else may register the “亞德客 AirTAC” trademark. The Company also adopts a defensive trademark strategy by registering similar trademarks in advance to prevent rivals from using similar trademark to confuse or mislead consumers.
  - b. The Company engages local attorneys and own distribution system to crack down counterfeits. The Company would collect evidence against individuals and stores that sell counterfeits and forward the evidence to local law enforcement for further actions. The actions of the Company are to let merchants realize that selling counterfeit products are subject to penalty and to derail the distribution of counterfeits, thereby achieving the purpose of reducing the sources of counterfeited products.
- C. Wage hike in China boosts the production costs

With the acceleration of population aging, rising labor costs is inevitable. Working-age population has already begun to reduce from few years ago. The number of migrant workers has been declining, and most of the young migrant workers have been transferred to the city. Rising wages are an inevitable consequence. In addition, the government is also actively improving residents' welfare through social security reform, continuously increasing the social security base and payment ratio, and increasing the payment by individuals and enterprises simultaneously. The above information shows that enterprises will continue to increase labor costs in mainland China.

#### Response strategy

The Company's R&D department and production line work together to improve the process technology and cut down the waste of raw materials and improve the process so as to reduce

the man hours, improve production efficiency and lower costs. The Company also increases the automation ratio, using automated machinery in place of manual labor to render product quality more stable and reduce labor cost.

#### D. Changes in RMB exchange rate fluctuations

In 2025, the RMB exchange rate against the US dollar generally exhibited a pattern of "weakening initially and then strengthening, with narrowing fluctuations," appreciating by more than 4% throughout the year. From an external perspective, in 2025, the US dollar index weakened significantly due to factors such as the US fiscal deficit, government shutdown, and Federal Reserve interest rate cuts. Multiple high-level talks between China and the US gradually eased trade frictions, and tariff pressure continued to decrease, driving market preference towards RMB assets. Looking ahead to 2026, the RMB exchange rate is expected to continue its moderate appreciation, but changes in domestic and international macroeconomic events could exacerbate RMB exchange rate volatility, such as a periodic rebound in the US dollar and changes in the external economic and trade environment.

#### Response strategy

Nearly 90% of the Company purchase and sale take place in China. The Group also uses RMB as functional currency and accounting currency, and thereby has limited exposure to Renminbi exchange rate fluctuation. The Company will watch the exchange rate variation closely and hedge the risk if necessary.

### **5.2.2 Usage and manufacturing processes of main products**

#### 1. Usage of main products

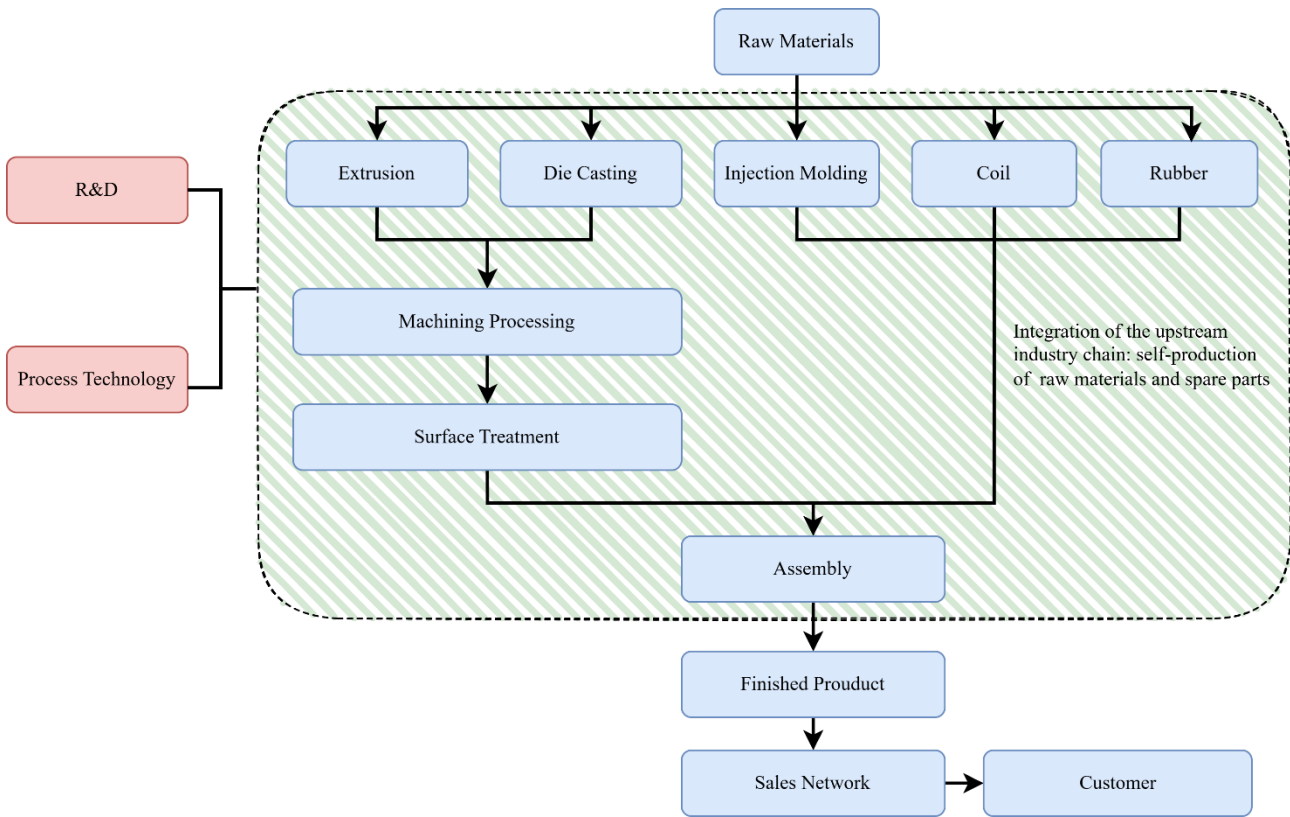
- (1) Actuator (cylinder): Cylinder is an actuator component of a pneumatic system. An air cylinder typically comprises a cylinder body, top and bottom lid, piston, piston rod, sealing and fastening pieces. Through the push of compressed air, the piston rod in the cylinder is extended or pulled back, which, in coordination with the mechanical design, can operate a mechanical arm, platform lift or brake, and can be applied in staple gun, drill, stamping machine and other tools.
- (2) Control component (valve): In the pneumatic system, valves are airflow control components and the basic components in the operation of pneumatic system. This component blocks the flow of fluid to achieve pressure, direction or flow control. By function, there are pressure

control valve, directional control valve and flow control valve. Valve control could be driven manually, electrically, or by fluid or air. Valves would act under pressure, temperature or other forms of sensing signals in a predetermined fashion or to carry out the simple action “switch on” and “switch off”, thereby changing the area of flow channel and achieving the purpose of control. Valves are used to form the switches for a pneumatic loop to control the speed of movement and control multiple sets of pneumatic systems.

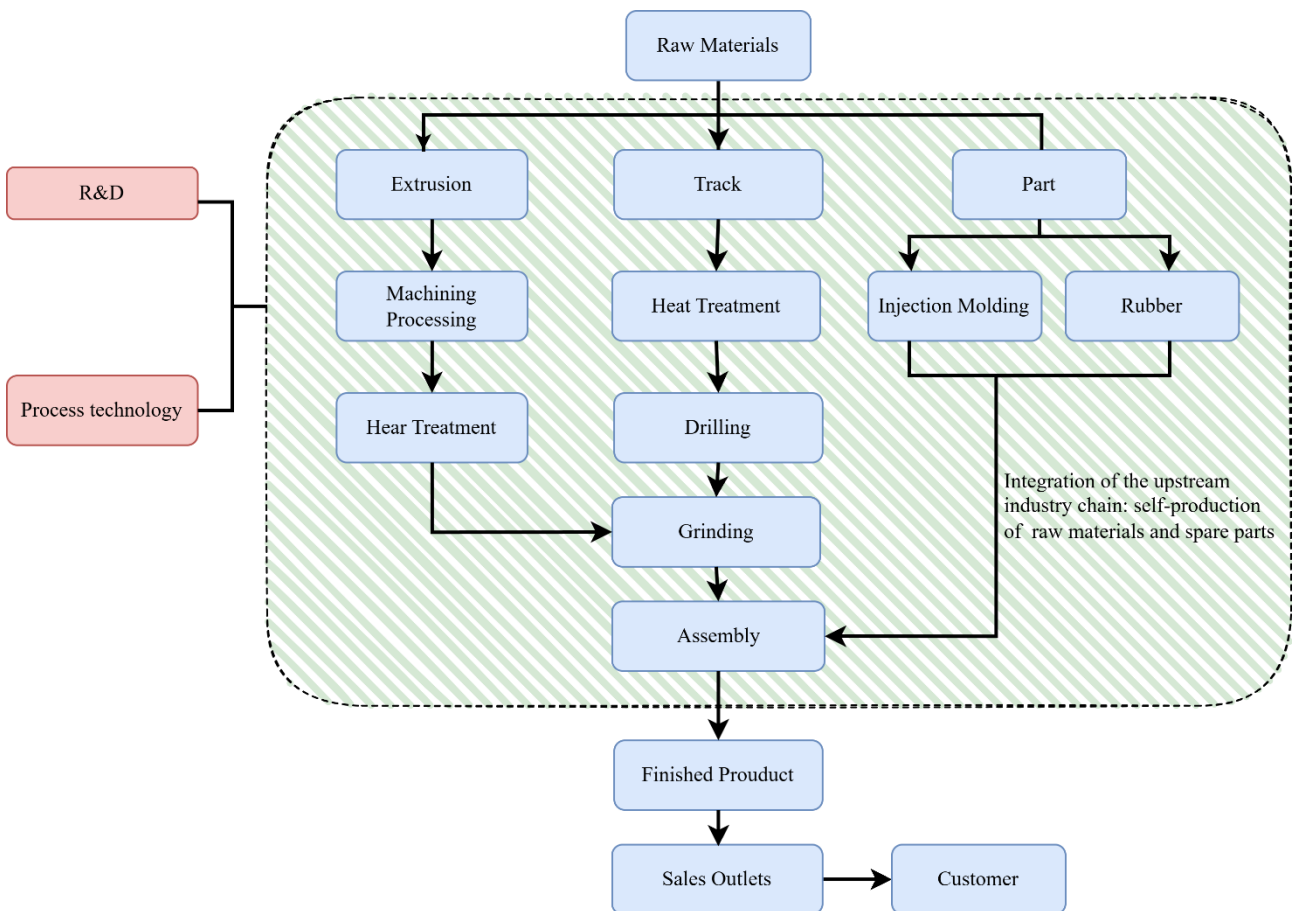
- (3) Air preparation unit: Before air is transmitted to the equipment, it must pass through an air filter to remove moisture and impurities in it. A pressure regulator is then used to adjust the pressure in the pipeline. Finally, a lubricator sprays oil mist into the pipe to mix with the air for lubrication purpose. The filtering, regulating and lubricating parts combined are called an air preparation unit that can increase the accuracy of air pressure and the service life of pipelines.
- (4) Sensing elements: Factory automation practice, often need to real-time monitor and feedback of position of pneumatic actuators such as cylinder and pressure values of pneumatic circuit, in order to achieve the purpose of open or closed loop control. Such sensing element comprises a pressure sensor sensing and feedback the switch or analog signal of digital pressure switch, and the use of magnetic induction to sense cylinder position and feedback the switch or analog signal of magnetic sensing switch.
- (5) Linear Guide: Linear guide is composed of cam block and slippery track. It has more load capacity than the linear bearing. It has a mechanism to bear more load and to guide their linear movement simultaneously.

## 2.The Production Procedures of Main Products

### (1) Pneumatic Products



### (2) Linear guide



### 5.2.3 Supply Status of Main Materials

Main material	Supplier	Status of supply
Aluminum	China	Good
Medium carbon steel	ROC, China	Good
Brass	China	Good

### 5.2.4 Major Suppliers

- Suppliers who accounted for more than 10% of the purchase by the Company in the last two years, the amount of purchase to total purchase, and reasons for changes in purchase percentage.

Unit: NT\$ thousands

Rank	2024				2025			
	Name of supplier	Amount	% of net purchase	Relationship with AirTAC	Name of supplier	Amount	% of net purchase	Relationship with AirTAC
1	Supplier A	1,297,465	12.96%	None	Supplier A	1,579,901	13.91%	None
2	Supplier B	536,332	5.36%	None	Supplier B	685,332	6.03%	None
3	Supplier C	397,828	3.97%	None	Supplier C	348,976	3.07%	None
4	Supplier K	327,567	3.27%	None	Supplier D	270,911	2.38%	None
5	Supplier D	232,979	2.33%	None	Supplier E	266,747	2.35%	None
6	Supplier E	229,155	2.29%	None	Supplier F	238,013	2.10%	None
7	Supplier F	227,404	2.27%	None	Supplier G	225,634	1.99%	None
8	Supplier I	217,412	2.17%	None	Supplier H	209,129	1.84%	None
9	Supplier H	194,753	1.95%	None	Supplier I	197,009	1.73%	None
10	Supplier L	186,629	1.86%	None	Supplier J	194,213	1.71%	None
	Others	6,162,403	61.57%		Others	7,143,821	62.89%	
	Net sales	9,474,340	100.00%		Net sales	11,359,686	100.00%	

Considering price and quality, we increased our procurement from supplier G; the changes in the rankings of other suppliers were due to differences in the products procured, but they remain our main suppliers.

2. Customers who accounted for more than 10% of the sales in the last two years, and the amount of sales to total sales and reason for changes in sales percentage.

Unit: NT\$ thousands

Rank	2024				2025			
	Name of supplier	Amount	% of net purchase	Relationship with AirTAC	Name of supplier	Amount	% of net purchase	Relationship with AirTAC
1	Customer D	255,384	0.83%	None	Customer A	319,298	0.93%	None
2	Customer C	253,094	0.83%	None	Customer B	303,346	0.88%	None
3	Customer B	237,339	0.77%	None	Customer C	299,472	0.87%	None
4	Customer E	227,569	0.74%	None	Customer D	299,299	0.87%	None
5	Customer F	214,095	0.70%	None	Customer E	289,881	0.84%	None
6	Customer A	195,062	0.64%	None	Customer F	262,904	0.77%	None
7	Customer J	193,582	0.63%	None	Customer G	250,267	0.73%	None
8	Customer K	185,630	0.61%	None	Customer H	237,409	0.69%	None
9	Customer H	182,764	0.60%	None	Customer I	226,262	0.66%	None
10	Customer L	177,514	0.58%	None	Customer J	217,204	0.63%	None
	Others	28,538,100	93.07%		Others	31,624,603	92.13%	
	Net sales	30,660,133	100.00%		Net sales	34,329,945	100.00%	

Company did not have customers who accounted for more than 10% of the sales in the last two years.

### 5.3 Employee Information in the Recent Two Years and as of the Date of the Publication of the Annual Report

Unit: persons; %

Year		2024	2025	Up to the date of annual report
Number of employees	Manager and higher	172	192	191
	Staff	3,382	3,335	3,277
	Production line worker	5,101	5,577	5,440
	Total	8,655	9,104	8,908
Average age		33.50	33.81	33.84
Average years of service		7.00	7.78	7.77
Education background (%)	Ph.D.	-	-	-
	Master	0.75	0.76	0.74
	University/College	47.59	47.66	48.28
	High school	42.73	41.93	41.11
	Below high school	8.93	9.65	9.87

### 5.4 Environmental Expenditures

Total losses (including damage awards) and fines for environmental pollution for the two most recent fiscal years, and during the current fiscal year up to the date of annual report, response strategies (including corrective measures) and possible disbursements to be made in

the future (including an estimate of losses, fines, and compensation resulting from any failure to adopt responsive measures, or if it is not possible to provide such an estimate, an explanation of the reason why it is not possible): None.

## **5.5 Labor Relations**

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

#### 1. Employee benefit plans

The Company pays its employees higher than industry average salary, as well as year-end bonus, quarterly performance bonus and all kinds of allowances and subsidies. The Company also arranges free physical examination at designated institutions and purchases insurances for employees, including basic pension, medical, work injury, maternity and unemployment, and provide them with subsidies for wedding gifts, funeral flower basket, condolence money for accidental casualties, employee dinner activity and group travel. The Company also holds cultural, art and sports activities to foster a sense of affinity among employees and enhance work efficiency.

#### 2. Continuing education and training

Education and training are key to driving the company's progress. Systematic training not only enhances employees' professional skills but also unleashes their innovative potential, leading the team to continuously break through growth limits and realize the Group's vision of sustainable operation. Based on the needs of our employees' growth and development, our company provides a series of educational and training courses, including onboarding training to help new employees quickly integrate into the company, professional knowledge training to improve work skills, management and leadership training to enhance the management capabilities of managers, and outdoor team building training to improve employees' professional qualities.

#### 3. Retirement system and state of implementation

The Company's subsidiary registered in the Republic of China has established employee retirement plan in accordance with the Labor Standards Act of the ROC. Under the old system, the Company sets aside 2% of total salary paid as pension reserve and deposits it into a Labor Pension Fund Supervisory Committee account every month. Starting July 1, 2005 along with the implementation of a new pension system under the Labor Pension Act (referred to as the "new system" or "defined contribution plan" hereunder), employees who were subject to the Basic Standards Act may choose to switch

to the new system and employees who report to work after the implementation of the new system will be subject to the defined contribution plan. Under the plan, the Company will contribute 6% of an employee's monthly wages into his or her personal labor pension fund account.

Company's subsidiaries in China will pay for the pension insurance of employees in accordance with the local regulations. Pension insurance in China is part of the social insurance, which cover medical, maternity, pension, work injury, and unemployment benefits. Once the Company enrolls a new employee in the social insurance program, the Company starts to make pension contribution on his or her behalf.

4. Agreements between labor and management and various employee rights protection measures
  - a. The company has an employee welfare committee that regularly reviews the allocation and use of welfare funds, and employees can enjoy various welfare projects planned by the welfare committee.
  - b. The company has a safety committee that regularly discusses the company's safety and health plans and strengthens the establishment of employees' environmental safety and health habits through education and training.
  - c. The company values labor relations. The company holds labor-management meetings, communicates opinions with each other, negotiates issues, and sets up employee suggestion boxes so that employees' opinions can be fully reflected.

**5.5.2 Loss sustained as a result of labor disputes in the two most recent fiscal years, and during the current fiscal year up to the date of annual report, an estimate of losses incurred to date or likely to be incurred in the future, and mitigation measures being or to be taken; if the loss cannot be reasonably estimated, a statement to that effect.**

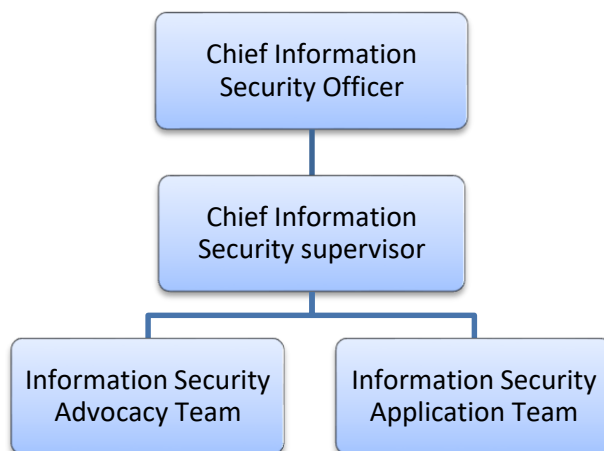
The Company has been maintaining a harmonious relationship with its employees and did not sustain any loss resulting from labor dispute. Moreover, the Company does not expect to sustain loss resulting from labor dispute in the coming year.

**5.6 Information Security Management**

AirTAC attaches great importance to information security management. In order to prevent computer viruses, network attacks, data leakage, legal compliance and risk control, AirTAC has formulated information security management and control standards, introduced information tools and analysis framework systems, and effectively ensured AirTAC information security and customer privacy.

The company has established a Chief Information Security Officer and a dedicated information unit responsible for implementing information operations security management planning. They are tasked with establishing and maintaining an information security management system, coordinating the formulation and execution of information security and protection policies, and conducting risk management and compliance audits. The "Information Security Unit" holds routine internal meetings every six months to review information security risks and corresponding protection measures, and reports to the Board of Directors on the effectiveness and direction of information security management on a regular basis every year. The latest submission to the Board of Directors was dated November 13, 2025.

### 5.6.1 Information Security Risk Management Framework



### 5.6.2 Information Security Policy

1. Adhere to information security regulations, comply with relevant laws:

Establish various information security management procedures, and regularly assess and adjust according to actual circumstances.

2. Enhance personnel's awareness of information security:

Employees should participate in relevant information security education and training to raise the overall awareness of information security throughout the company.

3. Prevent the leakage of confidential information:

Safeguard company confidential information, prevent unauthorized access and tampering of information, and avoid any leakage of sensitive data.

4. Implement internal information security audits:

Regularly conduct internal audits of various information security measures to ensure the effective implementation of operations.

5.6.3 The specific management plan for information security typically includes the following elements:

Item		Solutions
Information Security Protection	Document Management	Establish a document management platform and implement document classification.
		Establish processes for confidential document retrieval and document destruction, including tracking and management.
		Implement encryption controls and effective tracking for documents and data.
		Control and monitor outgoing emails
	Risk Management	Conduct risk assessments for the information data center, regularly perform vulnerability scans, and carry out periodic disaster recovery drills for core information and communication systems.
	Information Operations Security	Enforce password setting rules and establish remote and on-site backup/redundancy services.
		Employees are required to apply for a VPN account to access the company's internal information systems from external locations.
		Information system accounts must be applied for according to company regulations. When employees resign, they are required to coordinate with the information unit for account deletion.
	Device Network Security	Implement security mechanisms on devices, monitor network and information access security.
		Establish endpoint antivirus measures based on computer types, enhance detection of malicious software behavior.
		Strengthen firewall and network control to prevent the spread of computer viruses across machines and plant areas.
	Plant area Security	Implement control measures for computers used by incoming guests/visitors.
Establish access control for office areas and computer rooms, monitoring for any abnormal incidents.		
Review and Continuous Improvement	Education, Training and Promotion	Enhance employee awareness of email attacks, regularly conduct phishing email defense detection.
		Regularly implement information security education and training to enhance employee awareness of information security.

5.6.4 Allocation of resources to information and communication security:

The information security unit has three employees, who are responsible for the company's information security planning, technology introduction and other related matters to

maintain and continuously strengthen information security.

1. Network Hardware Equipment:

Firewall, backup server, data center temperature (humidity) detection system, uninterruptible power supply (UPS) system, automatic fire suppression system for the data center, surveillance cameras in the data center, offsite backup facility.

2. Software Systems:

File encryption management software, backup management software, antivirus software, Endpoint Detection and Response (EDR) software, spam email filtering, Network Access Control (NAC), Security Operations Center (SOC).

3. Disaster recovery drills:

Disaster recovery drills and authorization reviews are conducted annually. In 2025, the entire group will conduct one disaster recovery drill and authorization review.

4. Education and training

In 2025, four rounds of secure email drills were conducted for group employees, totaling 1,450 participants, enhancing their cybersecurity awareness. Additionally, 837 employees in AirTAC Taiwan received cybersecurity training courses, totaling 418.5 hours, representing 97% of all AirTAC Taiwan employees.

5. Customer Satisfaction

There were no major information security incidents, nor were there any complaints of loss of customer data.

5.6.5 Losses, potential impact, and countermeasures as a result of material incidents that occurred in Information security risk from the most recent year up to the printing of annual report for publication, and provide an explanation for reasons where losses cannot be reasonably estimated: None

## 5.7 Important Contracts

### 5.7.1 AIRTAC INTERNATIONAL GROUP

Nature of contract	Party	Date of contract	Content	Covenant
Funds Lending	ATC Italia	2025.06.20~2026.06.19	The Company loans EUR 3 million to ATC (ITALIA) S.R.L.	None
Funds Lending	ATC Italia	2026.01.12~2027.01.11	The Company loans EUR 1.4 million to ATC (ITALIA) S.R.L.	None
Funds Lending	Airtac Co., Ltd.	2025.09.25~2026.09.24	The Company loans USD 4 million to AirTAC Co., Ltd.	None
Funds Lending	Airtac Co., Ltd.	2025.12.18~2026.12.17	The Company loans USD 1.99 million and CNY 1.6 million to AirTAC Co., Ltd.	None
Funds Lending	AirTAC Malaysia	2025.12.18~2026.12.17	The Company loans USD 1.2 million to AirTAC Malaysia.	None

Nature of contract	Party	Date of contract	Content	Covenant
Funds Lending	AirTAC USA	2025.03.19~2026.03.18	The Company loans USD 3 million to AirTAC USA.	None
Funds Lending	AirTAC USA	2025.08.06~2026.08.05	The Company loans USD 3 million to AirTAC USA.	None
Funds Lending	AirTAC USA	2025.12.18~2026.12.17	The Company loans USD 2.7 million to AirTAC USA.	None

### 5.7.2 AirTAC Ningbo

Nature of contract	Counterparty	Term of contract	Content	Covenant
Construction	Shenzhen Kairuisheng Automation Co., Ltd.	2025.01.01~2025.12.31	The total price is RMB 30.94 million.	None
Construction	Yuandao Construction Co., Ltd.	2025.01.01~2025.12.31	The total price is RMB33.74 million.	None

### 5.7.3 AirTAC Co., Ltd.

Nature of contract	Counterparty	Term of contract	Content	Covenant
Loan	The Company	2025.09.25~2026.09.24	The Company loans USD 4 million to AirTAC Co., Ltd.	None
Loan	The Company	2025.12.18~2026.12.17	The Company loans USD 1.99 million and CNY 1.6 million to AirTAC Co., Ltd.	None
Land lease	IMAS Co., Ltd.	2025.04.01~2027.03.31	Office lease agreement in Osaka	None

### 5.7.4 ATC (ITALIA) S.R.L.

Nature of contract	Counterparty	Term of contract	Content	Covenant
Loan	The Company	2025.06.20~2026.06.19	The Company loans EUR 3 million to ATC (ITALIA) S.R.L.	None
Loan	The Company	2026.01.12~2027.01.11	The Company loans EUR 1.4 million to ATC (ITALIA) S.R.L.	None
Lease	DELTA S.R.L.	2020.11.01~2026.10.31	Plant lease agreement	None
Lease	DELTA S.R.L.	2020.06.01~2026.05.31	Plant lease agreement	None
Lease	TORGIM SNC	2025.04.01~2031.03.31	Plant lease agreement	None

### 5.7.5 AirTAC Malaysia

Nature of contract	Counterparty	Term of contract	Content	Covenant
Loan	The Company	2025.12.18~2026.12.18	The Company loans USD 1.2 million to AirTAC Malaysia.	None

Nature of contract	Counterparty	Term of contract	Content	Covenant
Lease	Lim Teck Sheng	2023.05.01~2026.04.30	Office lease agreement in Johor	None
Lease	Chun Yip Realty Sdn. Bhd.	2024.10.01~2026.09.30	Office lease agreement in Kuala Lumpur	None
Lease	Pertubuhan Peladang Kawasan penaga	2023.06.01~2026.05.31	Office lease agreement in Penang	None

### 5.7.6 AirTAC Thailand

Nature of contract	Counterparty	Term of contract	Content	Covenant
Lease	Thriven Asset Co., Ltd.	2023.06.01~2026.05.31	Office lease agreement	None

### 5.7.7 AIRTAC USA CORPORATION

Nature of contract	Counterparty	Term of contract	Content	Covenant
Loan	The Company	2025.03.19~2026.03.18	The Company loans USD 3 million to AirTAC USA.	None
Loan	The Company	2025.08.06~2026.08.05	The Company loans USD 3 million to AirTAC USA.	None
Loan	The Company	2025.12.18~2026.12.17	The Company loans USD 2.7 million to AirTAC USA.	None
Lease	Coleman Logistics Assets LLC	2019.04.15~2026.07.31	Office lease agreement	None

### 5.7.8 Airtac (Jiangsu) Automatic Co., Ltd.

Nature of contract	Counterparty	Term of contract	Content	Covenant
Construction	Jiangsu Kaixiang Construction Group Co., Ltd.	2025.01.01~2025.12.31	The total price is RMB 56.79 million..	None

## 5.8 Intellectual Property Rights and Patent Protection

### 5.8.1 Intellectual Property Management System

AirTAC places great importance on the intellectual property. To strengthen employee's awareness of intellectual property and ensure that employee's behavior aligns with intellectual property regulations, we have established intellectual Property Management System to protect the rights and interests of the Company and avoid infringing on the rights of others. We enhance our overall competitiveness through continuous trademark management. This is in line with our

code of corporate governance, with the goal of achieving sustainable business growth and the long-term vision of the Company.

To streamline processes, the company has established intellectual property-related regulations, such as an intellectual property management manual, trademark management procedures, and patent reward regulations. All intellectual property-related documents are managed centrally by the document management unit, and document control procedures and confidential information management standards are in place to ensure the integrity and security of intellectual property rights.

Each year, the company formulates intellectual property management strategies and specific goals based on its own development objectives, and uses patent incentive programs to stimulate employee creativity. Furthermore, confidentiality and intellectual property ownership agreements signed with key intellectual property employees explicitly stipulate that all research and development results and intellectual property rights obtained by employees in or related to their work belong to the company, ensuring the company's legal acquisition of intellectual property rights. In addition, the company actively implements the protection of innovative research and development results, not only safeguarding its own rights in accordance with the law but also establishing a robust protection mechanism to ensure that the intellectual property rights of others are not infringed.

Regarding patent protection, the company encourages employees to submit proposals through its patent management strategy, thereby stimulating their active research and development and innovation, and enhancing the company's competitiveness and operational vitality. It also accelerates patent applications for newly developed products or technologies to strengthen intellectual property protection. In terms of trademark management, in addition to continuously monitoring global trademark strategies, the company also conducts simultaneous trademark monitoring and strategy development within the same industry to enhance brand recognition and maintain a competitive edge in the market.

### **5.8.2 Intellectual Property Management Policies and Objectives for 2025**

- (1) Intellectual Property Management Policy
  - a. Enhance brand recognition and maintain a competitive edge in the market.
  - b. Continuously optimize its communication methods with external intellectual property firms and strengthen intellectual property management.
  - c. Improve trademark strategy to avoid infringing on the rights of others; prevent infringement by others and maintain the company's goodwill.
  - d. Enhance the intellectual property management awareness of personnel involved in intellectual property matters.

- e. Continuously optimize the company's internal intellectual property management system, related regulations, and required resources.

## (2) Intellectual Property Management Objectives

- a. Review and revise the current intellectual property management system, and pass the TIPS (Level A) re-verification in 2025.
- b. By 2025, the company will internally promote at least 2 hours of basic/responsibility/audit training.
- c. Trademark inventory will be conducted at least once a year starting in 2025.
- d. Starting in 2025, the company will commission an external intellectual property firm to conduct trademark monitoring and trademark layout reports for its peers, producing at least one such report annually.

### **5.8.3 Intellectual Property Risks and countermeasures**

Considering the internal and external issues that affect intellectual property and intellectual Property Management system, as well as the expectations of stakeholders' concerning for the development and effective management of intellectual property. AirTAC has identified and confirmed the risks and opportunities that need to be addressed and relevant countermeasures have been established. The intellectual property management system promotion team holds an annual intellectual property management review meeting every year to assess changes in the internal and external environment and the effectiveness of the intellectual property management system. This allows us continuous adjustments and improvements to protect the interests of stakeholders. The following measures have been implemented to mitigate potential intellectual property risks:

#### (1) Continuous strengthening of employees' basic awareness of intellectual property

In order to enhance the protection of intellectual property rights, the HR department organized annual intellectual property education and training to strengthen basic understanding of intellectual property.

#### (2) Deployment of trademark management

To protect the Company's intellectual property rights and brand, we implement a global trademark strategy to ensure legal protection for the innovations and brand.

#### (3) Implement intellectual property management

Established intellectual property management promotion team, and we use the "PDCA cycle" as the foundation to create a systematic management system that connection intellectual property management with business goals. Based on the "Intellectual Property Management Manual", we have set management objectives for the acquisition, protection, maintenance, and utilization of the Company's intellectual property.

## 5.8.4 Implementation Status and Results

### 1. Report to the Board of Directors

The Company regularly submits reports on matters related to intellectual property to the Board of Directors, with the most recent submission date being November 13, 2025.

- ### 2. AirTAC Taiwan implemented the "Taiwan Intellectual Property Management Regulations (TIPS)" in 2024, and expanded its scope further in 2025, focusing on trademark management. The main implementation details for that year are as follows:

Item	Contents	Implementation Status
1	Review and revise the company's current internal regulations on intellectual property management.	In May 2025, the regulations related to intellectual property management will be revised, including Intellectual Property Management Manual, Trademark Management Procedures, Internal Audit Implementation Procedures for Intellectual Property Management System, Confidential Information Management Regulations, and Personnel Management Operation Methods.
3	Educate and train employees in intellectual property management team to cultivate their intellectual property management capabilities.	In April 2025, conduct 2 hours of training for personnel with authority and responsibility, and complete the test. In April 2025, conduct 2 hours of training for auditors, and complete the test. In May 2025, conduct 2 hours of training for basic personnel, and complete the test.
4	Commission external intellectual property firms to conduct trademark monitoring and trademark layout reports for our peers, producing at least one such report annually.	Commission an external intellectual property firm to conduct trademark monitoring and issue a trademark monitoring report.

### 3. Deployment of global trademark and patent portfolio result:

As of December 2025, the company had a total of 265 approved patents (including invention patents, utility model patents and design patents); and a total of 150 approved and valid trademark rights worldwide.

### 4. Certification

The Company implemented the Taiwan Intellectual Property Management System in 2024, and first passed the Taiwan TIPS (Level A) verification in November 2024. We most recently underwent and passed the Taiwan TIPS (Level A) re-verification in 2025, with the certificate valid from December 31, 2025 to December 31, 2027. This demonstrates that our relevant mechanisms have been recognized for their legal compliance and helps enhance the confidence of investors, clients, and the general public in our company.

5.8.5 The Company's existing patent situation please refer to 5.1.3 Technology and R&D overview.

## 6. Review of Financial Conditions, Operating Results, and Risk Management

### 6.1 Analysis of Financial Status

Unit: NT\$ thousands

Item \ Year	2024	2025	Difference	
			Amount	%
Current assets	25,418,593	25,047,260	(371,333)	(1)
Long-term investments	-	-	-	-
Fixed assets	28,987,297	28,753,166	(234,131)	(1)
Intangible assets	30,543	29,087	(1,456)	(5)
Other assets	3,124,375	3,710,671	586,296	19
Total Assets	57,560,808	57,540,184	(20,624)	-
Current liabilities	9,103,465	4,630,058	(4,473,407)	(49)
Long-term liabilities	-	-	-	-
Other liabilities	558,225	322,769	(235,456)	(42)
Total liabilities	9,661,690	4,952,827	(4,708,863)	(49)
Capital stock	2,000,000	2,000,000	-	-
Capital surplus	14,846,145	14,847,244	1,099	-
Retained earnings	31,173,887	35,572,071	4,398,184	14
Other equity	(127,364)	161,863	289,227	(227)
Non-controlling interests	6,450	6,179	(271)	(4)
Total stockholders' equity	47,899,118	52,587,357	4,688,239	10
Reasons for significant changes: (Change in amount exceeding 20%)				
1. Current liabilities: Mainly due to the repayments of short-term borrowings.				
2. Other liabilities: Mainly due to the repatriation of profits by Subsidiaries in mainland China, which reduced deferred income tax liabilities arising from dividend tax accrual.				
3. Other equity: Mainly due to the decrease of exchange differences on translating foreign operations.				

## 6.2 Analysis of Operating Results

### 6.2.1 The main reasons for the significant changes in annual sales revenue, operating income, and net income before tax.

Unit: NT\$ 1,000

Item \ Year	2024	2025	Change	
			Amount	%
Total sales revenue	30,660,133	34,329,945	3,699,812	12
Net sales revenue	30,660,133	34,329,945	3,699,812	12
Operating cost	16,346,436	18,547,909	2,201,473	13
Gross profit	14,313,697	15,782,036	1,468,339	10
Operating expense	5,288,183	5,494,339	206,156	4
Operating income	9,025,514	10,287,697	1,262,183	14
Non-operating income and expense	608,188	357,654	(250,534)	(41)
Net income before tax	9,633,702	10,645,351	1,011,649	11
Less: Income tax expense	2,010,424	2,245,519	235,095	12
Net income after tax	7,623,278	8,399,832	776,554	10
Other comprehensive income and loss	1,274,421	289,222	(985,199)	(77)
Change in amount exceeding 20% :				
1. Non-operating income and expense decrease: Mainly due to net foreign currency exchange benefits decreased.				
2. Other comprehensive income and loss decrease: Mainly due to the decrease of exchange differences on translating foreign operations.				

### 6.2.2 Expected sales volume and its basis, possible impact on the company's future

**financial operations and response plans:** Based on the global economic situation, changes in the industrial operating environment, as well as market supply and demand and competition conditions, and taking into account the progress of existing customers' businesses and the development of new customers in various countries and industries around the world, along with various factors such as our own production capacity, the company estimates that the sales volume of products in 2026 may have double-digit growth compared to 2025.

## 6.3 Analysis of Cash Flow

### 6.3.1 Cash flows analysis

Unit: NT\$1,000

Item \ Year	2024	2025	Amount of increase (decrease)	Increase (decrease) (%)
Inflow from operating activities	10,678,456	7,666,588	(3,011,868)	(28)
Outflow in investing activities	(3,696,268)	(969,069)	2,727,199	(74)
Inflow (outflow) in financing activities	(9,518,255)	(9,428,784)	89,471	(1)
Change analysis: 1. Investing activities: Mainly due to net cash inflows from the disposal of financial assets measured at amortized cost in 2025 and net cash outflows from the acquisition of financial assets measured at amortized cost in 2024. 2. Financing activities: Mainly due to sufficient operating capital and repay the bank loans.				

### 6.3.2 Liquidity analysis for the next year and remedial plan for improving liquidity:

The Company has formulated several capital spending plans for 2025. The anticipated profit growth in 2025 is expected to provide net cash inflow from operating activities in the year and cover the cash outflows in investing and financing activities. Hence the Company does not anticipate liquidity problems.

## 6.4 Major Capital Expenditure Items

The Company acquired NT\$ 2,330,403 thousand and NT\$ 2,605,726 thousand of fixed assets in 2025 and 2024, respectively as the Company continues to expand capacity in response to market demands. The table below depicts the Company's fixed asset and total asset turnover ratios in the past three years, which indicate that various turnover ratios were kept at certain level, that increase in capital spending did not produce adverse effect on the Company's financial condition.

Turnover ratio	2023	2024	2025
Fixed asset turnover ratio (times)	1.04	1.07	1.19
Total asset turnover ratio (times)	0.53	0.53	0.60

## 6.5 Investment Policy in Last Year, Main Causes for Profits or Losses, Improvement Plans and the Investment Plans for the Coming Year

### 6.5.1 Company's investment policy

The reinvestment is carried out by designated department in accordance with the internally established internal control systems-Investment Cycle and Procedure for Acquisition or Disposal of Assets. The aforementioned systems or procedures have been passed by the board of directors' meeting or shareholders' meeting.

### 6.5.2 Major reasons for investment profit/ loss in recent years:

Unit: NT\$ thousands

Investee	Profit (loss) in the most recent year	Remark
Airtac Industrial (Hong Kong) Limited	8,149,920	Profit comes mainly from recognition of profit from investees in China.
Airtac Trading (Hong Kong) Limited	(104)	Gain comes mainly from recognition of exchange gain.
Instant Reach International Limited	(40,780)	Loss comes mainly from recognition of loss from investees ATC (ITALIA) S.R.L.
Airtac Holding (Singapore) Pte. Ltd.	23,264	Loss comes mainly from recognition of loss from investees Airtac Co., Ltd. and AIRTAC USA CORPORATION.
Ningbo Airtac Automatic Industrial Co., Ltd.	6,224,652	Expansion of operations.
Guangdong Airtac Automatic Industrial Co., Ltd.	991,133	Expansion of operations.
Airtac (China) Co., Ltd.	961,032	Expansion of operations.
Airtac (Jiangsu) Automatic Co., Ltd.	368,558	Expansion of operations.
Guangdong Airtac Intelligent Equipment Co., Ltd.	468,562	Expansion of operations.
Airtac (Tianjin) Intelligent Technology Co., Ltd.	10,768	Expansion of operations.
Airtac (Fujian) Intelligent Equipment Co. Ltd.	62,278	Expansion of operations.
Airtac (Shandong) Automatic Industrial Co., Ltd.	81,648	Expansion of operations.
Airtac Enterprise Co., Ltd.	(603)	Loss comes mainly from recognition of expenses for operation.
ATC (ITALIA) S.R.L	(40,043)	The operation has not reached economy of scale.
Airtac International (Singapore) Pte. Ltd.	31,906	Profit comes mainly from recognition of profit from investees Airtac Industrial (Malaysia) Sdn. Bhd. and Airtac Industrial Co., Ltd.
Airtac Co., Ltd.	(18,574)	The operation has not reached economy of scale.
AIRTAC USA CORPORATION	10,275	The operation has not reached economy of scale.
Airtac Industrial (Malaysia) Sdn. Bhd.	15,984	Expansion of operations.
Airtac Industrial Co., Ltd.	18,359	Expansion of operations.

### **6.5.3 Investment plan for the coming year**

1. The Company expanded its factory in Ningbo, Zhejiang, China and its logistics building in Shandong and purchased equipment needed for the factories in Foshan, Guangdong, Ningbo, in China, and Shugu Park in Tainan.
2. The Group will continue to expand its overseas operations and actively participate in the client's industry exhibitions to increase market share and enhance the company's profits. The company will also develop new products such as electric cylinders, and use the company's dense marketing system in China and around the world to represent other automation-related components and products.

### **6.6 Analysis of Risk Management**

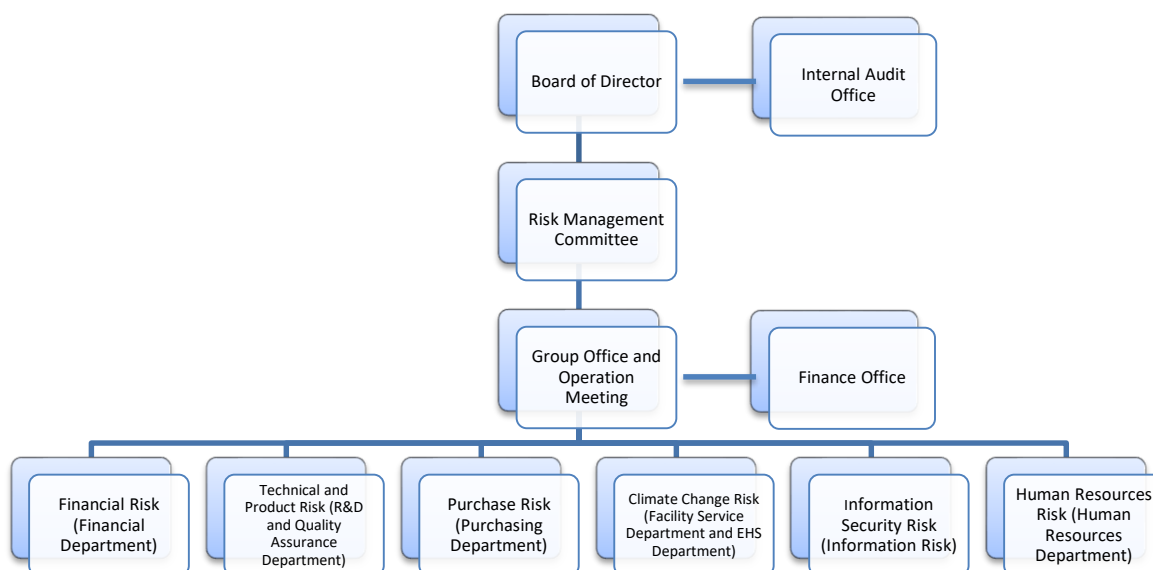
To ensure that the Company's risk management operations have a clear framework and that risks are properly managed, the Board of Directors adopted the "Risk Management Policy and Measures" (last revised on November 13, 2025) on August 5, 2022, as the Company's highest guiding principle for risk management.

Regarding risk management organization, the Board of Directors is AirTAC's highest governing body, responsible for approving the risk management framework and policies, and bearing the ultimate responsibility for risk management. To improve risk management, the company established a Risk Management Committee under the Board of Directors on November 8, 2024, composed of four independent directors, to assist the company in controlling existing or potential risks. Regarding the risks faced by the business, such as marketing, production and manufacturing, technology research and development, procurement and supply, quality control, human resource planning, changes in domestic and foreign laws and regulations, financial accounting, and information security, in addition to handling them through the existing systems and procedures, we also strengthen the risk identification, assessment and management mechanisms to reduce the likelihood of risks occurring and the impact of losses.

In terms of execution, the supervisory or operational meetings chaired by the Group Chairman or Group General Manager are responsible for summarizing and reviewing the company's risk management implementation status. In addition, the Finance Office is independent of the various business departments and is solely responsible for handling the Group's financial and investment risk assessment and response. The Internal Audit Office is subordinate to the Board of Directors and audits the risk management implementation status of each unit of the company in accordance with current relevant laws and regulations. The heads of business units are responsible for front-line risk management. In accordance with the "Risk Management Policy and Procedures" adopted by the Board of Directors, the Company defines various risks, prevents potential losses within the acceptable risk range, and improves risk management to achieve the Company's goal of sustainable operation.

The Risk Management Committee shall meet at least once a year and report on its implementation to the Board of Directors. The most recent report submitted to the Board of Directors was dated November 13, 2025.

## 6.6.1 Effects of interest rate and exchange rate changes as well as inflation on Company's profit and response measures



1. Interest rate: The Company's interest expense in 2025 and 2024 was NTD 55,693 thousand and NTD 126,754 thousand respectively; respectively accounting for 0.54% and 1.40% of the year's operating profit. High interest expense was mainly due to the fact that the Company's vertically integrated production processes required more working capital. As the Company's business scale expands, profitability improves and own capital is replenished, the Company is not expected to face the risk of interest rate increase that leads to jump in interest expense. However, if the Company needs to borrow funds from financial institutions and interest rate rises in the future, increased interest expense will affect the Company's profit.
2. Exchange rate: The main operations of the Group include AirTAC Ningbo, AirTAC Guangdong and AirTAC China that use RMB as their functional currency. Those companies would hold small-sum USD and Euro to pay for miscellaneous expenses of employees stationed abroad. The Company's exchange gain (loss) in 2021~2025 were (\$22,087) thousand, \$183,585 thousand, (\$113,357) thousand, and \$306,111 thousand, and \$90,240 thousand respectively accounting for a percentage of the year's operating profit, at 0.27%, 2.43%, 1.28% and 3.39% and 0.88% respectively.

The main operations of the Group do not face significant risk of exchange rate fluctuation. However after the Group's Cayman Islands holding company has become listed in Taiwan, the Company could be exposed to the risk of USD to NTD fluctuation for it might need to distribute dividends in NTD or exchange the funds raised in Taiwan into USD. To address the exchange rate risk, the Company's finance department might take the following actions:

### Response measures:

- a. The finance department holds proper foreign currency positions in view of the trends

of exchange rate to provide for the operation needs of subsidiaries and to reduce the effects of exchange rate fluctuation on the Company's profit.

- b. The finance department keeps close communication with corresponding banks and constantly monitors the foreign exchange market to enable the management to fully grasp the exchange rate variations and make timely adjustment in case of any contingent events relating to change of payment currency.
- c. The finance department adopts automatic offset principle to address currency risk (i.e. both exports and imports are quoted in USD) and use forward exchange contracts and foreign currency borrowing in view of needs to reduce the effects of exchange rate fluctuation on Company profit.

### 3. Inflation/ deflation:

Under the rapidly evolving macroeconomic environment, the Company has not been materially affected by the fear of inflation or deflation as described above. The products of the Company are sold mainly in China. By keeping a firm grasp on the price fluctuation of raw materials and end-products and maintaining good rapport with suppliers and clients, and adopting dynamic purchase and sales strategies, adjusting cost structure and trading terms in line with the market situation, the Company is able to effectively minimize the effects of inflation or deflation on Company profit.

#### **6.6.2 Policies regarding high-risk investments, high leverage investments, loans to other parties, endorsements, guarantees, and derivatives transactions; main reasons for the profits/losses generated thereby; and response measures**

The Company has established "Procedure for Acquisition and Disposal of Assets", "Procedure for Providing Loans to Others", "Procedure for Endorsement and Guarantee Operation", and "Procedure for Derivatives Transactions" for compliance by the Company and subsidiaries in undertaking related activities. As of date of annual report, the Company did not engage in any high-risk, high-leverage investments or derivatives transactions, but only provide loans to 100% holding subsidiaries and write it off in the consolidated financial statements. However, if the Company engages in high-risk, high-leverage investments, or provide endorsements/guarantees, or loans to others or engage in derivatives transactions in the future, the Company's finance will be exposed to high risk, and any material loss therefore could put the Company in financial difficulty or seriously erode the Company's profit margin. But the Company has always focused on its core business and has not branched out into other high-risk industries. The Company also adopts a conservative financial policy and stay away from high-leverage investment. Thus the Company is exposed to limited associated risks.

#### **6.6.3 Future R&D projects and estimated R&D expenditure**

1. The Company believes in technology autonomy and develops major process technologies in-house. The Company also puts equal emphasis on new technology and process technology R&D to improve and upgrade technological know-how continuously.
2. The Company expands from mid and low-end automation application into the arena of high-end automation equipment based on existing technology, expansion of product lines

and application of end-products.

The Company's R&D expenditure as a percentage of sales revenue was 3.00%, 3.39%, and 3.23% respectively in 2023~2025, showing a general rising trend. The Company will continue to put in more R&D resources in line with the product development plans. R&D investment in the future is expected to cost as 3% of the annual sales revenue. If the Company fails to allocate resources to R&D in the future, future product development and R&D projects could be constrained, or the Company's products could no longer keep up with the market trends or customer demands. Furthermore, the Company could lose customer orders that could produce material adverse impact on the Company's operations.

#### **6.6.4 Effect of changes in government policies and legal environment at home and abroad on Company's finance and business, and response measures**

The Company is registered in Cayman Islands and operates primarily in Taiwan and China. Cayman Islands is a territory where financial services constitute its major economic activities, whereas China is a major economy in the world. The pneumatic components developed and sold by the Company are not in a concession business. In addition, the Company operates its businesses in compliance with government policies, local and foreign laws. The Company constantly watches the trends of important government policies and changes in legal environment at home and abroad, respond readily to the changing market environment, and take appropriate actions. Up to 90% of the Company's clients are located in China. The Company's major suppliers are also located in China. Given the special political relationship between China and Taiwan, the businesses of the Company's clients, suppliers, and of the Company itself could be influenced by the political, economic and legal environments in China and Taiwan. If the government policies, tax laws, economic situation or interest rate in China or Taiwan change, or if there are any political, diplomatic or social events involving China and Taiwan that affect the Company's clients or suppliers, the Company's businesses could be affected as well. The Company has been developing clientele and suppliers in other areas to minimize the aforementioned risks.

#### **6.6.5 Effect of recent technological and market changes (include information security risks) on the Company's finance and business, and response measures**

The modern-day technology evolves constantly. Aside from constantly grasping the trends in the industry, market and technology, the Group also engages in research on plastic and rubber materials with the aim to find the most appropriate materials for innovative application on products. The Company also undertakes innovative research on products and processes with the aims to provide most competitive products and services, and expand market share to address the dynamic industrial environment. As such, changes in technological and market environment are not expected to have any material impact on the Group's finance and business. Information security risks please refer to "5.6 Information Security Management".

#### **6.6.6 Effect of changes in corporate images on Company's risk management and response measures**

Guided by the principle of honesty and the spirit of solid pragmatism, the Company has been operating based on the beliefs of "People Oriented, Commitments, Profit Sharing and Common Development" to strengthen internal management, and improve quality and efficiency. The Company continues to bring in outstanding and talented personnel to

strengthen the management team. The Company shares its positive operating results with shareholders and acts as a good corporate citizen in giving back to the society. The Company maintains a good corporate image and presently there is no incident that changes corporate image or puts the Company in crisis.

#### **6.6.7 Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures**

The Company did not undergo merger and acquisition in the most recent year and up to the date of annual report. If the Company undergoes merger and acquisition (“M&A”) or reorganization in the future, it do not guarantee such activity will have positive effect on Company operations for such activity could keep the Company from focusing on its core business or produce negative impact on the corporate culture or employee retention.

If the Company plans to undergo M&A in the future, the Company will make careful evaluation and submit it to the board of directors in advance for approval, and in addition, propose it to the shareholders’ meeting for approval with the adoption of a special (supermajority) resolution in accordance with the Company’s articles of association before proceeding with the M&A. Such procedural requirement is to ensure full preparation and communication beforehand so as to minimize any adverse effect of M&A.

#### **6.6.8 Expected benefits and possible risks associated with any plant expansion and mitigation measures**

Aside from expanding own capacity in line with growth of the industry, the Company also maintains a long-term cooperative relationship with outside contractors to help regulate capacity utilization, thereby effectively addressing changes in business cycle and market demands.

#### **6.6.9 Risks associated with over-concentration in purchase or sales, and mitigation measures**

##### **1. Supplier concentration:**

The Company is a pneumatic component manufacturer. Major raw materials for the Group’s products include aluminum, copper, steel and plastic materials, which are essential materials for a large number of manufacturers. Thus there are already a large number of suppliers and sufficient supply on the market. The Group is not faced with the problem of finding alternative suppliers. Overall the Group does not run the risk of over-concentration in purchase.

##### **2. Client concentration:**

The Group sells primarily pneumatic components which are applied extensively in the automated machinery used in more than 50 industries, such as packaging, printing, plastic, bottle filling, ultrasound, healthcare, pharmaceutical, ceramic, welder, construction, lathe machine, sewing, automation, metallurgy, automobile, electronic, road construction, dyeing and finishing, weighing, textile, plastic, rinsing, and shoe making. No sale to any single customer accounts for more than 2% of the Company’s total sales. Thus the Company does not run the risk of client concentration.

#### **6.6.10 Effect on the Company in the event large quantity of shares belonging to a director, supervisor, or shareholder holding more than 10 percent interest in the Company has been transferred or has otherwise changed hands, associated risks and mitigation measures: None.**

### **6.6.11 Effect of changes in management rights on the Company, associated risks and response measures**

The Company did not have management rights changing hands in the most recent year and up to the date of annual report. The Company has been stepping up corporate governance by bringing in independent directors and established an audit committee to ensure greater shareholder protection. The Company relies mostly on professional managers in daily operations. The strong professional management team has made considerable contribution to the Company operations and should continue to have the support of shareholders in the future. Thus any change to management rights in the future is not expected to have material negative effect on the competitive advantage of the Company in management and operation.

### **6.6.12 The outcome of concluded or pending litigious, non-litigious, or administrative litigation events involving the director, supervisor, president, de facto responsible person, major shareholders holding more than 10% interest, or subsidiary of the Company up to the date of annual report that might have material impact on stockholders' equity or Company stock price (facts in dispute, amounts involved, litigation commencement date, parties concerned, and progress as of the date of annual report): None.**

### **6.6.13 Other major risks and response measures**

1. Please see the section of the report on factors advantageous and disadvantageous to the future prospects of the Company and response measures for other major operational risks faced by the Company.

2. Possible lack of full protection under specific circumstances

The operations of a company are faced with a variety of risks and hazards, such as equipment breakdown, damage or malfunction, delay in delivery of equipment, limited capacity, employee strike, fire, natural disasters (e.g. earthquake or typhoon), environmental hazards or occupational hazards that could produce material adverse effects on the Group's operations. Although the Group has acquired insurance coverage for fixed assets and inventories according to the customary practice at the territory or country of operation, such insurance might not provide full protection under specific circumstances. If the Group sustains loss in any incident thereof, it could have adverse effect on the Group's operations.

3. Climate change risks and countermeasures

We have always managed disaster risks with proactive and preventive management to reduce the impact and effect on production and operations posed by climate change.

#### **(1) Climate Change Governance**

AirTAC integrates its existing internal risk management framework with the Task Force on Climate-related Financial Disclosures (TCFD) framework to drive sustainability initiatives. The AirTAC Board of Directors serves as the highest governance unit for climate issues, overseeing and making decisions regarding the company's climate change governance. Through management-level meetings, the climate risks should be considered comprehensively along with other risks. They track and review the progress of climate change related initiatives, take necessary mitigation measures based on risk severity, and regularly update climate risk assessments in alignment with the latest domestic and international climate

governance policies and industry practices. Annually, in January, the Chief Financial Officer reports the annual environmental equipment capital expenditure to the Audit Committee and the Board of Directors. The general manager office reports the results of sustainability development execution to the Board of Directors at least once a year.

(2) Risk Management Process

AirTAC 's risk management organization is composed of relevant functional units. The top executives of each unit collect data from historical experiences and events reported by industry or media to analyze climate related risks and opportunities most relevant to AirTAC. Functional units conduct regular reviews of risk and opportunity items, and the general manager office gathers the information, reporting it annually to the Board of Directors.

(3) Climate Change-Related Risk and Opportunity Identification Process

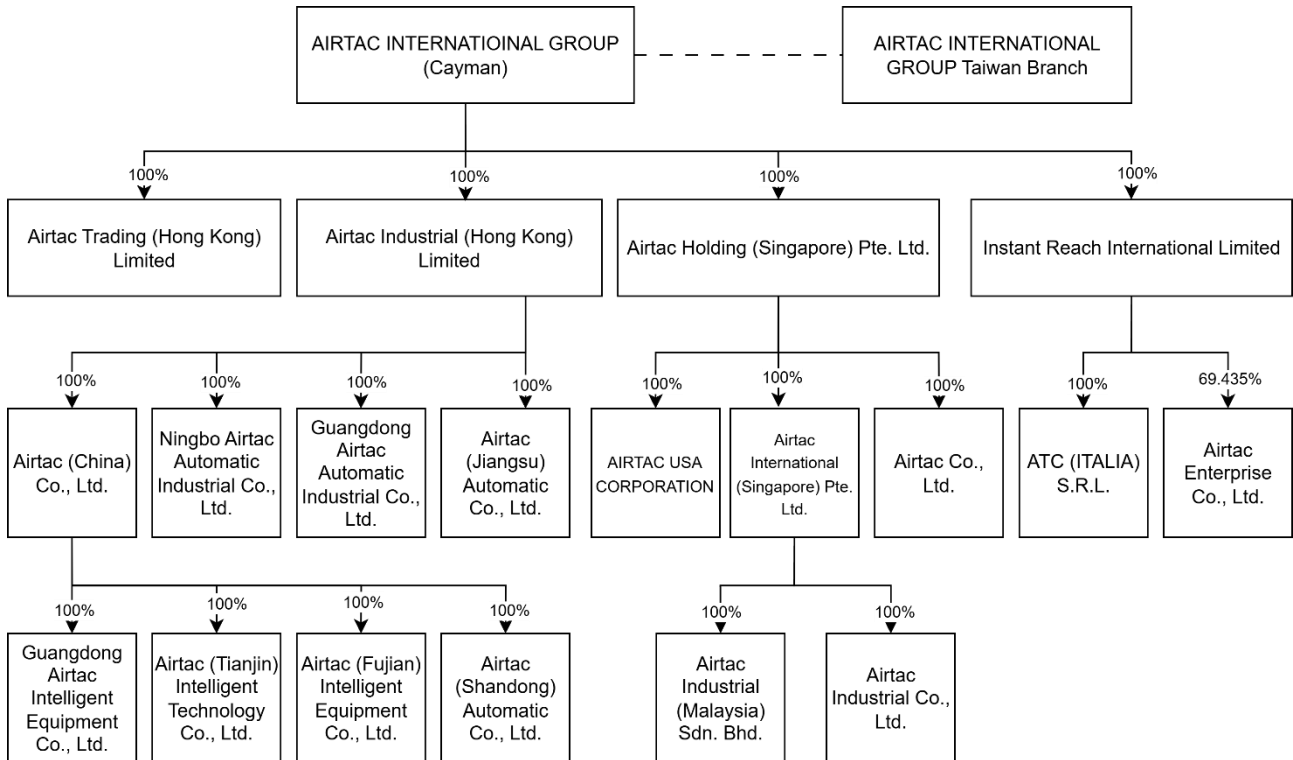
AirTAC collects third-party research reports and identifies common risks and opportunities from benchmark companies domestically and internationally. Through internal discussions with various responsible managers and external consultant opinions, the company evaluates and focuses on climate change risks and opportunities that are truly applicable to AirTAC 's daily operations.

**6.7 Other Important Affairs: None.**

## 7. Special Disclosure

### 7.1 Summary of Affiliated Companies:

#### 7.1.1 Organization chart:



## 7.1.2 Profile of affiliates

Unit: NT\$ thousands

Name of Affiliate	Date of establishment	Address	Paid-in capital	Major businesses or products
Airtac Industrial (Hong Kong) Limited	2008.11.10	13/F, 136 Des Voeux Road Central, Central, Hong Kong	USD 87,500 RMB 537,500	General investment
Airtac Trading (Hong Kong) Limited	2008.11.10	13/F, 136 Des Voeux Road Central, Central, Hong Kong	USD -	General investment
Instant Reach International Limited	2006.4.18	Vistra Corporate Service Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	USD 2,283 EUR 1,000 RMB 17,500	General investment
Airtac Holding (Singapore) Pte. Ltd.	2011.8.11	16 Raffles Quay, #19-01 Hong Leong Building, Singapore 048581	USD 12,000	General investment
Ningbo AirTAC Automatic Industrial Co., Ltd.	2001.8.16	No. 88, Siming East Rd., Hi-tech. Park, Fenghua Dist., Ningbo City, Zhejiang, China	USD 52,000 RMB 1,005,500	Production of all kinds of pneumatic controlling components and auxiliary parts
Guangdong AirTAC Automatic Industrial Co., Ltd.	2006.9.30	No. 7, Kaixuan Rd., Songxia Industrial Park, Shishan Town, Nanhai District, Foshan, Guangdong, China	USD 6,000	Production of all kinds of pneumatic controlling components and auxiliary parts
Airtac (China) Co., Ltd.	2011.5.6	No.8 Huisheng Road, Fenghua Dist., Ningbo City, Zhejiang, China	USD 18,000 RMB 126,000	Wholesale, distribution of all kinds of pneumatics, tools and equipment and providing related services
Airtac (Jiangsu) Automatic Co., Ltd.	2015.7.2	No.188 Ruike Road, Yushan Town, Kunshan City, Jiangsu, China	USD 1,500 RMB 269,455	Wholesale, distribution of all kinds of pneumatics, tools and equipment and providing related services
Guangdong Airtac Intelligent Equipment Co., Ltd.	2016.11.30	No. 3, Shiquanling Road, Chenjiang Street, Zhongkai High-Tech. Development Zone, Huizhou City Guangdong, China	RMB 10,000	Wholesale, distribution of all kinds of pneumatics, tools and equipment and providing related services
Airtac (Tianjin) Intelligent Technology Co., Ltd.	2017.9.20	Factory A, 1-3 Floor, D10 of Easter District, No.1 of School West Road, Xiqing School Industrial Area, Tianjin City, China	RMB 10,000	Wholesale, distribution of all kinds of pneumatics, tools and equipment and providing related services
Airtac (Fujian) Intelligent Equipment Co., Ltd.	2018.7.18	101, No.1, Guankou Zhenping Road, Jimei District, Xiamen, Fujian, China	RMB 10,000	Wholesale, distribution of all kinds of pneumatics, tools and equipment and providing related services

Name of Affiliate	Date of establishment	Address	Paid-in capital	Major businesses or products
Airtac (Shandong) Automatic Industrial Co., Ltd.	2023.6.16	101, Building 4, Tysen-kld Intelligent Power Industrial Park, No. 103, Yushan Road, Licheng District, Jinan City, Shandong, China	RMB 30,000	Wholesale, distribution of all kinds of pneumatics, tools and equipment and providing related services
Airtac Enterprise Co., Ltd.	1989.5.9	No. 163, Sec. 1, Wenzhong Rd., Luzhu Dist., Taoyuan City 338, Taiwan (R.O.C.)	NTD 1,000	Production, sales, import and export of machineries and parts
ATC (ITALIA) S.R.L.	2008.6.10	Via San Vittore 16, 20123 Milano, Italy	EUR 4,000	All types of production and sales of pneumatic and hydraulic control elements
Airtac International (Singapore) Pte. Ltd.	2011.8.11	16 Raffles Quay, #19-01 Hong Leong Building, Singapore 048581	USD 7,500	Production and sales of pneumatics and auxiliary components
Airtac Co., Ltd.	2013.4.18	3-6-3, Kusune, Higashiosaka-shi, Osaka, Japan (577-0006)	JPY 98,000	Production and sales of pneumatics and auxiliary components
AIRTAC USA CORPORATION	2016.11.4	21201 Park Row Drive, Katy, TX, USA 77449	USD 3,000	Production, sales, import and export of machineries and parts
Airtac Industrial (Malaysia) Sdn. Bhd..	2013.7.16	No 22-01, Jalan Ekoperniagaan 1/3, Taman Ekoperniagaan, 81100 Johor Bahru, Johor, Malaysia	MYR 1,000	Production, sales, import and export of machineries and parts
Airtac Industrial Co., Ltd.	2015.4.21	No. 11/12 M00 9, Bangchalong, Bangplee, Samutprakarn, Thailand 10540.	THB 100,000	Production and sales of pneumatics and auxiliary components

**7.1.3 Information on same shareholders of the Company and an affiliate in which the Company has controlling or subordinate relationship with: None.**

### 7.1.4 Profile of directors, supervisors and president of subsidiaries and affiliates

Unit: 1,000 shares

Name of affiliate	Title	Name	Shares held (Note)	Shareholding (Note)
Airtac Industrial (Hong Kong) Limited	Chairman	Wang, Shih-Chung	5,166,725	100.00%
Airtac Trading (Hong Kong) Limited	Chairman	Wang, Shih-Chung	-	100.00%
Instant Reach International Limited	Chairman	Wang, Shih-Chung	187,335	100.00%
	Director	Lan, Shun-Cheng		
	Director	Tsao, Yung-Hsiang		
Airtac Holding (Singapore) Pte. Ltd.	Chairman	Wang, Shih-Chung	377,160	100.00%
Ningbo Airtac Automatic Industrial Co., Ltd.	Chairman	Wang, Shih-Chung	6,155,088	100.00%
	GM/Director	Li, Huai-Wen		
	Director	Lan, Shun-Cheng		
	Director	Wang, Hai-Ming		
	Director	Tsao, Yung-Hsiang		
	Supervisor	Yang, Yung-Liang		
Guangdong AirTAC Automatic Industrial Co., Ltd.	Chairman	Wang, Shih-Chung	188,580	100.00%
	GM/Director	Li, Huai-Wen		
	Director	Lan, Shun-Cheng		
	Director	Wang, Hai-Ming		
	Director	Tsao, Yung-Hsiang		
	Supervisor	Yang, Yung-Liang		
Airtac (China) Co., Ltd.	Chairman	Wang, Shih-Chung	1,132,236	100.00%
	GM/Director	Li, Huai-Wen		
	Director	Lan, Shun-Cheng		
	Director	Wang, Hai-Ming		
	Director	Tsao, Yung-Hsiang		
	Supervisor	Yang, Yung-Liang		
AirTAC (Jiangsu) Automation Co., Ltd.	Chairman	Wang, Shih-Chung	1,258,615	100.00%
	GM	Dai, Jia-Xing		
	Director	Lan, Shun-Cheng		
	Director	Li, Huai-Wen		
	Supervisor	Tsao, Yung-Hsiang		
Guangdong Airtac Intelligent Equipment Co., Ltd.	Chairman	Wang, Shih-Chung	44,960	100.00%
	GM	Dai, Jia-Xing		
	Supervisor	Tsao, Yung-Hsiang		
Airtac (Tianjin) Intelligent Technology Co., Ltd.	Chairman	Wang, Shih-Chung	44,960	100.00%
	GM	Dai, Jia-Xing		
	Supervisor	Tsao, Yung-Hsiang		
Airtac (Fujian) Intelligent Equipment Co., Ltd.	Chairman	Li, Huai-Wen	44,960	100.00%
	GM	Dai, Jia-Xing		

Name of affiliate	Title	Name	Shares held (Note)	Shareholding (Note)
	Supervisor	Tsao, Yung-Hsiang		
Airtac (Shandong) Automatic Industrial Co., Ltd.	Chairman	Li, Huai-Wen	134,880	100.00%
	GM	Tian, Yong-gang		
	Supervisor	Tsao, Yung-Hsiang		
Airtac Enterprise Co., Ltd.	Chairman	Lan, Shun-Cheng	—	—
	Director	Wang, Shih-Chung	—	—
	Director	Tsao, Yung-Hsiang	—	—
	Director	Lin, Shu-Mei	—	—
	Director	Lin, Tao-Hsuan	—	—
	Supervisor	Hung, Mei-Lan	—	—
ATC (ITALIA) S.R.L.	Chairman	Tsao, Yung-Hsiang	147,600	100.00%
	Director	Wang, Shih-Chun		
	Director	Lan, Shun-Cheng		
Airtac International (Singapore) Pte. Ltd.	Chairman	Wang, Shih-Chung	235,725	100.00%
	Director	Lan, Shun-Cheng		
	Director	Tsao, Yung-Hsiang		
Airtac Co., Ltd.	Representative Director	Tsao, Yung-Hsiang	19,698	100.00%
	Director	Wang, Shih-Chun		
	Director	Lan, Shun-Cheng		
AIRTAC USA CORPPORATION	Chairman	Wang, Shih-Chun	94,290	100.00%
	Director	Lan, Shun-Cheng		
	Director	Tsao, Yung-Hsiang		
Airtac Industrial (Malaysia) Sdn. Bhd.	Chairman	Wang, Shih-Chun	7,480	100.00%
	Director	Lan, Shun-Cheng		
	Director	Tsao, Yung-Hsiang		
	Director	Siti Elyanee Binti Abu Bakar		
Airtac Industrial Co., Ltd.	Chairman	Wang, Shih-Chung	100,260	100.00%
	Director	Lan, Shun-Cheng		
	Director	Tsao, Yung-Hsiang		

Notes: No shares are provided for it is a limited company and only capital contribution and proportion of contribution are shown.

## 7.1.5 Operational highlights of affiliates

Unit: NT\$ thousands

Name of Affiliate	Paid-in Capital	Total Assets	Total Liabilities	Net Worth	Operating Income	Operating Profit (Loss)	Profit (Loss) for the period	EPS (\$)
Airtac Industrial (Hong Kong) Limited	5,166,725	43,120,691	5,822,626	37,298,065	-	(5,525)	8,148,920	Note 1
Airtac Trading (Hong Kong) Limited	-	958	40	918	-	(87)	(104)	Note 1
Instant Reach International Limited	187,353	20,286	-	20,286	-	(117)	(40,780)	Note 1
Airtac Holding (Singapore) Pte. Ltd.	377,160	(110,170)	153	(110,323)	-	(282)	23,264	Note 1
Ningbo AirTAC Automatic Industrial Co., Ltd.	6,155,088	38,977,479	8,364,718	30,612,761	28,979,790	7,093,295	6,295,820	Note 1
Guangdong AirTAC Automatic Industrial Co., Ltd.	188,580	2,864,118	1,500,171	1,363,947	3,827,857	1,326,363	989,969	Note 1
Airtac (China) Co., Ltd.	1,132,236	6,335,538	3,123,354	3,212,184	10,478,391	440,052	961,032	Note 1
Airtac (Jiangsu) Automatic Co., Ltd.	1,258,615	3,669,172	1,594,376	2,074,796	9,146,117	456,740	368,558	Note 1
Guangdong Airtac Intelligent Equipment Co., Ltd.	44,960	4,059,133	3,504,689	554,444	11,039,809	607,309	468,562	Note 1
Airtac (Tianjin) Intelligent Technology Co., Ltd.	44,960	76,248	114	76,134	134,747	12,255	10,768	Note 1
Airtac (Fujian) Intelligent Equipment Co., Ltd.	44,960	314,828	183,052	131,776	1,023,098	84,003	62,278	Note 1
Airtac (Shandong) Automatic Industrial Co., Ltd.	134,880	1,294,250	1,067,548	226,702	3,265,321	111,355	81,648	Note 1
ATC (ITALIA) S.R.L.	147,600	376,601	374,381	2,220	416,939	(50,337)	(40,043)	Note 1
Airtac Enterprise Co., Ltd.	1,000	25,493	1,639	23,854	-	(953)	(873)	(8.73)
Airtac International (Singapore) Pte. Ltd.	235,725	208,852	696	208,156	-	(3,648)	31,906	Note 1
Airtac Co., Ltd.	19,698	56,601	172,673	(116,072)	64,738	(16,058)	(18,574)	Note 1
AIRTAC USA CORPORATION	94,290	132,195	343,738	(211,543)	275,224	10,508	10,275	Note 1
Airtac Industrial (Malaysia) Sdn. Bhd.	7,480	76,524	68,779	7,745	106,713	11,922	15,984	Note 1
Airtac Industrial Co., Ltd.	100,260	209,604	39,768	169,836	147,503	25,701	18,359	Note 1

Note 1: Earnings per share could not be calculated for it is not a company limited by shares.

Note 2: The amounts were converted to thousand NTD at exchange rate on 2025.12.31.

**7.1.6 Consolidated financial statements of affiliates:** Please refer to the financial reports uploaded on Market Observation Post System.

**7.1.7 Affiliation report: None.**

**7.1.8 Industries covered by the business operated by the affiliated and description of the mutual dealings and division of work among such affiliates:**

The company and its affiliated companies are engaged in the production and sales of various pneumatic and hydraulic control components, actuators, air source processing components, pneumatic auxiliary components and other series of products.

**7.2 Private Placement Securities in the most recent year and up to the date of annual report: None.**

**7.3 Other Necessary Supplementary Explanation: None.**

**7.4 Any Event Which Has a Material Impact on Shareholders' Equity or Securities Prices Was Stipulated in Subparagraph 2, Paragraph 2, Article 36 of Securities Exchange Act in the Most Recent Fiscal Year and up to the Date of the Publication of the Annual Report: None.**