Stock Code: 1530

AWEA Mechantronic Co., Ltd.

2025 ANNUAL REPORT

Publication date: May 6, 2026

Website for checking this Annual Report: http://mops.twse.com.tw/

I. Names, Job Titles, Contact Numbers, and Emails of Spokesperson and Deputy Spokesperson

Spokesperson: Guo-Xuan, Fan
Job title: Assistant manager of the Finance Department
Tel.: (04)24629698 Ext. 62720
E-Mail: alex.fan@awea.com
Deputy Spokesperson: Mei-Fang Liang
Title: Section Manager of Vice President Office
Tel.: (03)5885191 Ext. 61803
E-Mail: claudia.liang@awea.com

II. Address and Telephone of Headquarters, Branches and Plants

Headquarter: No. 629, Sec. Shuichetou, Guanpu Rd., Xinpu Township, Hsinchu County 305
Tel: (03)5885191
Taichung Branch: No. 15, Keyuan 2nd Rd., Xitun Dist., Taichung City 407 (AWEA Taichung Branch)
Tel: (04)24629698
Hsinchu Plant: No. 629, Sec. Shuichetou, Guanpu Rd., Xinpu Township, Hsinchu County 305
Tel: (03)5885191
Central Taiwan Science Park Plant: No. 15, Keyuan 2nd Rd., Xitun Dist., Taichung City 407
Tel: (04)24629698
Chiayi Branch: No. 21, Dapumeiyuanqu 5th Rd., 19th Neighborhood, Dalin Township, Chiayi County 622
Tel: (05)2953699

III. Institution for Stock Transfer

Name: Stock Transfer Agency Department of Capital Securities Corporation
Tel: (02)27023999
Address: B2, No. 97, Sec. 2, Dunhua S. Rd., Taipei City
Website: https://agency.capital.com.tw

IV. Contact Information of Financial Statement Auditors in the Latest Year

Name of CPA: Guei-Duan Chen, Xin-Yu Zhong
Name of CPA firm: EnWise CPAs & Co.
Address: 9F-1, No. 130, Taiyuan N. Rd., North Dist., Taichung City
Tel: (04)22966234
Website: http://www.enwise.com.tw

V. Overseas Listings and Access to the Listing Information: Not applicable

VI. Company Website: http://www.awea.com

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Chapter I　　Report to Shareholders

I. Report on Results of the Company's Business Performance in 2025

(I) Operating revenue: Net operating revenue of the Company in 2025 was NTD 1,384,673 thousand, with an increase of NTD 91,651 thousand and an increase rate of 7.09%, compared with the NTD 1,293,022 thousand in 2024.

(II) Profit and loss: Net loss before tax of the Company in 2025 was NTD (206,286) thousand, with a decrease of NTD 668,456 thousand and a decrease rate of 144.63%, compared with a net profit before tax of NTD 462,170 thousand in 2024; net loss after tax of the Company in 2025 was NTD (233,203) thousand (NTD -2.45 per share), with a decrease of NTD 685,704 thousand and a decrease rate of 151.54%, compared with a net profit after tax of NTD 452,501 thousand (NTD 4.68 per share) in 2024.

(III) Comparison of earnings in 2025 and 2024 was as follows:

(Parent Company Only)

Unit: NTD thousand

Items	2025	2024	Amount in increase/decrease	Increase (decrease) %
Net operating revenues	1,384,673	1,293,022	91,651	7.09%
Operating costs	(1,178,557)	(1,108,126)	70,431	6.36%
Gross profit	206,116	184,896	21,220	11.48%
Realized (Unrealized) gain among associated companies	(2,590)	10,388	(12,978)	(124.93%)
Net operating profit (loss)	(44,875)	(58,902)	14,027	23.81%
Net profit (loss) before tax	(206,286)	462,170	(668,456)	(144.63%)
Net profit (loss) after tax	(233,203)	452,501	(685,704)	(151.54%)

(Consolidated)

Items	2025	2024	Amount in increase/decrease	Increase (decrease) %
Net operating revenues	1,926,469	1,917,762	8,707	0.45%
Operating costs	(1,651,771)	(1,639,155)	12,616	0.77%
Gross profit	274,698	278,607	(3,909)	(1.40%)
Realized (Unrealized) gain among associated companies	(3,674)	3,076	(6,750)	(219.44%)
Net operating profit (loss)	(76,601)	(84,267)	7,666	9.10%
Net profit (loss) before tax	(207,181)	457,480	(664,661)	(145.29%)
Net profit (loss) after tax	(234,502)	446,497	(680,999)	(152.52%)
Attributable to parent company	(233,203)	452,501	(685,704)	(151.54%)

(IV) The budget execution status and the financial revenues in 2025 are as follows:

In accordance with stipulations in "Regulations Governing the Publication of Financial Forecasts of Public Companies", the Company did not need to disclose its financial forecast information for 2025, therefore, there was no data on its budget execution status in 2025.

(V) Breakthrough in operation management:

1. Breakthrough in product development

   AWEA products developed with optimized functions in the direction of large-scale, composite, five-axis, high-speed and intelligence, etc.

   (1) Gantry type high-speed five-axes machining center AG (linear motor drive) and RG (linear screw drive) series, which met the five-axis and high-speed machining needs for mold and aerospace industry.
   (2) Various horizontal/ horizontal five-axis machining centers, which provided machining needs for mass-production line.
   (3) The full range of bridge milling models can be matched with AWEA's in house made high-speed spindle, to meet the needs of the customers' mold processing industry.
   (4) MEGA5 series of high-performance large-scale five-axis machining center, which met the high-speed, and high-precision machining needs of the aerospace industry.
   (5) FCV milling machine 5 axes machining center series, which met the customers' needs for compounding machining.
   (6) The full range of bridge milling models with the new generation of milling head series, which could comprehensively improve the performance and function, and provide the customers with more choices.
   (7) Large bridge type milling machine with AWEA homemade automatic universal head, which could meet the customers' processing needs at different angles.
   (8) Large moving cross rail machining center MVP series and super traveling column machining center MCP series and new moving cross rail moving column MVCP models, which could provide the customers with large processing range, large processing stroke and meet their needs for processing convenience.
   (9) Brand-new long-stroke high-speed aluminum cutting machining center, which could provide ultra-high-speed cutting feed to meet the customers' need for high-speed aluminum cutting.
   (10) The BT series of high-rigidity, high-torque, high-precision horizontal boring and milling machines can meet the machining needs of the energy, shipbuilding, heavy machinery, and large-scale mold industries.
   (11) Intelligent information control system AiLINC new product was published, which enabled the machine matched with AiLINC to be upgraded to intelligent machine, to docking with intelligent manufacturing.

2. Breakthrough in production and sales layout

   (1) Its sales volume of niche market products increased, and its export proportion of bridge type 5-axis machines and horizontal boring mills increased.

(2) Breakthrough in sales volume in mature markets - USA, Germany, North America, etc.
(3) Development of new markets - Eastern Europe, Northern Europe, ASEAN, India and Vietnam, etc.
(4) Development and marketing of new products - new large-scale gantry machine, European-standard attachment head integration application, etc.
(5) It provided diversified controllers for selection, with rapid supply.

3. Breakthrough in improvement of corporate management
(1) It established corporate culture, to improve the corporate competitiveness.
(2) It made effective control of accounts receivable and ending balance of inventory.
(3) It promoted precision production, made effective control of cost, and enhanced the product competitiveness.
(4) It made reasonable use of general and administrative expenses, and reduced unnecessary expenditures.

II. Summary of the business plan 2026

(I) 2026 Trading Strategy

1. Market strategy: To make full use of the information platform, establish complete marketing documents and sales system, coordinate agents in different regions to support each other in machine sales, reduce stock volume and improve delivery speed; cooperate with exhibitions using the group image both at home and abroad, make market promotion, and reduce sales resistance.
2. Sales strategy: Enhance brand recognition between the agents and the customers.
3. Management strategy: Reduce the error rate, improve the working quality, and enhance performance indicator management.

(II) Business objective for 2026

Estimated sales volume in 2026: 116 bridge machines, and 304 C-type machines.

III. Production and marketing policies

Important long-term direction:

(I) Continue to diversion markets: Making diversification of the market is conducive to avoiding the risk of market concentration, which is a long-term policy of the Company, and is conducive to the stable development of the Company.

(II) Improve customer satisfaction by service: After service is an important link for maintaining customers, and the Company could obtain repeat orders only with a good after-sales service, therefore, in the future, the Company will struggle toward the objective of rapid service and inexpensive but excellent support.

(III) Develop products as required by the market: To strengthen the interaction and understanding of the market, develop products according to market demand, and improve the market share of products.

IV. Impact from external competition environment, regulatory environment and overall operation environment

The Company's development in the future is subject to impact from the following adverse factors:

(I) The NTD exchange rate fluctuates greatly, which has an impact on order-receiving and production costs, as well as adverse impact on operation.

(II) The domestic labor laws and regulations are rigid, which is easy to cause employee-employer conflicts, increase the operating costs, and have adverse impact on development of the industry.

V. Future development strategies

(I) Marketing strategies:

1. To adjust the sales market proportion and strategy in response to United States–China trade war and inflation impact.
2. To demonstrate advantages of the Company's products in aerospace, semiconductor and wind power green energy, and expand the market supply and share.
3. To invest more resources for development since the trend of intelligent products with industry is becoming increasingly obvious.
4. To integrate and develop all kinds of five-axis application technologies, and expand sales of five-axis machine.
5. To actively improve all kinds of high-end five-axis products in active markets of five-axis machines.
6. To actively expand the international market, and integrate the demonstration, sales, service and repair sites.
7. To actively introduce talents, make industry-university cooperation, and deeply improve the Company's long-term development competitiveness.
8. To make use of the information tool and network platform, and integrate exhibitions, advertising, publicity and influencer recommendations, to enhance marketing channels.

(II) Procurement strategy

1. To strengthen supply chain links to shorten lead times of raw materials and reduce stock inventory, and improve the delivery speed and mobility.
2. To make group procurement and price negotiation, make regular assessment of the suppliers, and implement ISO assessment of the suppliers' quality, delivery and price, and coach the suppliers to enhance their competitiveness, thus enhancing the competitiveness of the Company.

(III) Development orientation of product

1. To cooperate with the domestic green energy, semiconductor, shipbuilding, drones, robotics and other industrial policies to develop new-generation products, so as to make a preparation for competitive advantages in the future.
2. To construct a complete product line, and coordinate with the Goodway Parent Company, to make respective development in the field of professional milling machine machining and turning machining technologies.
3. To make research and development of high value-added new products, such as gantry-type\

floor-type moving column gantry machine, floor-type moving column moving cross rail gantry machine, high-efficiency mass production machine, high-speed five-axis machine, and horizontal boring machine, etc.

4. To deepen the development of intelligent and automated new functions at the high-tech level.
5. To actively promote and expand products in aerospace machining markets in cooperation with the development trend of aerospace industry in the world.
6. To develop new-generation products in compliance with the global trend of energy-saving, carbon-reduction and green manufacturing.

(IV) Production strategies

1. To improve the self-production rate, and strengthen the precision machining equipment and self-assembly capacity, so as to improve the product quality.
2. To complete the construction of Dapumei Phase II plant in 2026, the completion of which can improve production capacity of small vertical machines, achieving rapid supply.
3. To put Phase II plants of Wujiang Plant into mass production, with key precision components supported by the parent factory, so as to improve production capacity in Mainland China.

Looking back at the volatile global economic landscape of 2025, we faced multiple challenges including high inflation, high interest rates, increased U.S. import tariffs, exchange rate fluctuations, and geopolitical tensions. Consequently, the business operating environment became increasingly difficult, and the global machine tool market was not in good condition. The Company, like most peer companies, faced the same problems, with significant decline in orders and shipments due to limited inventory destocking of customers. Looking ahead to 2026, the Company will efficiently accept orders and deliver products, and refurbish and calibrate used machines to increase their added value for customers to choose from. The Group will continue to adopt a procurement model of bulk orders and annual contracts, and set prices according to quantities, in order to reduce costs and enhance competitiveness. At the same time, we will strengthen product quality, focus on large gantry and high-speed five-axis processing machines to meet the product refinement route, hoping to bring the next industrial recovery opportunity for the Company.

The management team of AWEA has always been following a dedicated attitude and making all-round preparation, and we have the confidence to overcome all kinds of current adverse internal and external factors, so as to make the Company continue to grow steadily in the sluggish environment. We would like to express our gratitude to our customers and business partners, and we would also like to extend special thanks to all employees for their dedication and contributions. We sincerely thank all AWEA shareholders for their long-term support of the Company’s development vision. Thanks again to all shareholders for your support and recognition. At last, I wish all of you:

A good health, and all the best wishes for you!

AWEA Mechantronic Co., Ltd.

President: Shang-Ru Yang

Chairman: President: Accounting Supervisor:

Chapter II Corporate Governance

I. Background information of Directors, Supervisor, President, Vice President, Assistant Manager, and heads of various departments and branches

(I) Profile of directors

1. Basic information

March 29, 2026; Unit: shares

Title	Nationality and registry	Name	Gender/ Age	Date elected	Term	Date first elected	Shares at election		Current number of shares held		Shareholdings of spouse and minor children		Shares held in the names of others		Major career (academic) achievements	Current duties in the Company and in other companies	Spouse or relatives of second degree or closer acting as department heads, directors or supervisor		
							Number of shares	Ratio of Shareholding	Number of shares	Ratio of Shareholding	Number of shares	Ratio of Shareholding	Number of shares	Ratio of Shareholding			Title	Name	Relationship
Chairman	Republic of China	Cheng-Jun Yang	Male Age 51-60	June 7, 2023	3 years	August 18, 2021	–	–	–	–	6,000	0.00%	–	–	Education Background: Executive Master of Business Administration, National Chung Hsing University Work experience: Person in charge of Jin Cheng Investment Co., Ltd. Chairman of Yih Chuan Machinery Industry Co., Ltd.	Chairman of the Company Other companies: Director of Goodway Machine Corp. Director of Turvo International Co., Ltd. Person in charge of Jin Cheng Investment Co., Ltd. Person in charge of Bo Xin Investment Co., Ltd. Chairman of Yih Chuan Machinery Industry Co., Ltd.	President	Shang-Ru Yang	Brothers
Director	Republic of China	Goodway Machine Corp.		June 7, 2023	3 years	May 29, 2002	47,941,311	49.63%	47,962,311	50.70%	–	–	–	–	–	–	–	–	–
		Representative: Cheng-Xuan Wang	Male Age 51-60	June 7, 2023	3 years	April 2, 2021	–	–	–	–	–	–	–	–	Education Background: Bachelor's degree of Information Engineering and Computer Science, Feng Chia University Work experience: Assistant manager of Marketing Planning Department of Goodway Machine Corp. AWEA Mechantronic (Suzhou) Ltd. Legal representative Legal representative of Best Way Mechantronic Ltd. Person in charge of Hung Jiu Investment Co., Ltd. Person in charge of Hong Li Investment Co., Ltd.	The Company: Special Assistant Other companies: Assistant manager of Joint Marketing Planning Department of Goodway Machine Corp. AWEA Mechantronic (Suzhou) Ltd. Legal representative Legal representative of Best Way Mechantronic Ltd. Person in charge of Hung Jiu Investment Co., Ltd. Person in charge of Hong Li Investment Co., Ltd. Legal representative of Extron Machinery Co., Ltd. Person in charge of AXTRON INT'L INVESTMENT CO., LTD Person in charge of AXTRON INT'L INVESTMENT LIMITED	–	–	–

Title	Nationality and registry	Name	Gender/ Age	Date elected	Term	Date first elected	Shares at election		Current number of shares held		Shareholdings of spouse and minor children		Shares held in the names of others		Major career (academic) achievements	Current duties in the Company and in other companies	Spouse or relatives of second degree or closer acting as department heads, directors or supervisor		
							Number of shares	Ratio of Shareholding	Number of shares	Ratio of Shareholding	Number of shares	Ratio of Shareholding	Number of shares	Ratio of Shareholding			Title	Name	Relationship
Director	Republic of China	Qing-Feng Yang	Male Age 71-80	June 7, 2023	3 years	August 18, 2021	130,000	0.13%	130,000	0.14%	—	—	—	—	Education Background: Bachelor's degree of Accounting, National Chung Hsing University Work experience: Vice President of Goodway Machine Corp.	The Company: None Other companies: None.	—	—	—
Director	Republic of China	Goodway Machine Corp.		June 7, 2023	3 years	May 29, 2002	47,941,311	49.63%	47,962,311	50.70%	—	—	—	—	—	—	—	—	—
		Representative: Kun-Nan Zhuang	Male Age 71-80	June 7, 2023	3 years	June 7, 2023	10,580	0.01%	10,580	0.01%	16,510	0.02%	—	—	Education Background: Wen Shan Elementary School Work experience: Director of FitTech Co., Ltd. Chairman of Yo Hao Enterprise Co., Ltd.	The Company: None Other companies: Director of FitTech Co., Ltd. Chairman of Yo Hao Enterprise Co., Ltd.	—	—	—
Independent Director	Republic of China	Zheng-Yong Huang	Male Age 71-80	June 7, 2023	3 years	June 7, 2023	—	—	—	—	—	—	—	—	Education Background: Department of Architecture, National Taipei University of Technology Bachelor's degree of Civil and Construction Engineering, National Taiwan University of Science and Technology Work experience: Chairman of Te Chang Construction Co., Ltd. Chairman of Wang Xin Development and Construction Co., Ltd. Chairman of DG Rubber Co., Ltd. Chairman of Classic Railway International CO., Ltd.	The Company: None Other companies: Chairman of Te Chang Construction Co., Ltd. Chairman of Wang Xin Development and Construction Co., Ltd. Chairman of DG Rubber Co., Ltd. Chairman of Classic Railway International CO., Ltd. Director of TMP Steel Corporation	—	—	—
Independent Director	Republic of China	Li-Ying Luo	Female Age 41-50	June 7, 2023	3 years	June 7, 2023	—	—	—	—	—	—	—	—	Education Background: Master, National Chung Hsing University Work experience: Manager of FitTech Co., Ltd. Assistant manager of Da Fon Environmental Technology Co., Ltd.	The Company: None Other companies: CPA of Yi Cheng Accounting Firm	—	—	—

<table>
<tr><th rowspan="2">Title</th><th rowspan="2">Nationality and registry</th><th rowspan="2">Name</th><th rowspan="2">Gender/ Age</th><th rowspan="2">Date elected</th><th rowspan="2">Term</th><th rowspan="2">Date first elected</th><th colspan="2">Shares at election</th><th colspan="2">Current number of shares held</th><th colspan="2">Shareholdings of spouse and minor children</th><th colspan="2">Shares held in the names of others</th><th rowspan="2">Major career (academic) achievements</th><th rowspan="2">Current duties in the Company and in other companies</th><th colspan="3">Spouse or relatives of second degree or closer acting as department heads, directors or supervisor</th></tr>
<tr><th>Number of shares</th><th>Ratio of Shareholding</th><th>Number of shares</th><th>Ratio of Shareholding</th><th>Number of shares</th><th>Ratio of Shareholding</th><th>Number of shares</th><th>Ratio of Shareholding</th><th>Title</th><th>Name</th><th>Relationship</th></tr>
<tr><td>Independent Director</td><td>Republic of China</td><td>Yu-Ren Su</td><td>Male
Age 41-50</td><td>June 7, 2023</td><td>3 years</td><td>June 7, 2023</td><td>–</td><td>–</td><td>–</td><td>–</td><td>–</td><td>–</td><td>–</td><td>–</td><td>Education Background: Associate degree of Grossmont College
Work experience: Management Information System Engineer of Dayungs Development Co., Ltd</td><td>The Company: None
Other companies: Director of Jinlianggu Enterprise Co., Ltd.</td><td>–</td><td>–</td><td>–</td></tr>
<tr><td>Independent Director</td><td>Republic of China</td><td>Xi-Peng Hong</td><td>Male
Age 71-80</td><td>June 7, 2023</td><td>3 years</td><td>June 10, 2020</td><td>–</td><td>–</td><td>–</td><td>–</td><td>–</td><td>–</td><td>–</td><td>–</td><td>Education Background: Master of Bio-Industrial Mechatronics Engineering, National Chung Hsing University
Work experience: Lecturer of Department of Mechanical Engineering, Hsiuping University of Science and Technology</td><td>The Company: None
Other companies: None.</td><td>–</td><td>–</td><td>–</td></tr>
</table>

2. Major shareholders of juristic person shareholders

March 31, 2026

Name of juristic person shareholder	Major shareholders of juristic person shareholders
Goodway Machine Corp.	De-Hua Yang (41.59%) JiaJin Investment Co., Ltd. (7.48%) Hong Li Investment Co., Ltd. (7.25%) Zhi Yuan Investment Co., Ltd. (6.60%) Yu En Investment Co., Ltd. (6.49%) Zong Han Investment Co., Ltd. (6.38%) Jin Cheng Investment Co., Ltd. (5.84%) Hong Hua Investment Co., Ltd. (2.69%) Hung Jiu Investment Co., Ltd. (2.68%) Hung Jiu Machine Co., Ltd. (2.41%)

3. The above table shows the major shareholders (top ten in the ratio of shareholding) of juristic person shareholders and their ratios of shareholding

Name of juristic person	Major shareholders of juristic person
JiaJin Investment Co., Ltd.	De-Hua Yang (33.32%), Cheng-Jun Yang (22.50%), Shang-Ru Yang (22.46%), Shu-Han Yang (21.66%), De-Sheng Yang (0.02%), Chun-Mu Zhang (0.02%), Qing-Feng Yang (0.02%)
Hong Li Investment Co., Ltd.	De-Hua Yang (27.40%), Cheng-Jun Yang (24.20%), Shang-Ru Yang (24.20%), Shu-Han Yang (24.20%)
Zhi Yuan Investment Co., Ltd.	De-Hua Yang (46.60%), Cheng-Jun Yang (17.25%), Shang-Ru Yang (17.75%), Shu-Han Yang (17.75%), Qi-Guan Zeng (0.50%), De-Sheng Yang (0.05%), Chun-Mu Zhang (0.05%), Qing-Feng Yang (0.05%)
Yu En Investment Co., Ltd.	Shu-Han Yang (100.00%)
Zong Han Investment Co., Ltd.	Shang-Ru Yang (100.00%)
Jin Cheng Investment Co., Ltd.	Cheng-Jun Yang (100.00%)
Hong Hua Investment Co., Ltd.	De-Hua Yang (27.40%), Cheng-Jun Yang (24.20%), Shang-Ru Yang (24.20%), Shu-Han Yang (24.20%)
Hung Jiu Investment Co., Ltd.	De-Hua Yang (31.34%), Shu-Han Yang(12.50%), Shang-Ru Yang (12.50%), Jiang-Bin Jiang(8.33%), Su-Wan Xiao (8.33%), Shang-Hua Jiang(5.00%), Qing-Zhang Wu (5.00%), Yu En Investment Co., Ltd. (4.17%) Zong Han Investment Co., Ltd. (4.17%), Zhi-Chang Cai (3.33%), Cheng-Jun Yang (3.33%), Zhen-Zhong Zheng (1.67%), Zhen-Chuan You (0.33%)
Hung Jiu Machine Co., Ltd.	JiaJin Investment Co., Ltd. (60.00%), De-Hua Yang (38.00%), Cheng-Jun Yang (0.80%), Shang-Ru Yang (0.80%), Shu-Han Yang (0.40%)

4. Disclosure of professional qualification of the directors and independence of directors:

Qualification / Name	Professional qualification and experience	Compliance of independence	Number of positions as an Independent Director in other public listed companies
Cheng-Jun Yang	Master of Business Administration, National Chung Hsing University Person in charge of Jin Cheng Investment Co., Ltd. Chairman of Yih Chuan Machinery Industry Co., Ltd. Has substantial corporate operation and management experience Not meet any descriptions stated in Article 30 of the Company Act.	None of the Company's directors are in violation of the independence requirements stipulated under the Securities and Exchange Act.	None
Goodway Machine Corp. Representative: Cheng-Xuan Wang	Bachelor's degree of Information Engineering and Computer Science, Feng Chia University Chairman of Hung Jiu Investment Co., Ltd. Assistant manager of Joint Marketing Planning Department of Goodway Machine Corp. Special Assistant of AWEA Mechantronic Co., Ltd. Has experience in marketing planning and management Not meet any descriptions stated in Article 30 of the Company Act.		None
Goodway Machine Corp. Representative: Kun-Nan Zhuang	Director of FitTech Co., Ltd. Chairman of Yo Hao Enterprise Co., Ltd. Has hands-on experience in the field of precision machinery and automation equipment Not meet any descriptions stated in Article 30 of the Company Act.		None
Qing-Feng Yang	Bachelor's degree of Accounting, National Chung Hsing University Vice President of Goodway Machine Corp. Has practical experience in industrial R&D, production management, and marketing Not meet any descriptions stated in Article 30 of the Company Act.		None
Zheng-Yong Huang (Independent Director)	Has years of corporate operation experience, with professional experience in business, legal affairs, finance, accounting and other operational functions required by the Company Department of Architecture, National Taipei University of Technology Bachelor's degree of Civil and Construction Engineering, National Taiwan University of Science and Technology Chairman of Te Chang Construction Co., Ltd. Chairman of Wang Xin Development and Construction Co., Ltd. Chairman of DG Rubber Co., Ltd. Chairman of Classic Railway International CO., Ltd. Possesses professional analysis capabilities in construction, business, legal affairs, finance and accounting Not meet any descriptions stated in Article 30 of the Company Act.	The Company's Independent Directors comply with the independence provisions set forth in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".	None

Qualification / Name	Professional qualification and experience	Compliance of independence	Number of positions as an Independent Director in other public listed companies
Li-Ying Luo (Independent Director)	Holds Certified Public Accountant (CPA) qualification and a qualification certificate issued by the Examination Yuan, License (98) Zhuan-Gao-Kuai-Zi No. 000476 Master, National Chung Hsing University Bachelor's degree of National Kaohsiung First University of Science and Technology Manager of FitTech Co., Ltd. Assistant manager of Da Fon Environmental Technology Co., Ltd. Has practical experience in financial management and capital market communication for TWSE/TPEx Listed Companies Not meet any descriptions stated in Article 30 of the Company Act.		None
Yu-Ren Su (Independent Director)	Has professional practical experience in business and digital information Associate degree of Grossmont College Management Information System Engineer of Dayungs Development Co., Ltd Director of Jinlianggu Enterprise Co., Ltd. Not meet any descriptions stated in Article 30 of the Company Act.		None
Xi-Peng Hong (Independent Director)	Former Lecturer, Department of Mechanical Engineering, Hsiuping University of Science and Technology, with professional expertise in mechanical engineering. Having participated in the board operations of AWEA Mechantronic Co., Ltd. for many years, he has in-depth knowledge of corporate accounting, auditing, financial reporting procedures and financial control mechanisms. Master of Bio-Industrial Mechatronics Engineering, National Chung Hsing University Lecturer of Department of Mechanical Engineering, Hsiuping University of Science and Technology Not meet any descriptions stated in Article 30 of the Company Act.		None

5. Diversity and Independence of Board of Directors:

(1) Diversity of Board of Directors

To strengthen the corporate governance and promote the sound development of the constitution and structure of the Board of Directors, the Board shall consider diversity, and propose an appropriate diversity policy for its own operation, business type and development needs for the constitution of board members, including but not limited to the following two aspects:

A. Basic conditions and values, such as gender, age, nationality and culture, and female directors shall account for one-third of all directors.

B. Professional knowledge and skills, such as professional background (e.g., law, accounting, industry, finance, marketing or science and technology), professional skills, and industrial experience.

In accordance with Article 20 of the Company's Corporate Governance Best Practice Principles, board members shall have general knowledge, skills and qualities required for the performance of duties. To achieve the ideal goal of corporate governance, board members shall have general knowledge, skills and qualities required for the performance of duties. Specific management objectives are as follows:

(A) Ability to make operational judgments

(B) Ability to make accounting and financial analysis

(C) Ability to business management

(D) Ability to conduct crisis management

(E) Knowledge of the industry

(F) International market perspective

(G) Ability to lead

(H) Ability to make decisions

Specific management objectives and achievement status

Management objectives	Achievement status
Directors who concurrently serve as managerial officers shall not exceed one-third of all directors.	Achieved
There shall be no spouse or relative within the second degree of kinship with more than half of directors.	Achieved
The chairman and president shall not be the same person.	Achieved
At least one-third of the directors shall have the knowledge, skills and qualities required for the industry.	Achieved
There shall be at least one female director.	Achieved
The number of independent directors shall not be less than one-third of all directors.	Achieved
The term of office of an independent director shall not exceed three consecutive terms.	Achieved
At least one-third of independent directors shall have legal, financial, accounting or technology expertise.	Achieved

Diversified backgrounds of individual directors

Item / Name	Gender	Ability to make operational judgments	Ability to make accounting and financial analysis	Ability to business management	Ability to conduct crisis management	Knowledge of the industry	International market perspective	Ability to leadership and decision making
Cheng-Jun Yang	Male	●	●	●	●	●	●	●
Qing-Feng Yang	Male	●	●	●	●	●	●	●
Kun-Nan Zhuang	Male	●		●	●	●	●	●
Cheng-Xuan Wang	Male	●	●	●	●	●	●	●
Zheng-Yong Huang	Male	●	●	●	●		●	●
Li-Ying Luo	Female	●	●	●	●		●	●
Yu-Ren Su	Male	●		●	●		●	●
Xi-Peng Hong	Male	●	●		●	●	●	●

The proportion of independent directors with employee status is 0%, and female directors account for 12.5% of the Board members. In terms of age distribution, members aged 41 to 50 account for 25%, those aged 51 to 60 account for 25%, and those aged 70 and above account for 50%.

Reasons for failing to attain a one-third ratio for either gender on the Board and measures to strengthen gender diversity:

AWEA operates in the precision machinery manufacturing industry, where senior management and technical talent have historically been predominantly male. This makes it relatively more challenging to identify qualified female professionals with industry experience who meet the eligibility criteria for Board membership. The current Board of Directors (13th term) was elected on June 7, 2023 following statutory procedures. At that time, the proportion of female directors was increased from zero to one seat, representing significant progress compared to previous terms. However, due to the composition of the pool of nominees for this term, the proportion has not yet reached the 33.3% threshold. In order to enable the Board of Directors to absorb more diverse talents, the Company plans to increase the number of female directors during the election of the next Board of Directors after the expiration of the current term, gradually increasing the number of female directors to one-third of the total number.

Measures for enhancing board gender diversity:

1. Expanding talent search channels:	Before the upcoming Board re-election, AWEA plans to broaden its industry network and actively reach out to qualified female professionals with backgrounds in mechanical engineering, law, or finance and accounting.
2. Establishing clear diversity objectives:	Adopt “increasing the proportion of directors of different genders to one-third” as a medium-to-long-term corporate governance objective.
3. Optimizing the nomination system:	In future nomination and review procedures, priority will be given to candidates with diverse professional backgrounds who help balance the gender ratio.

4.	Continuing education and training:	Through regular communication with female supervisors and participation in external governance forums, the Company cultivates high-potential female internal managers to build a talent pool for future Board membership.

(2) Independence of Board of Directors

AWEA currently has 8 Board seats, consisting of 4 non-independent directors and 4 independent directors, with independent directors accounting for 50% of the Board. The Company has established an Audit Committee to perform the functions otherwise carried by supervisors. The Audit Committee members possess diverse professional expertise in finance, information technology, mechanical engineering, business management, and construction engineering, enabling them to review proposals from an objective third-party perspective. The Board is structured to maintain a high degree of supervisory independence.

The Company has established an "Audit Committee" and a "Remuneration Committee", both composed entirely of independent directors, ensuring that financial reporting, internal control systems, and compensation policies are not subject to undue interference by management. Where a proposed resolution involves a director's personal interest, strict recusal procedures are followed, and such director shall not participate in discussions or voting on the matter.

Except for Independent Director Xi-Peng Hong, who has served for two consecutive terms, the other three independent directors were newly appointed in 2023. None of the directors are spouses or relatives within the second degree of kinship to each other, nor are any directors related to any independent director within the second degree of kinship. Accordingly, there are no circumstances falling under Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act. The Board of Directors shall be able to make objective and independent judgments in company affairs.

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

March 29, 2026; Unit: shares

Title	Nationality	Name	Gender	Date elected	Shares held		Shareholdings of spouse and minor children		Shares held in the names of others		Major career (academic) achievements	Current positions in the company and other companies	Spouse or relatives of second degree or closer acting as managerial officers			Remark
					Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding			Title	Name	Relationship	
President	Taiwan	Shang-Ru Yang	Male	December 22, 2025	–	–	661	0.00%	–	–	Master of Business Administration, National Chung Hsing University	Person in charge of Zonghan Investment Co., Ltd. Supervisor of Yih Chuan Machinery Industry Co., Ltd. Director of Extron Machinery Co., Ltd.	–	–	–	
Vice President	Taiwan	Chang-Chi Yang	Male	April 2, 2021	–	–	–	–	–	–	EMBA, Feng Chia University	Vice Chairman of Best Way Mechantronic Ltd. Director and Vice Chairman of AWEA Mechantronic (Suzhou) Ltd.	–	–	–	
Vice President	Taiwan	Rui-Ming Ye	Male	September 1, 2016	–	–	–	–	–	–	Bachelor’s degree of Mechanical Engineering at Tamkang University	Director of AWEA Mechantronic (Suzhou) Ltd.	–	–	–	

(III) Remuneration payment to directors, supervisor, president, and vice president in the latest year

1. Director's remuneration

December 31, 2025

Unit: NTD thousand; %

Title	Name	Director's remuneration								The sum of A, B, C and D as a percentage of after-tax net profit		Remuneration as an employee								The sum of A, B, C, D, E, F and G as a percentage of after-tax net profit		Remuneration received from the invested companies other than the subsidiaries and the parent company
		Remuneration (A)		Pension (B)		Remuneration to directors (C)		Fees for services rendered (D)				Salaries, bonuses, special allowances etc. (E)		Pension (F)		Employees' remuneration (G)						
		The Company	All companies shown in the financial report	The Company	All companies shown in the financial report	The Company	All companies shown in the financial report	The Company	All companies shown in the financial report	The Company	All companies shown in the financial report	The Company	All companies shown in the financial report	The Company	All companies shown in the financial report	The Company		All companies shown in the financial report		The Company	All companies shown in the financial report	
																Cash amount	Stock amount	Cash amount	Stock amount			
Chairman	De-Hua Yang	225	225	-	-	-	-	15	15	240 -0.10%	240 -0.10%	-	-	-	-	-	-	-	-	240 -0.10%	240 -0.10%	None
Chairman	Cheng-Jun Yang	150	150	-	-	-	-	35	35	185 -0.08%	185 -0.08%	-	-	-	-	-	-	-	-	185 -0.08%	185 -0.08%	None
Director	Goodway Machine Corp.	300	300	-	-	-	-	-	-	300 -0.13%	300 -0.13%	-	-	-	-	-	-	-	-	300 -0.13%	300 -0.13%	None
Director	Goodway Machine Corp. Representative: Cheng-Xuan Wang	-	-	-	-	-	-	35	35	35 -0.02%	35 -0.02%	240	550	-	-	-	-	-	-	275 -0.12%	585 -0.25%	None
Director	Goodway Machine Corp. Representative: Kun-Nan Zhuang	-	-	-	-	-	-	35	35	35 -0.02%	35 -0.02%	-	-	-	-	-	-	-	-	35 -0.02%	35 -0.02%	None
Director	Qing-Feng Yang	150	150	-	-	-	-	35	35	185 -0.08%	185 -0.08%	-	-	-	-	-	-	-	-	185 -0.08%	185 -0.08%	None
Director	Shang-Ru Yang	75	75	-	-	-	-	15	15	90 -0.04%	90 -0.04%	2,518	3,034	108	108	-	-	-	-	2,716 -1.16%	3,232 -1.39%	None
Independent Director	Li-Ying Luo	150	150	-	-	-	-	35	35	185 -0.08%	185 -0.08%	-	-	-	-	-	-	-	-	185 -0.08%	185 -0.08%	None
Independent Director	Yu-Ren Su	150	150	-	-	-	-	25	25	175 -0.07%	175 -0.07%	-	-	-	-	-	-	-	-	175 -0.07%	175 -0.07%	None
Independent Director	Zheng-Yong Huang	150	150	-	-	-	-	35	35	185 -0.08%	185 -0.08%	-	-	-	-	-	-	-	-	185 -0.08%	185 -0.08%	None
Independent Director	Xi-Peng Hong	150	150	-	-	-	-	35	35	185 -0.08%	185 -0.08%	-	-	-	-	-	-	-	-	185 -0.08%	185 -0.08%	None

Note 1: Chairman De-Hua Yang resigned on July 8, 2025, Directors Shang-Ru Yang resigned on July 8, 2025.

Note 2: Chairman Cheng-Jun Yang was provided with a car, at the cost of NTD 3,675 thousand, and book value at NTD 663 thousand. (It was not included in the salary, bonus and special expenditures for 2025)

2. President’s and Vice Presidents’ remuneration

December 31, 2025
Unit: NTD thousand; %

Title	Name	Salary (A)		Pension (B) (Note 1)		Bonuses and allowances etc. (C) (Note 2)		Remuneration to employees (D)				The sum of A, B, C and D as a percentage of after-tax net profit (%)		Remuneration received from the invested companies other than the subsidiaries and the parent company
		The Company	All companies shown in the financial report	The Company	All companies shown in the financial report	The Company	All companies shown in the financial report	The Company		All companies shown in the financial report		The Company	All companies shown in the financial report	
								Cash amount	Stock amount	Cash amount	Stock amount			
President	Shang-Ru Yang	1,800	2,316	108	108	718	718	-	-	-	-	2,626 -1.13%	3,142 -1.35%	None
Vice President	Rui-Ming Ye	1,579	1,579	131	131	1,187	1,187	-	-	-	-	2,897 -1.24%	2,897 -1.24%	None
Vice President	Chang-Chi Yang	1,457	3,201	101	101	1,158	1,570	-	-	-	-	2,716 -1.16%	4,872 -2.09%	None

Note 1: All pensions in 2025 were set aside, and 2% was set aside according to the old system and 6% was set aside according to the new system.

Note 2: President Shang-Ru Yang was provided with a car, at the cost of NTD 3,820 thousand, and book value at NTD 3,502 thousand. (It was not included in the salary, bonus and special expenditures for 2025)

Vice President Rui-Ming Ye was provided with a car, at the cost of NTD 799 thousand, and book value at NTD 344 thousand. (It was not included in the salary, bonus and special expenditures for 2025)

Vice President Chang-Chi Yang was provided with a car, at the cost of NTD 2,400 thousand, and book value at NTD 2,233 thousand. (It was not included in the salary, bonus and special expenditures for 2025)

Note 3: In 2025, the Company has a total of 3 personnel holding senior management positions including President, Deputy President, or equivalent roles (e.g., Chief Executive Officer, Deputy Chief Executive Officer, President, and Vice President).

3. Remuneration of the top five highest-paid supervisors

December 31, 2025
Unit: NTD thousand; %

Title	Name	Salary (A)		Pension (B)		Bonuses, special allowances etc. (C) (Note)		Remuneration to employees (D)				The sum of A, B, C and D as a percentage of after-tax net profit (%)		Remuneration received from the invested companies other than the subsidiaries and the parent company
		The Company	All companies shown in the financial report	The Company	All companies shown in the financial report	The Company	All companies shown in the financial report	The Company		All companies shown in the financial report		The Company	All companies shown in the financial report	
								Cash amount	Stock amount	Cash amount	Stock amount			
President	Shang-Ru Yang	1,800	2,316	108	108	718	718	-	-	-	-	2,626 -1.13%	3,142 -1.35%	None
Vice President	Rui-Ming Ye	1,579	1,579	131	131	1,187	1,187	-	-	-	-	2,897 -1.24%	2,897 -1.24%	None
Vice President	Chang-Chi Yang	1,457	3,201	101	101	1,158	1,570	-	-	-	-	2,716 -1.16%	4,872 -2.09%	None

4. Names of the managerial officers received employee's remuneration and the distribution status

   The Company incurred a net loss for 2025, and no employee compensation was accrued accordingly; hence, this provision is not applicable.

5. Analysis and state the ratio of total remuneration paid to the Company's Directors, Supervisors, President, and Vice President. by the Company and the companies in the consolidated financial statements to after-tax net profit in the last two years; also, describe the policy, standard, and combination of remuneration paid; moreover, the procedure of defining remuneration and its relation to business performance and future risks

Title	The Company		Consolidated financial statements	
	2024	2025	2024	2025
Director	1.54%	-2.00%	1.70%	-2.36%
President and Vice Presidents	2.29%	-3.53%	2.92%	-4.68%

<u>Description:</u>

(1) In accordance with Article 20 of the Articles of Incorporation of the Company, the Company shall pay remunerations to the directors for their execution of positions in the Company, and the remunerations to the Chairman and directors shall be authorized to be determined by the Board of Directors according to the degree of their participation in the operation of the Company and the value of their contributions, taking into account both the domestic and foreign industry standards. In addition to the above remunerations, the directors may receive traffic allowance for participating in board meetings.

(2) As stipulated in Article 27 of the Articles of Incorporation of the Company, "If the Company has profit in the year (the so-called profit refers to the profit before tax, and before deduction of employees' remuneration and directors' and supervisors' remuneration), it shall set aside set aside no more than 2% as directors' remuneration…".

(3) In general, a director who is also an employee shall be paid a reasonable salary according to the salary standard of the Company, taking into account the salary level of such employee in the peer market, his/her scope of authority and responsibility within the Company, his/her contribution to the business objectives of the Company and the decision risk borne by the position.

(4) As for the directors' remuneration, in addition to considering the overall operating performance of the Company, reasonable directors' remuneration shall be given with reference to the results of the profit margin, operating efficiency and performance evaluation of the year, and the directors' remuneration system shall be reviewed at any time in accordance with the actual operating conditions and relevant laws and regulations. The directors' remuneration shall be reviewed by the Remuneration Committee and resolved by the by the Board of Directors.

II. Corporate governance

(I) Information on the operation of the Board of Directors

1. The Board of Directors held 7 meetings (A) in the latest year and the participation of the directors are shown below:

December 31, 2025

Title	Name	Actual attendance (B)	Proxy attendance	Actual attendance rate (%) [B/A]	Remark
Chairman	Cheng-Jun Yang	7	—	100.00%	Re-elected on June 7, 2023, and appointed as Chairman on July 8, 2025
Director	Qing-Feng Yang	7	—	100.00%	Re-elected on June 7, 2023
Director	Goodway Machine Corp. Representative: Cheng-Xuan Wang	7	—	100.00%	Re-elected on June 7, 2023
Director	Goodway Machine Corp. Representative: Kun-Nan Zhuang	7	—	100.00%	Newly elected on June 7, 2023
Chairman	De-Hua Yang	3	1	75.00%	Resigned on July 8, 2025
Director	Shang-Ru Yang	3	—	100.00%	Resigned on July 8, 2025
Independent Director	Li-Ying Luo	7	—	100.00%	Newly elected on June 7, 2023
Independent Director	Zheng-Yong Huang	5	2	71.43%	Newly elected on June 7, 2023
Independent Director	Xi-Peng Hong	7	—	100.00%	Re-elected on June 7, 2023
Independent Director	Yu-Ren Su	7	—	100.00%	Newly elected on June 7, 2023

Other remarks:

1. For the operation of the Board of Directors in any of the following circumstances, please specify the date, term, the contents of the proposals, the opinions of all independent directors, and the process of the opinions proposed by the independent directors:
   (1) Matters listed in Article 14-3 of the Securities and Exchange Act: the Company has established an Audit Committee, which applies to the relevant matters of Article 14-5 of the Securities and Exchange Act. Please refer to the “Operating Status of the Audit Committee” in this annual report for relevant data.
   (2) Other than the aforementioned issues, the issue objected by an independent director or where an

independent director maintains a qualified opinion with record or documented declaration in a decision resolved by the Board of Directors: None.

2. With respect to the avoidance of conflicting interest agendas, describe the names of directors, details of the relevant agendas, reasons for avoiding conflicting interest, and the voting decisions:
   (1) At the 14th meeting of the 13th Board of Directors held on May 5, 2025, the disposal of the Company's shareholdings in Huahan Leasing was discussed. This matter involved the personal interest of Chairman De-Hua Yang, and also constituted a conflict of interest for Director Cheng-Xuan Wang and Director Kun-Nan Zhuang in connection with the juristic persons they represent. All aforementioned members recused themselves in accordance with relevant regulations and did not participate in the discussion or voting on this matter. Independent Director Li-Ying Luo acted as acting chairperson to preside over the discussion. Resolution: The proposal was approved without objection by other directors after the independent director Li-Ying Luo has consulted the directors present at the meeting, other than Chairman De-Hua Yang, Director Cheng-Xuan Wang and Director Kun-Nan Zhuang who recused themselves pursuant to law.
   (2) At the 15th meeting of the 13th Board of Directors held on July 8, 2025, the proposal for re-electing the Chairman was discussed. A director nominated Director Cheng-Jun Yang as the Chairman of the Company. Since this matter involves Director Cheng-Jun Yang's personal conflict of interest, he recused himself in accordance with the law and did not participate in the discussion or voting of this matter. Director Cheng-Xuan Wang acted as the meeting chairperson. Resolution: Director Cheng-Xuan Wang nominated Director Cheng-Jun Yang as Chairman of the Company. The proposal was approved without objection by other directors after consulting the directors present at the meeting, except Director Cheng-Jun Yang who recused himself pursuant to law.
3. TWSE/ TPEx listed companies shall disclose information regarding the evaluation cycle, period, scope, methods, and content of Board self-evaluation (or peer evaluation): The Company's "Measures for Performance Evaluation of Board of Directors" stipulate that the Board shall conduct a self-evaluation at least once a year, and engage an external professional independent organization or an external expert and scholar team to conduct a formal evaluation at least once every three years. The self-evaluation shall be conducted by each director at the end of each fiscal year in accordance with the "Board of Directors' Performance Evaluation Form". The evaluation indicators include the following five items: 1. Level of participation in the Company's operations; 2. Improvement of the Board of Directors' decision-making quality; 3. Constitution and structure of the Board of Directors; 4. Election of and continuing education for directors; 5. Internal control. The overall Board performance score of 80 points or higher is rated as "Well-Functioning"; scores of 60 points or above but less than 80 points are rated as "Needs Improvement"; scores below 60 points are rated as "Poorly-Functioning". The performance evaluation indicators and scoring criteria may be revised and adjusted in accordance with the Company's operational needs, and weighted scoring may also be adopted for each evaluation dimension.
4. Targets for strengthening the functions of the Board of Directors during the current and the latest years (e.g., set up an Audit Committee, and enhance information transparency) and the evaluation of the implementation status: enhance information transparency, and abide by the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" to strengthen corporate governance.

   To implement corporate governance and strengthen the functions and operational efficiency of the Board

of Directors, the Company's key implementation outcomes in recent years are summarized below: On November 6, 2023, the Company revised its "Measures for Performance Evaluation of Board of Directors". The revised provisions stipulate that an external performance evaluation of the Board shall be conducted at least once every three years, and each functional committee shall complete an internal annual performance evaluation to further enhance overall Board effectiveness. Pursuant to the Board resolution adopted on March 5, 2024, Mei-Fang Liang from the Vice President Office of the Company was appointed as the Corporate Governance Officer. She is responsible for handling affairs related to meetings of the Board of Directors, Audit Committee, Remuneration Committee and Shareholders' Meeting in accordance with applicable laws; assisting directors with appointment procedures and continuing education; providing information required for directors' performance of duties; and supporting directors in complying with relevant laws and regulations. On November 6, 2024, the Board of Directors approved the "Organizational Regulations of the Sustainable Development Committee" and formally established the "Sustainable Development Committee". The Committee assists the Board of Directors in achieving the Company's sustainable development goals and reinforcing sustainability governance. On the same date, the Board of Directors also adopted the "Operating Procedures for the Preparation and Assurance of Sustainability Report". The Company issued its first official Sustainability Report in August 2025, strengthening stakeholder communication and improving information transparency. At the Board meeting on July 8, 2025, the Board of Directors elected a new Chairman, with Director Cheng-Jun Yang succeeding to the position. Chairman Cheng-Jun Yang has previously served as President of group affiliates and a Director of the parent company. He assumed the role of the Company's President in 2020 and joined the AWEA Board in 2021. With in-depth familiarity with the Company's core business, he facilitates steady leadership succession and the orderly transition of Board operations.

Note: The attendance (including observation) rate (%) is calculated based on the number of Board meetings held during a director's term of office and the number of meetings the director has actually attended (observed).

2. The implementation of the Board of Directors evaluation:

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Evaluation performed once a year	2025.1.1 - 2025.12.31	Board of Directors	Internal self-evaluation of the Board of Directors	1. Level of participation in the Company's operations 2. Improvement of the quality of the board of directors' decision making 3. Composition and structure of the board of directors 4. Election and continuing education of the directors 5. Internal Control
Evaluation performed once a year	2025.1.1 - 2025.12.31	Board members	Self-evaluation of the board members	1. Director's awareness toward the Company's goals and missions 2. Director's awareness to duties

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
				3. Level of participation in the Company's operations 4. Management and communication of internal relations 5. Professionalism and continuing education of directors 6. Internal Control
Evaluation performed once a year	2025.1.1 - 2025.12.31	Remuneration Committee	Internal self-evaluation of the Remuneration Committee	1. Level of participation in the Company's operations 2. Awareness of the duties of Remuneration Committee. 3. Improvement of the quality of the Remuneration Committee's decision making 4. Remuneration Committee's composition and election of its members 5. Internal Control
Evaluation performed once a year	2025.1.1 - 2025.12.31	Audit Committee	Internal self-evaluation of the Audit Committee	1. Level of participation in the Company's operations 2. Awareness of the duties of Audit Committee. 3. Improvement of the quality of the Audit Committee's decision making 4. Audit Committee's composition and election of its members 5. Internal Control
Evaluation performed once a year	2025.1.1 - 2025.12.31	Sustainable Development Committee	Internal self-evaluation of the Sustainable Development Committee	1. Level of participation in the Company's operations 2. Awareness of the duties of Sustainable Development Committee 3. Improvement of the quality of the Sustainable Development Committee's decision making 4. Sustainable Development Committee's composition and election of its members 5. Internal Control

3. Performance evaluation report of the Functional Committee

The Company's Board of Directors adopted the "Measures for Performance Evaluation of Board of Directors" on March 20, 2020, and approved amendments thereto on November 6, 2023. The regulations expressly require that the Board of Directors and each functional committee shall conduct a performance evaluation at least once per year. The aforementioned evaluation shall be conducted at the end of each fiscal year in accordance with the provisions of the Measures for Performance Evaluation of Board of Directors.

The evaluation is conducted by the secretariat office through member self-assessment questionnaires, covering the evaluation period from January 1, 2025 to December 31, 2025. The evaluation results were submitted and reported to the Board of Directors at the meeting held on March 10, 2026. Corresponding improvement measures were formulated in response to directors' suggestions.

(1) The evaluation items for the performance of the Company's Audit Committee include the following:
   A. Level of participation in the Company's operations
   B. Awareness of the duties of Audit Committee.
   C. Improvement of the quality of the Audit Committee's decision making
   D. Audit Committee's composition and election of its members
   E. Internal Control

(2) The evaluation items for the performance of the Company's Remuneration Committee include the following:
   A. Level of participation in the Company's operations
   B. Awareness of the duties of Remuneration Committee.
   C. Improvement of the quality of the Remuneration Committee's decision making
   D. Remuneration Committee's composition and election of its members
   E. Internal Control

(3) The evaluation items for the performance of the Company's Sustainable Development Committee include the following:
   A. Level of participation in the Company's operations
   B. Awareness of the duties of Sustainable Development Committee
   C. Improvement of the quality of the Sustainable Development Committee's decision making
   D. Sustainable Development Committee's composition and election of its members
   E. Internal Control

For the 2025 performance evaluation of the Company's functional committees, including the Audit Committee, Remuneration Committee and Sustainable Development Committee, all committees scored above 95 points. The results demonstrate that the functional committees operate effectively and maintain sound performance.

(II) Information on the operation of the Audit Committee

1. The Audit Committee held 5 meetings(A) in the latest year and the participation of the independent director are shown below:

December 31, 2025

Title	Name	Actual attendance (B)	Proxy attendance	Actual attendance rate (%) (B/A)	Remark
Independent Director	Li-Ying Luo	5	—	100.00%	Newly elected on June 7, 2023
Independent Director	Zheng-Yong Huang	3	2	60.00%	Newly elected on June 7, 2023
Independent Director	Yu-Ren Su	5	—	100.00%	Newly elected on June 7, 2023
Independent Director	Xi-Peng Hong	5	—	100.00%	Re-elected on June 7, 2023

Other remarks:

1. Where any one among those enumerated below exists as the performance by the Audit Committee, the convention date, term, contents of agenda, outcome of the decision resolved in the Audit Committee as well as the Company's opinions toward the Audit Committee's opinions should be expressly remarked.
   (1) Matters listed in Article 14-5 of the Securities and Exchange Act: the Company has established an Audit Committee, which applies to the relevant matters of Article 14-5 of the Securities Exchange Act. All independent directors have agreed to pass all proposals. Please refer to the "Meeting Status of the Audit Committee" in this annual report for relevant data.
   (2) Except the aforementioned issue, other issue not yet resolved in the Audit Committee but has been duly resolved by two-thirds majority of the total number of director seats: None
2. With respect to the avoidance of conflicting interest agendas, describe the names of independent directors, details of the relevant agendas, reasons for avoiding conflicting interest, and the voting decisions: None.
3. Facts of communications by and between independent directors and internal audit supervisors as well as CPA(s) (should include issues regarding the Company's financial conditions, facts in business operation and such key issues, the method of communications and the outcome thereof):
   (1) They submit the audit and tracking reports to the convenor for inspection at least once a quarter, and report the audit results, improvement of audit deficiencies and the Company's financial conditions and facts in business operation of the month, and the convenor gives the review comments on the audit report.
   (2) The internal audit supervisors and CPAs attend the Audit Committee, to which they report the audit work and the audit methods and scope of CPAs, and major audit adjustments and descriptions. CPAs conduct regular communication and discussions with the Audit Committee on a quarterly basis In addition to communications at the meeting, the audit supervisors, CPAs, and independent directors may directly contact and communicate with independent directors as needed to maintain good interaction. For the relevant information, please refer to the "Summary of communications between independent directors and CPAs and audit supervisors" in this annual report.

2. The meeting status of the Audit Committee is as follows:

Audit Committee	Proposal content	Resolution results of Audit Committee	The Company's handling of the Audit Committee's opinions
9th meeting of the 2nd Audit Committee 2025.2.26	1. Proposal for the Company's 2024 Internal Control Statement. 2. Proposal for 2024 financial and business report and financial statements. 3. Proposal for the 2024 earnings distribution. 4. Proposal for loan to Yih Chuan Machinery.	Approve by all members of the Audit Committee.	Approved by all directors present at the Board meeting on February 26, 2025
10th meeting of the 2nd Audit Committee 2025.5.5	1. Proposal for the approval on the consolidated financial statement for the first quarter of 2025	Approve by all members of the Audit Committee.	Approved by all directors present at the Board meeting on May 5, 2025
11th meeting of the 2nd Audit Committee 2025.8.6	1. Proposal for the approval on the consolidated financial statement for the second quarter of 2025. 2. Proposal for making amendment to the Internal Control System. 3. Proposal for loan of Best Way Mechantronic to AWEA Mechantronic (Suzhou).	Approve by all members of the Audit Committee.	Approved by all directors present at the Board meeting on August 6, 2025
12th meeting of the 2nd Audit Committee 2025.11.4	1. Proposal for the approval on the consolidated financial statement for the third quarter of 2025 2. Proposal for evaluation of CPAs in 2026. 3. Proposal for making amendment to the Internal Control System.	Approve by all members of the Audit Committee.	Approved by all directors present at the Board meeting on November 4, 2025
13th meeting of the 2nd Audit Committee 2025.12.22	1. Proposal for the 2026 internal audit plan. 2. Proposal for loan to Yih Chuan Machinery.	Approve by all members of the Audit Committee.	Approved by all directors present at the Board meeting on December 22, 2025

3. Summary of communications between independent directors and CPAs and audit supervisors

Date	Attendee	Communication matters	The Company's handling and communication results
2025.2.26 Communication Meeting between Independent Directors and CPAs	Independent Director CPA Audit supervisor	Report on Financial Status. Audit adjustments that materially affect the financial statements. Audit results and internal control audit report. Other matters.	No opinion at this meeting.
2025.2.26 Audit Committee	Independent Director Audit supervisor	Audit Plan Execution Report for the Fourth Quarter of 2024. Discussion on the Internal Control System Statement.	No opinion at this meeting.
2025.5.5 Audit Committee	Independent Director CPA Audit supervisor	Report on the Review Results of the Consolidated Financial Statements for the First Quarter of 2025. Audit Plan Execution Report for the First Quarter of 2025.	No opinion at this meeting.
2025.8.5 Audit Committee	Independent Director CPA Audit supervisor	Report on the Review Results of the Consolidated Financial Statements for the Second Quarter of 2025. Audit Plan Execution Report for the Second Quarter of 2025.	No opinion at this meeting.
2025.11.4 Audit Committee	Independent Director CPA Audit supervisor	Report on the Review Results of the Consolidated Financial Statements for the Third Quarter of 2025. Audit Quality Indicators (AQI) Report. Audit Plan Execution Report for the Third Quarter of 2025.	No opinion at this meeting.
2025.12.22 Audit Committee	Independent Director Audit supervisor	Discussion on the 2026 internal audit plan. Tracking report on the audit matters for the third quarter of 2025.	No opinion at this meeting.

4. Summary of Key Work Priorities of the Audit Committee for 2025
   (1) Financial statement review, accounting policies and procedures
   (2) Internal control system and associated policies and procedures
   (3) Significant fund lending, endorsements and guarantees
   (4) Derivative financial instruments and cash investment status
   (5) Regulatory compliance
   (6) Corporate risk management
   (7) Qualifications, independence and performance evaluation of CPAs

(8) Performance of the Audit Committee's duties

(9) Performance self-evaluation questionnaire of the Audit Committee

5. For performance evaluation of the Audit Committee, please refer to "Implementation of the Board of Directors Evaluation" of this annual report.

(III) Implementation status of corporate governance, any deviation from the Corporate Governance Best Practice Principles for TWSE/ TPEx Listed Companies, and the reason

Assessment items	Implementation status			Deviation and causes of deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
1. Has the Company established and disclosed its corporate governance principles based on "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies"?	✓		The Company's Board of Directors has set up the Corporate Governance Best Practice Principles, and all operations are handled based on the principles. So far, there have been no major deviations.	No major discrepancy.
2. Shareholding structure and shareholders' equity (1) Has the Company implemented a set of internal procedures to handle shareholders' suggestions, queries, disputes, and litigations? (2) Does the Company have a list of the major shareholders who actually control the Company and the ultimate controllers of the major shareholders? (3) Does the Company establish and implement a risk control and firewall mechanism with affiliated enterprise? (4) Has the Company established internal policies that prevent insiders from trading securities against non-public information?	✓ ✓ ✓ ✓		(1) The Company has spokesperson and deputy spokesperson as a channel to express its opinions, and instructs the Stock Affairs Department to deal with disputes. (2) To be handled by the Stock Affairs Department and securities firm's stock affairs agency, and to keep track of the shareholding status of major shareholders at all times. (3) They have been formulated in the Company's internal control system. (4) The Company has established the Procedures for Preventing Insider Trading, which prohibits insiders from utilizing the undisclosed information to trade securities.	No major discrepancy.
3. The constitution and obligations of the board of directors (1) Has the Board of Directors formulated diversity policies,	✓		(1) In order to strengthen corporate governance and promote the	No major discrepancy.

Assessment items	Implementation status			Deviation and causes of deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
specific management objectives, and implemented them?			sound development of the composition and structure of the Board of Directors, the diversity is considered for the composition of board members, and appropriate diversity policies are formulated based on its own operations, business models, and development needs. The “Corporate Governance Best Practice Principles” of the Company clearly stipulate that the Board members shall generally possess the knowledge, skills and quality necessary for fulfilling their duties. For specific management goals and implementation status, please refer to the “Implementation status of diversified board members” of this annual report.	
(2) Does the Company voluntarily establish various Functional Committees in addition to setting up Remuneration Committees and Audit Committees in accordance with the law?	✓		(2) The Company has established the Remuneration Committee and the Audit Committee in accordance with the law. In order to effectively implement the vision of sustainable development, the Sustainable Development Committee has been established, with direct participation of senior management, to ensure that the sustainable strategy is closely linked to the direction of corporate operations. Through the cross-department cooperation and participation of stakeholders, the Company will promote various sustainable development goals both internally and externally, and form a strong collaborative mechanism. Please refer to the “Implementation of the promotion of sustainable development and the deviation	

Assessment items	Implementation status			Deviation and causes of deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
			and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" of this annual report. Other functional committees are being evaluated.	
(3) Does the Company establish a method to evaluate board performance and evaluate board performance on a yearly basis? Are the performance evaluation results reported to the Board and used as a reference for the remuneration and nomination decisions?	✓		(3) The Company formulated the method for evaluation of the Board of Directors' performance at the Board of Directors in the first quarter of 2020, and performs the evaluation annually. The evaluation shall cover at least five aspects: 1. Level of participation in the Company's operations; 2. Improvement of the Board of Directors' decision-making quality; 3. Constitution and structure of the Board of Directors; 4. Election of and continuing education for directors; 5. Internal control. The evaluation method is that the performance is self-evaluated by directors in accordance with Board of Directors' Performance Evaluation Form, and the relevant units summarize and report the performance evaluation results to the Board of Directors and use them as a reference for the remuneration and nomination for re-election of directors. The results of the latest evaluation were reported to the Board on March 10, 2026. The Measures for Performance Evaluation of Board of Directors was modified in 2023, specifying that the evaluation on the Board of Directors' performance shall be carried out at least once every three years by an external	

Assessment items	Implementation status			Deviation and causes of deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
			professional independent agency or an external team of experts and scholars. The latest evaluation was commissioned to the Taiwan Investor Relations Institute (TIRI) on October 11, 2023, covering five aspects: 1. Constitution and professional development of the Board of Directors; 2. Decision-making quality of the Board of Directors; 3. Operating effectiveness of the Board of Directors; 4. Internal control and risk management; 5. Degree of the participation of the Board of Directors in corporate social responsibility. The evaluation method is that the Board of Directors' performance from January 1 to December 31, 2023 was evaluated based on the Board minutes, current internal policy, other auxiliary documents and public information provided by the Company, and directors' self-evaluation questionnaire and on-site and on-line interview results, and the evaluation results were reported to the Board of Directors on March 5, 2024.	
(4) Does the Company regularly evaluate the independence of the CPA?	✓		(4) The Company's Audit Committee evaluates the independence and competence of the CPAs annually, refers to the Audit Quality Indicators (AQIs), and reports the evaluation results to the Board of Directors. The latest evaluation was resolved and approved by the Audit Committee on November 4, 2025 and reported to the Board of Directors for resolution and approval on November 4, 2025. Evaluation items:	The Company's CPAs can review the Company's financial operations in a transcendent independent way.

Assessment items	Implementation status			Deviation and causes of deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
			A. Whether the appointed CPA firm is an affiliated enterprise of the Company. B. Whether the appointed CPAs have direct or indirect substantial financial interest with the Company. C. Whether the appointed CPAs and their audit team members currently serve as directors, managers, or hold positions that have a significant impact on the audit work in the Company, or have had such circumstances in the last two years. D. Whether the appointed CPAs act as the defense counsel for the Company or settle conflicts with other third parties on behalf of the Company. E. Whether the appointed CPAs and their audit team are suffer from or feel threat from the Company, resulting in an inability to maintain objectivity and clarify professional doubts. F. Whether the appointed CPAs and their audit team provide any non-audit services to the Company that may directly affect the audit work. G. Whether the appointed CPAs have no other circumstances that may affect their independence specified in the Bulletin. H. Whether the appointed CPAs comply with the requirements of the Bulletin No. 10 “Independence of Audit and Review”, Norm of Professional Ethics for	

Assessment items	Implementation status			Deviation and causes of deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
			Certified Public Accountant of the Republic of China. I. Whether the Declaration of Transcendent Independence issued by the appointed CPAs is adopted. Evaluation results: A. The Company has not appointed the same CPA for auditing for more than seven consecutive years. B. Completed the audit of financial statements of the Company for all periods as scheduled. C. Provided financial and tax consulting services to the Company on an irregular basis. D. The CPAs and CPA firm met relevant regulations in terms of audit experience and training hours. E. Issued the "Audit Quality Indicators (AQIs)" and evaluated according to the standards. The appointed CPAs meet the conditions described in the above independence evaluation items, which confirms that the CPAs are independent.	
4. Has the TWSE/ TPEx listed company appointed an appropriate number of competent corporate governance persons and designated a corporate governance officer to be responsible for corporate governance-related affairs (including but not limited to providing the data required for directors and supervisors to perform duties, assisting directors and supervisors in compliance with laws and regulations, dealing with the	✓		The Company appointed the Vice President Office and the Finance Department to be responsible for corporate governance-related affairs, and designated the Corporate Governance Officer to handle affairs including but not limited to providing the data required for directors and independent directors to perform duties, dealing with the matters related to the Board of Directors' meeting and Shareholders' Meeting, and preparing minutes of the Board of Directors'	No major discrepancy.

Assessment items	Implementation status			Deviation and causes of deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
matters related to the Board of Directors' meeting and Shareholders' Meeting, and preparing minutes of the Board of Directors' meeting and Shareholders' Meeting)?			meeting and Shareholders' Meeting.	
5. Has the Company established a channel for communication with stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.), and set up a stakeholder section on the Company's website, and does it properly respond to the important issues about corporate social responsibilities that stakeholders concerns?	✓		The Company has spokesperson and deputy spokesperson as a channel for external communication, and has set up a special area for stakeholders on its website.	No major discrepancy.
6. Has the Company commissioned a professional stock service agent to handle shareholders affairs?	✓		The Company has commissioned the Stock Transfer Agency Department of Capital Securities to handle shareholders affairs.	No major discrepancy.
7. Disclosure of information (1) Does the Company have a website setup and the financial business and corporate governance information disclosed? (2) Has the Company adopted other information disclosure methods (such as, establishing an English website, designating a responsible person for collecting and disclosing information of the Company, substantiating the spokesman system, placing the juristic person seminar program on the Company's website, etc.)? (3) Does the Company announce and report its financial	 ✓ ✓ 	 ✓	 (1) The Company has a website setup and the relevant financial, business and corporate governance information of the Company can be inquired on the website at http://www.awea.com. (2) The Company has set up a dedicated person to collect and disclose its information, to implement the spokesperson system. (3) Annual and semi-annual financial statements, financial statements	No major discrepancy.

<table>
<tr><th rowspan="2">Assessment items</th><th colspan="3">Implementation status</th><th rowspan="2">Deviation and causes of deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td>statements within two months after the end of a fiscal year, and publish and report the financial statements of Q1, Q2 and Q3 along with the monthly business performance in advance before the prescribed deadline?</td><td></td><td></td><td>of Q1 and Q3, and the status of monthly operations are announced and declared within the prescribed period.</td><td></td></tr>
<tr><td>8. Are there any other important information (including but not limited to the interests of employees, employee care, investor relations, supplier relations, the rights of stakeholders, the advanced study of directors and supervisors, the implementation of risk management policies and risk measurement standards, the execution of customer policy, the purchase of liability insurance for the Company’s directors and supervisors) that are helpful in understanding the corporate governance operation of the Company?</td><td>✓</td><td></td><td>(1) The Company performs its operations based on the principle of ethical corporate management and implemented social responsibility, expecting to create the best interests for shareholders and employees.
(2) The Company fully disclosed its information via the MOPS to enable the investors to understand its operation status.
(3) The directors of the Company are all equipped with relevant professional knowledge, and receive further study as stipulated. The Company would from time to time inform the directors in writing to participate in further study on professional knowledge held by relevant units.
(4) The directors show a good attendance at the board meeting, and the board meeting minutes are submitted to the directors after the meeting.
(5) The directors of the Company are all highly self-disciplined, and avoid the proposals in which they are a stakeholder, expecting to move toward corporate governance.</td><td>No major discrepancy.</td></tr>
<tr><td colspan="5">9. Please describe the improvement made based on the corporate governance evaluation results issued by the Corporate Governance Center of Taiwan Stock Exchange in the latest year, and propose the matters to be improved with priority and the measures for such matters. (Not required for companies not included in the corporate governance evaluation):
The Company has demonstrated improvement in all indicator categories of the 2025 Corporate Governance Evaluation, including: establishing a dedicated (part-time) unit for promoting sustainable development; disclosing specific sustainable development (ESG) promotion plans and implementation results; incorporating sustainability issues into</td></tr>
</table>

<table>
<tr><th rowspan="2">Assessment items</th><th colspan="3">Implementation status</th><th rowspan="2">Deviation and causes of deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td colspan="5">supplier management policies; disclosing corporate information on climate-related risks and opportunities in accordance with the framework of the Task Force on Climate-related Financial Disclosures (TCFD); purchasing new machinery and equipment for energy conservation and green energy-related environmental sustainability; and compiling the sustainability report and obtaining approval from the Board of Directors.

The Company conducted an internal review on the latest corporate governance evaluation results and submitted the report to the Board of Directors. Improvement measures will be strengthened in three key areas: enhancing information transparency, strengthening Board operations, and promoting sustainable development. Enhancing information transparency: Disclose the correlation between performance evaluation and remuneration of directors and managerial officers in the annual report, and assess holding at least two investor conferences each year. Strengthening board operations: Formulate an intellectual property management plan linked to operational objectives, and submit regular reports to the Board to fulfill the Board’s supervisory responsibilities for the Company’s intangible assets. Promoting sustainable development: Plan to conduct Scope 3 greenhouse gas inventory to proactively upgrade corporate governance requirements.</td></tr>
</table>

(IV) The Company shall disclose the composition, responsibilities and operation of the Remuneration Committee if established:

1. Information on the members of the Remuneration Committee

December 31, 2025

<table>
<tr><th colspan="2">Qualification
Identity / Name</th><th>Professional qualification and experience</th><th>Compliance of independence (Note)</th><th>Number of other public companies where the members are also the members of the remuneration committee of these companies.</th></tr>
<tr><td>Independent Director (Convener)</td><td>Zheng-Yong Huang</td><td rowspan="4">The Company’s Remuneration Committee is composed entirely of independent directors. For the professional qualifications and experience of committee members, please refer to “Disclosure of Professional Qualification of the Directors and Independence of Directors” of this annual report.</td><td rowspan="4">All members of the Remuneration Committee comply with the requirements stipulated on Page 1 of Article 6 of the “Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange”, as well as the qualification criteria set forth in Article 14-2 of the Securities and Exchange Act. In addition, in accordance with Article 14-3 of the Securities and Exchange Act, independent directors are granted full authority to participate in decision-making and express opinions, enabling them to perform their duties independently.</td><td>0</td></tr>
<tr><td>Independent Director</td><td>Li-Ying Luo</td><td>0</td></tr>
<tr><td>Independent Director</td><td>Yu-Ren Su</td><td>0</td></tr>
<tr><td>Independent Director</td><td>Xi-Peng Hong</td><td>0</td></tr>
</table>

2. Information on the operation of the Remuneration Committee

(1) The Company's Remuneration Committee has four Committee members in total.

(2) The term of office of the current committee members: from June 7, 2023 to June 6, 2026. The Remuneration Committee conducted 2 meetings (A) in the latest year and the qualifications and attendance are as follows:

Title	Name	Actual attendance (B)	Proxy attendance	Actual attendance % (B/A) (Note 1)	Remark
Convener	Zheng-Yong Huang	—	2	0%	Newly elected on June 7, 2023
Committee	Li-Ying Luo	2	—	100%	Newly elected on June 7, 2023
Committee	Yu-Ren Su	2	—	100%	Newly elected on June 7, 2023
Committee	Xi-Peng Hong	2	—	100%	Re-elected on June 7, 2023
Other remarks: 1. Where the board of directors does not adopt or amend the proposal(s) posed by the Remuneration Committee: The Company shall expressly elaborate on the date, term while the board of directors meeting was convened, contents of the issues, outcome of decisions resolved in the board of directors and the Company's response to the opinions posed by the Remuneration Committee(For instance, if the salary pay resolved by the board of directors is higher than that proposed by the Remuneration Committee, the Company should elaborate on the fact of differential gap and the cause thereof): None. 2. Where a decision resolved in the Remuneration Committee is found in contravention of rules or in qualified opinion as verified with records or documented declaration, the Company shall expressly elaborate on the date, terms of the meeting convened by the Remuneration Committee, contents of agenda, opinions of all members and acts taken in response to such opinions: None.					

Note 1: The attendance (%) of members of the Remuneration Committee is calculated based on the number of the Remuneration Committee's meetings held, and the number of his/her actual attendance at the meetings, during the period when he/she was assuming the office.

3. The meeting status of the Remuneration Committee is as follows:

Meeting Date of the Remuneration Committee	Proposal content and subsequent processing	Communication status and results	The Company's handling of the Remuneration Committee's opinions
2025.2.26 (the 5th Remuneration Committee)	1. Report on the actual disbursement of year-end bonuses to directors and managerial officers of the Company for the year 2024. 2. Discussion on the proposal for distribution of remuneration to directors of the Company for the year 2024. 3. Discussion on the proposal for distribution of remuneration to managerial officers of the Company for the year 2024. 4. Discussion on the proposal for definition of the scope of grassroots employees in the Company.	Upon inquiry by the Chairperson, all attending committee members raised no objection, and the proposal was approved as presented.	The proposal was submitted to the Board of Directors and unanimously approved by all attending directors on February 26, 2025.
2025.12.22 (the 5th Remuneration Committee)	1. Report on the actual traffic allowances received by directors for Board meetings in 2025. 2. Report on directors' participation in the 2024 earnings distribution. 3. Report on the actual distribution of employees' remuneration to managerial officers for the year 2024. 4. Discussion on the proposal for year-end bonus distribution to managerial officers of the Company for the year 2025.	Upon inquiry by the Chairperson, all attending committee members raised no objection, and the proposal was approved as presented.	The proposal was submitted to the Board of Directors and unanimously approved by all attending directors on December 22, 2025.

4. Summary of Key Work Priorities of the Remuneration Committee
   (1) Regularly review these operating rules and propose amendment recommendations.
   (2) Establish and regularly review the annual and long-term performance objectives, as well as the policies, systems, standards and structure governing remuneration for the Company's directors and managerial officers.
   (3) Regularly assess the achievement of performance targets for directors and managerial officers, and determine the content and amount of their individual remuneration packages.

5. For performance evaluation of the Remuneration Committee, please refer to "Implementation of the Board of Directors Evaluation" of this annual report.

(V) Implementation of the promotion of sustainable development and the deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies:

<table>
<tr><th rowspan="2">Promotion items</th><th colspan="3">Implementation status</th><th rowspan="2">Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td>1. Does the Company have a specific (or part-time) unit set up to promote the sustainable development governance framework, and the Board of Directors authorizing the management to handle matters and report the supervision results to the Board of Directors?</td><td>✓</td><td></td><td>In order to achieve the Company’s sustainable development goals, the Board of Directors serves as the highest decision-making unit for sustainable development related issues. In 2024, a functional committee called the “Sustainable Development Committee” was established, consisting of three members (including two independent directors). The chairman of the committee, Member Chang-Chi Yang is the Executive Vice President of the Company, and has expertise in enterprise management and leadership of corporate transformation, which meets the professional requirements of the committee. The committee aims to enhance the performance of the Company’s Board of Directors, implement the Company’s sustainable development goals, strengthen sustainable governance, and assign relevant responsibilities. To strengthen execution, the committee has established a cross-departmental group called the “Sustainable Development Promotion Group”, which includes the top executives of various relevant units to assist the committee in implementing various plans. The group includes the Green Sustainability Group, Customer Relations Group, Sustainable Products Group, Corporate Governance Group, and Social Integration Group. It is responsible for identifying sustainable issues related to the Company’s operations and stakeholders’ concerns, formulating corresponding strategies and work policies, and preparing budgets related to sustainable development of various organizations, planning and executing annual plans, and tracking the effectiveness of implementation to ensure that sustainable development strategies are fully implemented in the Company’s daily operations. The Group shall hold a meeting every quarter and report to the Board of Directors at least once a year. The latest report was submitted to the Board of Directors on March 10, 2026. The proposals include:
1. Report and review explanation on the 2025 (12th) Corporate Governance Evaluation.
2. Intellectual Property Management Report.</td><td>No major discrepancy.</td></tr>
<tr><td>2. Does the company assess the risk of environmental, social, and governance (ESG) issues in relation to corporate operations based on the materiality principles and establish policies or strategies in relation to risk management?</td><td>✓</td><td></td><td>1. This disclosure covers the sustainable development performance of the Company in its main locations from January to December, 2025. The risk assessment boundary is mainly in Taiwan, where the Company is located.
2. The Sustainable Development Committee conducts analysis based on the materiality principle of the sustainability report, communicates with internal and external stakeholders, evaluates material ESG issues by reviewing domestic and international research reports, literatures, and integrating evaluation data from various departments and subsidiaries, formulates effective risk management policies for identification, measurement, evaluation, supervision, and control, and takes specific action plans to reduce the impact of related risks.
3. Based on the evaluated risks, relevant risk management policies or strategies are formulated as follows:
<table>
<tr><th>Material issues</th><th>Description of risk evaluation item</th><th>Risk management policies or strategies</th></tr>
<tr><td rowspan="2">Environmental</td><td>Product R&D and innovation</td><td>Based on the AWEA design criteria and JIS and ISO standards, conduct product planning, design, and development. Assemble and manufacture the products according to the AWEA production operation instructions.</td></tr>
<tr><td>Sustainable Supply Chain Management</td><td>The procurement management procedure, supplier management procedure, and incoming inspection</td></tr>
</table></td><td>No major discrepancy.</td></tr>
</table>

<table>
<tr><th rowspan="2">Promotion items</th><th colspan="4">Implementation status</th><th rowspan="2">Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th colspan="2">Summary description</th></tr>
<tr><td></td><td></td><td></td><td colspan="2">

<table>
<tr><td rowspan="2"></td><td></td><td>procedure established by the Company according to the ISO9001 standard are used as the implementation standards for sustainable supply chain.</td></tr>
<tr><td>Energy and Environmental Management</td><td>Establish and maintain internal policies that comply with ISO14001 environmental management system and ISO50001 energy management system, conduct regular internal and third-party audits to ensure compliance with relevant regulations such as the Greenhouse Gas Reduction and Management Act and the Energy Administration Act.</td></tr>
<tr><td rowspan="4">Social</td><td>Sustainable Customer Relations and Services</td><td>According to the ISO 9001 quality management system, the “Customer Service Management Procedure”, “Customer Satisfaction Survey Procedure”, and “Customer Complaint Handling Procedure” are formulated as the main satisfaction basis for improving customer service quality and maintaining customer relations.</td></tr>
<tr><td>Brand Value and Marketing</td><td>Develop a draft brand development strategy centered on quality value and market competitiveness, and gradually construct a brand management system. Coverage: establishment of brand core values, brand visual identity standards (CIS), introduction of green marketing elements, and brand marketing action plan.</td></tr>
<tr><td>Working environment and employee rights</td><td>The company has established a complete occupational safety and health management system in accordance with regulations such as the Labor Standards Act, the Occupational Safety and Health Act, and the Fire Services Act, and ensures the health and safety of employees in the workplace through the human factor hazard prevention plan, maternal health protection plan, workplace violence prevention plan, and abnormal workload prevention plan.</td></tr>
<tr><td>Talent Recruitment and Career Development</td><td>1. Measures for complying with ISO9001: Employee Training Procedure.
2. Company Management Measures: Personnel Recruitment Measures, Retention Bonus Management Measures, and Performance Evaluation Management Measures.</td></tr>
<tr><td>Corporate governance</td><td>Business performance and financial transparency</td><td>1. Conduct financial management in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and International Financial</td></tr>
</table>

</td><td></td></tr>
</table>

Promotion items	Implementation status: Yes	No	Summary description			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
					Reporting Standards (IFRS), and establish internal control mechanisms in accordance with the “Regulations Governing Establishment of Internal Control Systems by Public Companies” to ensure financial transparency and compliance. 2. The Company maintains high-level integrity and information transparency through financial statement disclosures, internal audits, Corporate Governance Best Practice Principles, and Ethical Corporate Management Best Practice Principles.	
				Corporate governance and regulatory compliance	Based on internal policies such as the “Corporate Governance Best Practice Principles”, “Ethical Management and Guidelines for Conduct”, and “Operating Procedures for the Preparation and Assurance of Sustainability Report”, establish a sound corporate governance structure to ensure transparency, fairness, and compliance of the Company’s operations.	
				Information security	According to ISO/IEC 27001 Information Security Management System (ISMS) and the Cyber Security Management Act, fully implement information security policies, and ensure the confidentiality, integrity, and availability of information assets. By continuous improvement and risk management, reduce information security risks and enhance the operational resilience of the Company.	
3. Environmental issues (1) Does the company have an appropriate environmental management system established in accordance with its industrial characteristics?	✓		(1) The Company complies with environmental laws and regulations promulgated by the Ministry of Environment (e.g. the Air Pollution Control Act, Water Pollution Control Act, Waste Management Act, Noise Control Act, Drinking Water Act, and Soil and Groundwater Pollution Remediation Act), as well as the “Measures for Implementation of Labors’ Working Environment Monitoring” issued by the Ministry of Labor, and has adopted and promoted the ISO 14001:2015 Environmental Management System. The Company obtained ISO 14001 certification in December 2003 and upgraded to the ISO 14001:2015 version in 2015. This enables the organization to respond to environmental challenges in a more comprehensive manner and uphold the core spirit of sustainable development. The certification has been successfully renewed on an annual basis ever since. AWEA Environmental Declaration: “No Pollution, No Waste, Environmental Protection, Persistent Commitment”. Guided by our environmental management policies, the Company strives for sustainable environmental operation with the following core principles: “Implement resource recycling and reduce waste generation”, “Drive continuous environmental improvement and devote efforts to pollution prevention”, “Abide by environmental laws and regulations and satisfy other relevant requirements”, “Provide education and training and conduct timely			No major discrepancy.

Promotion items	Implementation status			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
			environmental communication", and "Integrate environmental protection awareness from product development to customer service". Environmental management systems for 2025: ● Hazardous substance and chemical management: Reduce the usage of volatile organic compounds (VOCs) to lower occupational hazards from toluene and mitigate environmental pollution. ● Green production and waste reduction: Strictly control design defects to eliminate unnecessary energy consumption and environmental burdens at the source. ● Energy management and GHG emission reduction: Cut carbon dioxide output from power generation and reduce overall greenhouse gas emissions. Overall, the implementation of the environmental management system delivered sound performance in 2025. Key achievements include: annual toluene consumption capped at 4.5 gallons, monthly defective parts scrap volume limited to 2 units or fewer, and a 3% reduction in electricity usage. Environmental review meetings are held quarterly, where each responsible unit reports and reviews the progress of targets and action plans, ensuring the delivery of short-, medium- and long-term environmental management performance indicators. ISO 14001:2015 certificate validity period: from February 13, 2025 to February 12, 2028	
(2) Is the Company committed to enhancing the power efficiency and using renewable materials that are with low impact on the environmental impacts?	✓		(2) The Company has implemented the ISO 50001:2018 Energy Management System to systematically inventory energy consumption and continuously advance energy conservation and efficiency enhancement measures. Energy policy In accordance with corporate social responsibility and sustainable development goals, all staff of AWEA Mechantronic Co., Ltd. jointly promote the ISO 50001:2018 Energy Management System. The Company's energy policy commitments are as follows: ● Continuously improve energy efficiency and reduce energy costs; ● Fully observe energy-related laws and regulations and conduct comprehensive energy usage reviews; ● Review energy targets to ensure adequate information and resource support; ● Fully implement the energy management system and encourage company-wide energy conservation and carbon reduction; ● Enhance corporate energy value and foster a sustainable corporate culture. Energy management plan and implementation status ● Clean energy development: Continue the installation of rooftop solar power systems at factory sites to raise the proportion of self-generated renewable energy. The solar power project at the Taichung Branch commenced construction in 2025 and is scheduled for completion and grid connection in 2026. Upon completion, the system will generate approximately 2.03 million kWh of green power annually, effectively offsetting grid electricity consumption. ● Equipment performance enhancement: Conduct in-depth cleaning and professional maintenance for the air handler systems in office and factory areas to enhance equipment operating efficiency. According to 2025 statistics, the factory's annual electricity consumption was reduced by 38,016 kWh. ● Lighting equipment upgrades: Promote energy-saving improvements for premises and gradually replace old fixtures with energy-efficient lighting. In 2025, electricity consumption was reduced by approximately 250	

Promotion items	Implementation status			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
			kWh. Third-party Certification of ISO 50001:2018 Energy Management System, Validity Period: Hsinchu Plant_ISO 50001:2018 certificate validity period: from December 5, 2023 to December 4, 2026 Taichung Plant_ISO 50001:2018 certificate validity period: from November 28, 2023 to November 27, 2026	
(3) Does the Company assess the present and future potential risks and opportunities of climate change on the Company and take actions to related?	✓		(3) The Company designates the Board of Directors as the highest decision-making unit on climate issues, and establishes the Sustainable Development Committee, with the Vice President as the convener. The committee reviews climate risk management policies and action plans, develops and promotes the Company's ESG strategy, and reports to the Board of Directors annually. The Company analyzes the impact and contribution of climate change risks and opportunities on operations based on the TCFD framework, formulates climate change policies as the highest guiding principle for the Company's response to climate changes, and expects to develop low-carbon reduction plans as the overall strategic direction for promoting the plan. The Company completed the latest climate risk evaluation at the end of 2024. From amongst the various climate risk items, the Company paid special attention to the key issues with high risk and high probability of occurrence, including extreme climate impacts (such as typhoon, rainstorm and high temperature), international trade restrictions (such as carbon taxes, import tariffs and supply chain challenges caused by war), and global epidemics, and passed the corresponding management measures and resource allocation. In the process of addressing the challenges of climate change, the Company plans and sets five management objectives, covering carbon emission management, renewable energy use, supply chain stability, increasing the market share of low-carbon products, and extreme weather response capabilities, and identifies feasible opportunities and develops corresponding measures. The detailed explanation of the risk and opportunity analysis of climate change has been disclosed in the chapter on climate change response and disclosure, as well as in the Company's Sustainability Report. Sustainability Report. (https://www.awea.com)	
(4) Has the Company calculated the greenhouse gas emission, water consumption, and total weight of wastes in the past two years and formulated greenhouse gas reduction, water consumption reduction or other waste management policies?	✓		(4) The Company completed the inventory of scopes 1 and 2 in 2025, covering all plants of the parent company. The greenhouse gas inventory of subsidiaries is being conducted for the first time. Relevant statistics had not been completed prior to the printing of this annual report, and the inventory is scheduled to be finalized in 2026. For the greenhouse gas emissions in the last two years, please refer to the Implementation status of climate related information 1-1-1 Greenhouse Gas Inventory Information in this annual report. AWEA actively manages the resources use and waste emissions in the production process. The following is data from the last two years, covering all plants in Taiwan. Water consumption in the last two years	

Year	Total water consumption (metric tons)	Water consumption intensity (metric tons/NTD million of revenue)
2024	25,875	20.011
2025	27,968	20.198

<table>
<tr><th rowspan="2">Promotion items</th><th colspan="3">Implementation status</th><th rowspan="2">Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td>
<u>Water management policy</u>
1. Continuously optimize the utilization efficiency of water resources, promote the improvement of water-saving technologies and the use of recycled water.
2. Regularly inspect the water supply pipelines in the plant to reduce the risk of water leakage and minimize water resource waste.
3. Explore rainwater collection technology and apply it to landscape irrigation and cleaning purposes in the plant.
<u>Reduction targets</u>
Water consumption reduction: Reduce annual water consumption by 5%.

Water consumption in 2025 increased by 8.09% compared with 2024, mainly due to the malfunction of certain water-using equipment. Through water consumption management and analysis, the Company promptly alerts each plant of abnormal water consumption, so as to conduct timely equipment inspection and maintenance and effectively avoid the waste of water resources.
Water consumption at the Hsinchu Plant increased by 19.54%. The plant originally adopted the alternating use of tap water and groundwater. In view of the long-term overuse of groundwater in Taiwan, which has resulted in land subsidence, seawater intrusion, groundwater quality deterioration and other issues, the plant has gradually phased out the groundwater system to protect groundwater resources, leading to an increase in water consumption. Water-using equipment such as chillers is aging and consumes large amounts of water; the Company has planned to replace old equipment step by step.
Water consumption at the CTSP Plant increased by 11.63%, mainly due to a ruptured water tower pipeline. Abnormal conditions were detected in a timely manner through water consumption management and analysis for troubleshooting. The construction of the Phase II plant in Chiayi Dapumei is nearing completion, with water consumption decreasing by 5.54%. In the future, AWEA will continue to replace old pipelines and explore the feasibility of water resource recycling and reuse technologies, to protect and cherish water resources.
AWEA adheres to the principle of “reduction, waste sorting, and recycling” and establishes a three-stage waste management process to ensure that the waste generated in the plant production process can be effectively classified and treated, reducing the demand for terminal disposal.
The total weight of waste in the last two years, covering all plants of the parent company:
<table>
<tr><th>Year</th><th>Hazardous waste (metric tons)</th><th>Non-hazardous waste (metric tons)</th><th>Total weight (metric tons)</th><th>Waste intensity (metric tons/NTD million of revenue)</th></tr>
<tr><td>2024</td><td>5.19</td><td>109.96</td><td>115.15</td><td>0.0891</td></tr>
<tr><td>2025</td><td>4.15</td><td>63.53</td><td>67.68</td><td>0.0489</td></tr>
</table>
<u>Waste management policy</u>
1. Reduce the waste generation and improve resource reuse rate through reduction, waste sorting, and recycling.
2. Gradually eliminate packaging materials that are difficult to recycle and promote the use of environmentally friendly packaging.
3. Collaborate with local recycling agencies to achieve effective recycling and reuse of industrial waste.
<u>Reduction targets</u>
Waste management: Reduce the total annual waste volume by 5%.
In 2025, the hazardous waste was reduced by 20.04% compared to the previous year, and the non-hazardous waste was reduced by 42.44%. In the future, in addition to reducing waste generation and improving resource
</td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Promotion items</th><th colspan="3">Implementation status</th><th rowspan="2">Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td>utilization efficiency, we will also gradually improve process accuracy and the application of waste reduction technologies to reduce material waste caused by trial production and production abnormalities.</td><td></td></tr>
<tr><td>4. Social issues
(1) Does the Company have the relevant management policies and procedures stipulated in accordance with the relevant laws and regulations and international conventions on human rights?</td><td>✓</td><td></td><td>(1) To protect and uphold employees’ basic human rights and foster a dignified workplace, the Company complies not only with local laws and regulations at all operating locations, but also endorses and upholds the spirit of the Universal Declaration of Human Rights, ILO Conventions, and the United Nations Guiding Principles on Business and Human Rights. The Company has formulated the “AWEA Mechantronic Human Rights Policy” and fully implemented relevant human rights measures.
The Company gradually builds a diverse, inclusive, safe and healthy working environment with fair employment, and safeguards the basic human rights of all employees, colleagues, customers, suppliers, and stakeholders to ensure that employees have a suitable workplace experience.
This policy applies not only to all personnel of AWEA Mechantronic, including regular staff, foreign workers, and cooperative internship students. In the future, the same standards will be gradually extended to domestic and overseas subsidiaries, branches, suppliers, contractors and business partners to promote consistent implementation across all cooperating parties.
We focus on workplace safety and health management, diversity and inclusion, and talent cultivation and development. Through the protection of employee rights, equal opportunities in the workplace, and occupational safety and health, we create a fair and inclusive working environment that respects diverse cultures, ensuring that all employees can develop in a non-discriminatory, non-harassing, and dignified working environment.
The summary of human rights management policies and specific plans is as follows:
<table>
<tr><th>Human Rights Management Policy</th><th>Specific plan</th></tr>
<tr><td>Non-discrimination and fair treatment
Prohibition of child labor and forced labor</td><td>[Education and promotion of human rights]
Organize human rights education and promotion activities of various themes to strengthen employees’ understanding of human rights issues.</td></tr>
<tr><td>Friendly workplace environment and anti-harassment
Freedom of association and labor-management communication</td><td>[Labor-management relations and employee communication]
Through labor-management meetings, actively establish smooth communication channels to ensure the protection of employee rights and interests.</td></tr>
<tr><td>Reasonable working hours, remuneration and benefits</td><td>[Fair employment and diversified talent employment policies]
Through fair employment mechanisms, ensure that all job seekers and current employees are not discriminated against due to gender, age, nationality, race, religious beliefs, physical and mental disabilities.</td></tr>
<tr><td>Maternity protection and friendly care</td><td>[Employee health and friendly care]
Regularly conduct employee health examinations and provide general and special health examinations based on</td></tr>
</table></td><td>No major discrepancy.</td></tr>
</table>

Promotion items	Implementation status			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	

	different work environments and employee needs to ensure that employees' health conditions meet work requirements.
Occupational safety and health protection	[Workplace health promotion and psychological health support] Provide health consultation services through professional plant doctors and occupational caregivers stationed in the plant. [Provide a safe and healthy working environment] Please refer to the "Occupational Safety and Health Policies" of this annual report

Responsible units and governance framework for human rights policy
The Board of Directors serves as the highest decision-making and supervisory body, responsible for guiding the Company's sustainable development strategy and overseeing the human rights policies and risk management procedures implemented by management. The Sustainable Development Committee acts as the core promotion unit, tasked with formulating human rights management policies, goals and activities, and regularly reporting implementation progress to the Board of Directors. The Management Department is in charge of daily execution and grievance handling regarding employee recruitment, remuneration and benefits, sexual harassment prevention, and equal employment practices. The Occupational Safety and Health Team promotes occupational safety systems such as ISO 45001 to ensure a safe working environment for all employees.
In 2025, AWEA held three human rights education campaigns for all employees. The course content included labor rights, workplace anti-bullying advocacy, workplace sexual harassment prevention, information security promotion, occupational safety and health, and workplace culture. The completion rate was 88.67%. Four labor-management meetings were held, and 274 employees received health examinations, with a coverage rate of 96.35%. Plant doctors and occupational caregivers were stationed in the plant, providing health consultation services for 188 person-times throughout the year. In the future, we will continue to pay attention to human rights protection issues and promote relevant education and training to enhance awareness of human rights protection and reduce the possibility of occurrence of related risks.

Human rights due diligence
Based mainly on the EU *Corporate Sustainability Due Diligence Directive* and the *OECD Due Diligence Guidance for Responsible Business Conduct*, the Company has established human rights due diligence procedures. Through the identification and assessment of human rights issues, the Company designs risk management and mitigation measures, carries out improvements and subsequent follow-up, to effectively mitigate the effects and impacts of human rights risks. In 2025, the scope of human rights due diligence covered employees and suppliers, with the implementation steps as follows:

Process Steps	Employees	Suppliers
1. Integration into Systems	Integrate responsible business conduct into policies and management systems	Integrate human rights commitments into the *Supplier Code of Conduct*

Promotion items	Implementation status			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	

2. Identification and Assessment	Identify adverse impacts arising from operations and supply chains	Identify actual and potential human rights risks within the supply chain
3. Mitigation and Prevention	Prevent or mitigate adverse impacts	Terminate harmful practices and reduce the likelihood of risk occurrence
4. Tracking	Track the implementation status	Supervise the effective implementation of improvement measures
5. Communication	Measures to eliminate adverse impacts	Disclose to stakeholders how the Company manages supply chain risks

Referring to international human rights standards at home and abroad, as well as human rights issues focused on by peers and benchmark enterprises, the Company compiles a list of major human rights issues. Questionnaires are issued to the Company's employees and suppliers for survey, serving as the basis for prioritizing due diligence items. Issues with high probability of occurrence and significant impact shall be handled with priority.

Key Human Rights Issues Identified in Human Rights Due Diligence (2025):

Category	Material issues
Employees	Labor-management communication, working environment, workplace bullying and harassment, complaint privacy protection, impartial handling and anti-retaliation.
Suppliers	Labor human rights and interests, salary and benefits, anti-discrimination and anti-harassment, occupational health and safety.

Mitigation and remedial measures

In 2025, the Company assessed human rights risks related to employees and suppliers. After ranking risks by impact severity, the survey results have been integrated into relevant functional operations and processes. Targeted mitigation and remedial measures have been formulated for critical human rights issues to reduce overall human rights risks.

AWEA employee human rights risk management table:

Assessment item	Description of risk	Remedial measures	Risk mitigation
Labor-management communication channels	Opaque information dissemination regarding resolutions of labor-management meetings may cause employee alienation due to ineffective communication and trigger potential labor disputes.	Publicly respond to communication outcomes.	Hold labor-management meetings on a regular basis and publish meeting minutes; establish a diversified feedback mechanism.
Working environment	Poor ventilation, insufficient lighting or excessive noise may lead to occupational diseases (e.g., hearing	Immediately repair or replace defective equipment; provide personal protective equipment (safety footwear); arrange	Entrust third-party institutions to conduct regular workplace environmental monitoring.

Promotion items	Implementation status			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	

	impairment, vision deterioration) or workplace safety incidents.	health examinations for affected employees.	
Workplace bullying and harassment	Verbal or physical violence may cause physical and mental harm to employees, resulting in talent turnover, litigation and reputational damage to the Company.	Initiate investigation procedures for alleged unlawful acts; separate victims from perpetrators; provide professional psychological counseling and legal support.	Implement workplace bullying and harassment awareness campaigns; hold company-wide seminars.
Complaint privacy protection	Disclosure of complainants' identity information may erode employee trust, force problems into concealment, and eventually lead to external reporting to the media or competent authorities.	Block information leakage channels and impose disciplinary actions on derelict personnel; apologize to complainants and strengthen protective measures.	Require relevant personnel to sign "Non-disclosure Agreement"; implement coded and de-identified case management for complaints.
Impartial handling and anti-retaliation	Demotion, transfer or workplace emotional retaliation imposed by supervisors against complainants, or biased internal handling, may invalidate the complaint mechanism.	Revoke improper disciplinary actions against complainants; discipline supervisors who engage in retaliatory conduct; adjust organizational structures to avoid direct contact between the parties involved.	Conduct regular follow-up reviews of complainants' employment status (e.g., for up to six months).

Implementation status and achievements:

- ✓ Labor-management meeting announcements and transparent response mechanisms for communication outcomes will be officially implemented starting in 2026.
- ✓ In 2025, third-party organizations were commissioned to conduct regular workplace environmental monitoring. For detailed monitoring results, please refer to the "Occupational Safety and Health Policy" of this annual report.

AWEA supplier human rights risk management table:

Assessment item	Description of risk	Remedial measures	Risk mitigation
Labor human rights and interests	Improper production scheduling by suppliers may lead to excessive overtime and fatigued operations among	Assist in analyzing production capacity and scheduling challenges to ease manpower allocation pressure	Share experience in implementing optimized production scheduling mechanisms to support suppliers in improving

<table>
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<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td>(2) Has the Company established and implemented reasonable employee welfare measures (including remuneration, leave of absence, and other benefits) and appropriately reflected business performance and achievements in the remuneration for employees?</td><td>✓</td><td></td><td>
<table>
<tr><td></td><td>their employees</td><td></td><td>their production processes</td></tr>
<tr><td>Salary and benefits</td><td>Insufficient understanding of updated labor regulations may cause non-compliance in salary structures or labor insurance contributions</td><td>Refer dedicated personnel or third-party experts to assist suppliers in recalculating labor costs</td><td>Launch a “Supplier Information Hub” to regularly publish updated regulatory bulletins and ensure that information gaps no longer occur</td></tr>
<tr><td>Anti-discrimination and anti-harassment</td><td>Inadequate internal policies and awareness may give rise to latent workplace bullying or unfair treatment, affecting talent retention and corporate image</td><td>Provide educational and training materials (on gender equality and anti-discrimination); assist in introducing neutral mediation mechanisms</td><td>Help suppliers establish formal policies and internal complaint procedures</td></tr>
<tr><td>Occupational health and safety</td><td>Insufficient on-site safety management and improper maintenance of protective equipment increase the probability of workplace accidents</td><td>Assist in arranging dedicated personnel or third-party experts to provide on-site recommendations for improvement (workflow and equipment)</td><td>Assist with the suppliers in establishing occupational safety and health management systems</td></tr>
</table>
Implementation status and achievements:
✓ Starting from 2025, supplier human rights performance has been incorporated into the supplier sustainability evaluation indicators and is disclosed on the Company’s official website for promotion.

(2)
<u>Remuneration to the employees</u>
According to Article 27 of the Company’s Articles of Incorporation, we formulate the remuneration policy based on the principles of fairness, transparency, and reasonableness. The overall remuneration and reward strategy emphasizes responsibility, performance, and ability as the core, while taking into account the market conditions, fairness and differentiation. We are committed to providing target salaries that meet market standards. The salary of new employees is set according to their positions and responsibilities, taking into account their experience and education background, regardless of age, gender, race, religion, marriage, or physical or mental disabilities.

<u>Employee benefits</u>
The Company has established an Employee Welfare Committee, which allocates 0.135% of the total monthly operating revenue and 40% of the scrap sales amount as employee welfare funds. The Committee plans and provides high-quality benefits for employees, such as congratulations on marriage and</td><td></td></tr>
</table>

Promotion items	Implementation status			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
			childbirth, condolences for funerals, emergency loans for employees, medical condolences for employees or their spouses, education scholarships for employees or their children, group travels, subsidies for important festival activities, birthday celebrations, club activities, and work-related injury, etc. The expenditure on various activities employee welfare committee was NTD 2.8 million in 2025. In order to take care of the retirement life of employees, the “Employee Stock Ownership Trust Committee of AWEA Mechantronic Co., Ltd.” was established in 2022. The applicable targets are employees who meet the relevant regulations of the Company’s Method for Management of Employee Stock Ownership Trust and can freely participate. Employees will allocate a fixed amount from their monthly salary, and the Company provides a public fund at a ratio of 1:1, which will be jointly deposited into a dedicated trust account. This not only achieves the purpose of retaining talents, but also encourages employees and enhances their cohesion, shares the Company’s operating results, and assists employees in accumulating wealth and planning for future retirement life. In addition, the Company has established the “Project Management and Assessment Method” that encourages employees to unleash their creativity and enhance their competitiveness through a reward mechanism. The “Retention Bonus Management Measures” encourage colleagues who have made long-term contributions to the Company to perform well and increase their sense of belonging, and to share various allowances such as the Company’s long-term business performance results. <u>Friendly leave policy</u> In terms of vacation system, on the basis of a fixed two-day weekend, colleagues who have been employed for one year are given ten days of special leave per year (those who have not been employed for one year are given leave proportionally). This exceeds the requirements set forth in the Labor Standards Act. For colleagues who need a longer period of vacation due to childcare, major injuries, or major changes, they can also apply for leave without pay to balance their personal and family care needs. Starting in 2026, in response to government legislative reforms to strengthen employees’ leave rights and reduce leave-related burdens, the Company has revised its “Leave Management Measures”. Sick leave will not deduct full-attendance bonuses; deductions for regular sick leave shall be calculated on a pro-rata basis. Flexible parental leave measures have also been introduced. Employees may apply for parental leave without pay on a “daily” basis, enabling more flexible arrangement of family care and work schedules. In addition, we attach great importance to the physical and mental health of our employees. We have provided special birthday leave to encourage colleagues to fully rest, relax and regain the energy on special days, and to meet work and life challenges in the best state possible. <u>Diversity and equality in the workplace</u> Ensure equal admission opportunities for female and male job seekers, and increase the proportion of women in technical and managerial positions. In 2025, women accounted for 36.11% of the newly hired employees in the Company, continuously increasing their participation in the machine tool industry. Actively employ indigenous people, new immigrants, and people with physical and mental disabilities. The Company hired 8 new immigrants and 5 employees with physical and mental disabilities in 2025 to ensure that the internal talent composition of the Company meets the needs of social diversity. In 2025, the proportion of female employees was 25.42%, and the proportion of female management was 4.74%. We will continue to improve the representation of women in corporate governance and decision-making,	

Promotion items	Implementation status			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
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			and achieve equal pay for equal work and equal promotion opportunities for both men and women. <u>Business performance is reflected in employee remuneration</u> As stipulated in Article 27 of the Articles of Incorporation of the Company, “If the Company has profit in the year (profit is defined as the profit before tax, and before deduction of employees’ remuneration and directors’ remuneration), it shall set aside 3%-8% of the profit as employees’ remuneration (the proportion of employee remuneration allocated to grassroots employees shall not be less than 50% of the total amount), in order to ensure that employees’ efforts receive due feedback and take care of grassroots employees simultaneously. In accordance with the “Performance Evaluation Management Measures”, we conduct employee performance evaluations twice a year based on employee performance and the Company’s business results, and make annual salary adjustments and distribute bonuses. In 2025, 1.94% of employees were promoted internally (including job grade promotions), and 16.77% of employees had their remuneration adjusted, ensuring that employee salaries remain competitive in the market. <u>Employee retirement system</u> With respect to the employee retirement system, the Company complies with the “Labor Standards Act” and the “Labor Pension Act” as enacted by the government. 1. Pension System under the Labor Standards Act: The Company has established a Labor Pension Supervisory Committee in accordance with the Labor Standards Act, and contributes 2% of total payroll to a labor retirement reserve fund deposited in a dedicated account at the Bank of Taiwan. The pension payment system is administered in accordance with the Labor Standards Act. The Company reviews the account balance at the end of each year. If the balance is insufficient to cover pension payments for employees who become eligible for statutory retirement in the following year, the Company will complete the necessary contribution by the end of March of that following year, thereby ensuring the rights and interests of employees under the old pension system. In 2025, the recognized amount of pension contributions under the old system was NTD 657,920, which is sufficient to cover the pension obligations for employees covered by the old system. 2. Pension System under the Labor Pension Act: The Company contributes 6% of each employee’s monthly salary to a personal pension account at the Bureau of Labor Insurance. In 2025, the recognized amount of pension contributions under the new system was NTD 11,340,654. 3. Preferential retirement: In addition to complying with statutory retirement requirements, the Company has established its “Preferential Retirement Management Measures” to optimize its workforce structure while recognizing and appreciating the contributions of long-serving employees. Employees who have reached a certain number of years of service or age may apply for preferential retirement upon special approval, offering employees multiple options. Please refer to https://www.awea.com/for details. In the future, we will continue to review our remuneration structure to ensure it meets market standards and is continuously optimized. We will provide attractive remuneration and benefits, create a positive corporate culture, and provide tangible rewards to employees for their contributions to the Company.	

Promotion items	Implementation status			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
(3) Does the Company provide employees with a safe and healthy work environment, and provide safety and health education to employees regularly?	✓		(3) <u>Occupational Safety and Health Policies</u> AWEA's safety policies and action measures are committed to complying with relevant domestic and international regulations and standards, and making continuous improvement on this basis. A. Occupational Safety and Health Management: • Establish a sound occupational safety and health management system, operate in accordance with the ISO 45001 occupational health and safety management system standard. The Company completed the internal deployment of the ISO 45001 system in 2025, and the certification is currently in progress. • Conduct safety risk evaluation annually to analyze and mitigate potential hazards in the workplace. • Provide suitable safety equipment and protective gear according to the characteristics of different departments, such as safety helmets, goggles, N95 masks, protective clothing, full body harnesses and safety footwear, to ensure the safety of employees during work. B. Safety training and education: • Provide safety operation and first aid training for all employees annually, including induction safety education for new employees. • Conduct safety drills annually to enhance employees' emergency response ability. • Provide easy to understand safety manuals and operation guidance to enhance employees' safety awareness. C. Health examination and care: • Provide free health examination for all employees once a year, covering occupational disease related items and special health examinations for high-risk groups. • Set up a health consultation window within the plant, schedule a fixed time every week, and provide professional health management suggestions and psychological support. D. Optimization of working environment: • Continuously improve ventilation, lighting, and noise control facilities in the plant to provide a comfortable working environment for employees. • Introduce monitoring equipment in the workplace to monitor air quality and environmental temperature and humidity in real time. E. Employee participation and suggestion mechanism: • Hold quarterly occupational safety meetings to encourage employees to provide suggestions for improving the working environment. • Plan and establish the Occupational Safety and Health Committee, which will hold quarterly meetings to discuss and address safety issues of concern to employees. <u>Implementation effectiveness</u> A. Promote the zero-disaster campaign (excluding traffic accidents) and provide bonuses for encouragement. In 2025, a total of 27 sections were covered. There were 0 workplace occupational injury incidents, 3 traffic-related occupational accidents involving 3 employees, and 1 other accident with 1 injured person (accounting for 1.35% of the total workforce at the end of 2025). B. In 2025, regarding external occupational safety training: 1 employee attended refresher training for Class A Occupational Safety and Health Supervisors, 16 employees participated in initial and on-the-job training for fixed cranes, 1 employee completed initial forklift training, 2 employees took fire warden refresher courses, and 1 nursing staff for labor health services attended on-the-job refresher training. C. According to regulations, the working environment is monitored twice a	

Promotion items	Implementation status			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
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			year, and the test data meets the requirements of the regulations. D. Special health examinations are conducted annually for employees engaged in special operations, and an employee health promotion plan is implemented. E. Each plant provides medical kits and AED devices at designated locations, and conducts regular inspections, supplements, and maintenance; hires occupational doctors and occupational caregivers to provide health related consulting services to employees on a regular basis. The Company had no fire incidents in 2025. AWEA will continue to invest more resources, continuously improve its safety and health management system, adopt advanced technology to optimize the working environment, and strengthen employees' safety and health awareness, striving to become the safest workplace in the industry.	
(4) Does the Company establish an effective career development training program for employees?	✓		(4) To ensure that employees have professional abilities that match intelligent manufacturing, digital transformation, and sustainable development, AWEA plans comprehensive functional training for supervisors and colleagues at all levels based on job levels, functions, and development needs, including technical and professional training, new employee training, professional training, management training, and statutory training, to assist in continuously strengthening employees' digital literacy and professional skills, and actively explores digital learning mechanisms, gradually introduce flexible training methods to improve learning efficiency and ensure that employees can adapt to future industrial changes. In 2025, the Company's accumulated duration of technical trainings reached 165 hours, with 39 participants. Through internal knowledge sharing sessions, industry trend seminars and professional skill courses, the Company fosters employees' continuous learning and competency development. The training curriculum includes: 3-day AI Seed Training Program; Current status and development trends of machine tool technology; Talent training program for machine tool design engineers; Low-carbon and net-zero literacy: carbon footprint management training; Carbon management seed personnel workshop; and Problem analysis and report writing skills. In the future, we will further evaluate the feasibility of introducing a digital learning platform (Learning Management System, LMS), and refer to successful industry cases to expand digital learning resources and construct a more complete digital learning ecosystem.	
(5) Does the Company comply with the related laws and regulations and international standards regarding the customer health and safety, customer privacy, marking communication, and labeling of its products and services and establish policies to protect the rights and interests of customers and procedures for grievances?	✓		(5) AWEA adheres to the spirit of "Precision Manufacturing, Quality First", and through the introduction of ISO 9001:2015 quality management system and continuous improvement mechanism, ensures the reliability and consistency of products, and reduces product defect rates. Conduct internal audits and management reviews annually to ensure that the quality management mechanism complies with the latest standards. The product complies with standards such as CE (European Conformity), TS (Type Verification of Machinery, Equipment and Tools), RoHS (Restriction of Hazardous Substances), REACH (Registration, Evaluation, Authorization and Restriction of Chemicals), etc. In addition, specific testing standards are developed for different markets to ensure product safety and market compliance. According to the ISO 9001 quality management system, the "Customer Service Management Procedure", "Customer Satisfaction Survey Procedure", and "Customer Complaint Handling Procedure" are formulated as the main satisfaction basis for improving customer service	

Promotion items	Implementation status			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
			quality and maintaining customer relations, safeguarding the customer's rights and interests. Customer complaint and communication channels: sales@awea.com In 2025, the customer satisfaction survey reached 94.2%, and two audits were conducted, with a pass rate of 100% for the business service procedures.	
(6) Has the Company established policies for management to request suppliers to comply with the relevant laws and regulations of environmental protection, occupational safety and health, and labor human rights? Does the Company keep track on the implementation of such policies?	✓		(6) The Company has progressively established a resilient and responsible supply chain management mechanism to ensure sustainable supply chain operations and mitigate the impact of global supply chain fluctuations on corporate operations. By strengthening supply chain risk management, increasing the share of local suppliers, and promoting green procurement as well as supplier sustainability evaluations, the Company strives to secure supply chain reliability, comply with international sustainability standards, and reduce the risk of supply chain disruption. To drive the sustainable development of the supply chain, the Company has formulated a formal Supplier Management Policy, covering the core guidelines below: A. Quality assurance: Evaluate suppliers' product quality through supplier interviews, on-site assessments and market data collection. B. Stable supply: Raw materials are sourced from multiple suppliers to maintain supply flexibility and stable material supply. C. Lead time optimization: Select credible local suppliers to guarantee on-time delivery and effectively shorten lead times. D. Price: Adopt flexible procurement strategies and agile responses to market price changes. Under pre-set quality standards, the Company optimizes procurement costs to enhance overall competitiveness. E. Sustainable development: Execute a structured supplier sustainability assessment initiative. Through short-term, medium-term and long-term roadmaps, the Company progressively strengthens suppliers' ESG governance across environmental, social and governance dimensions. Environmental: Prioritize suppliers certified with ISO 14001 environmental management systems and those completing ISO 14064-1 GHG inventory verification, ensuring full compliance with local environmental laws and regulations. Social: Require suppliers to abide by local labor regulations and occupational safety standards, with regular audits on workplace conditions. Governance: Mandate suppliers to sign integrity, confidentiality and anti-corruption agreements to secure transparent and compliant transactions and prevent supply chain corruption. In addition, suppliers are expected to build basic cybersecurity and data privacy protection capabilities, such as ISO 27001 certification and relevant privacy control measures. <u>Implementation Status of Supplier Management Policy</u> • In 2025 , the Company completed sustainability evaluations for 10% of key suppliers. All (100%) assessed suppliers scored between 70 and 89 points and were classified as Grade B. • A total of 13 new suppliers were onboarded in 2025. The team conducted 99 supplier interviews, participated in 10 new product events and exchange visits, and completed 630 on-site supplier audits. • In 2025, annual supplier performance evaluations were carried out for 169 key suppliers whose annual procurement amount exceeded NTD 500,000 or with over six annual transactions. The overall compliance rate reached 98%. • In 2025, local procurement accounted for 98%, dual supplier procurement accounted for 93%, and diversified procurement accounted for 90%.	

<table>
<tr><th rowspan="2">Promotion items</th><th colspan="3">Implementation status</th><th rowspan="2">Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td><u>Supplier sustainability evaluation</u>
Under the evaluation program, the Company actively requires suppliers to establish or plan to implement management systems for environmental aspects, including greenhouse gas (GHG) emissions and carbon management (in accordance with the GHG Protocol / ISO 14064-1), the ISO 50001 Energy Management System, and the ISO 14001 Environmental Management System, and to disclose relevant data. Suppliers are required to ensure protective measures for employee safety, health and working environment, or to obtain ISO 45001 or TOSHMS certification. In addition, the Company mandates that suppliers shall not recruit workers under the legal minimum age, actively advancing labor rights and human rights protection policies.
The Company's supplier sustainability evaluation dimensions and indicator summaries are as follows:
<table>
<tr><th>Dimension</th><th>Indicator Summary</th></tr>
<tr><td>Environmental</td><td>It covers greenhouse gas management, energy management, water and wastewater management, waste management, pollution prevention and chemical management, biodiversity, as well as environmental management and certification</td></tr>
<tr><td>Social</td><td>It covers labor human rights and interests, salary and benefits, anti-discrimination and anti-harassment, as well as occupational health and safety</td></tr>
<tr><td>Governance</td><td>It covers anti-corruption and bribery, anti-competitive practices, information security and privacy protection</td></tr>
</table>
The evaluation results are divided into four grades: A, B, C and D. Grade A: 90 points or above; Grade B: 70–89 points; Grade C: 60–69 points; Grade D: 59 points or below. These results are incorporated into the qualified supplier grading system and adopted as a reference for procurement decisions. The Company provides technical support and management guidance for suppliers with low sustainability evaluation scores, assisting them in improving environmental protection and labor conditions.
For supplier due diligence, please refer to the "Implementation of the promotion of sustainable development and the deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" — "IV. Social issues (1) Human rights due diligence" of this annual report.</td><td></td></tr>
<tr><td>5. Has the Company referred to the internationally accepted reporting preparation rules or guidelines to prepare reports, such as ESG reports that disclose the Company's non-financial information? Has the previous disclosure report received confirmation or assurance from a third-party certification unit?</td><td></td><td>✓</td><td>The Company has prepared the sustainability report in accordance with the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies. The report is structured based on the GRI Standards 2021 published by the Global Reporting Initiative (GRI), and fully discloses the issues of concern to stakeholders in the economic, environmental, and social fields through an internationally recognized reporting framework. With reference to the industry disclosure standards of Sustainability Accounting Standards Board (SASB) for SASB's resource conversion of industrial machinery and goods, the Task Force on Climate-related Financial Disclosures (TCFD) framework published by Financial Stability Board (FSB), as well as multiple international sustainability indicators and initiatives such as the United Nations Sustainable Development Goals (SDGs), the Company will ensure the completeness and consistency of the content of this report. This report will be announced on the Company's official website in August 2026. The previous disclosure report hasn't received confirmation or assurance from a third-party certification unit.</td><td>No major discrepancy.</td></tr>
</table>

<table>
<tr><th rowspan="2">Promotion items</th><th colspan="3">Implementation status</th><th rowspan="2">Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td colspan="5">6. If the Company has established the sustainable development principles based on the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please describe any discrepancy between the principles and their implementation: up to the publication date of this annual report, the Company’s Sustainable Development Best Practice Principles has been approved by the Board of Directors, and will be officially issued upon passage by the Shareholders’ Meeting.</td></tr>
<tr><td colspan="5">7. Other important information for the implementation of sustainable development:
<u>Intellectual Property Management Plan</u>
To support the Company’s operational strategies of “deepening industrial layout while diversifying operational risks” and “AI-empowered SMART manufacturing for sustainability”, the Company has established an Intellectual Property Management Plan in accordance with its “Intellectual Property Rights Management Measures” and “Internal Control R&D Cycle Procedures”. The Plan is implemented through the following three dimensions:
1. Strengthening the protection of R&D outcomes and technological competitiveness
2. Mitigating risks of infringement and intellectual property violations
3. Enhancing the protection of customer and corporate confidential information, as well as compliance management
The Plan covers the acquisition, maintenance, utilization, and risk control of intellectual property. Through clear division of responsibilities, standardized processes, and systematic documentation and tracking using information systems, the Company ensures the effective management and protection of its intellectual assets, with ongoing review and improvement in accordance with regulatory requirements and operational strategies. The Plan is reported to the Board of Directors at least once a year.
Key Measures of the Management Plan
1. Trademark Management: Based on product sales, service regions and operational needs, the Marketing Department conducts advance trademark planning. Trademark registration applications are filed for core brands in target markets (e.g., Taiwan, China, the United States), while dynamic management of trademark portfolios is maintained through country-by-country trademark listings.
2. Patent Management: In accordance with the intellectual property management system, the R&D unit carries out patent evaluation, search, application, maintenance, and utilization on R&D outcomes. When an R&D outcome reaches maturity or demonstrates technical innovation, the R&D unit submits a patent evaluation application and compiles technical documents, drawings and experimental data. Where necessary, a patent firm is engaged to assist with searches and filings. After a patent is granted, its technical value and market applicability are periodically reviewed to assess strategies for maintenance, licensing, or transfer, thereby strengthening technical protection and competitive advantage.
3. Copyright and Trade Secret Management: To ensure that economically valuable confidential information is not used or disclosed without authorization, technical data, design drawings, process documents, program files, and operational data are uniformly archived and controlled through a document management system. Storage on personal computers or uncontrolled media is prohibited. Through account controls, access authorization reviews, digital watermarking, version control, and access tracking (including download, print, and modification logs), the Company ensures that data is used only by authorized personnel to the extent necessary. External disclosure or duplication without approval is prohibited, thereby implementing reasonable confidentiality measures, reducing leakage risks, and enhancing traceability and auditability.
4. Contract and Ownership Management: In the event of external collaboration, technology transfer, or utilization of intellectual assets, the ownership and scope of use are clearly defined through contracts to reduce ownership disputes and related operational risks.
5. Education & Training and Promotion: The Company continuously provides intellectual property and trade secret education and training for R&D and related personnel, strengthening their ability to evaluate patent risks at the front-end of the R&D process and enhancing awareness of IP protection.
Implementation Status and Achievements in 2025:
✓ Trademarks: As of 2025, the Company had a total of 16 registered and active trademarks, including the “AWEA” mark and the “AWEA (Leading Brand in Machining Centers)” mark, covering nine countries and regions, including Taiwan, the United States, Japan and the European Union.
✓ Patents: As of 2025, the Company had a total of 11 active patents, including the “Machining Tool with Thermal Compensation”, “Cutting Chip Removal Control System” and so on.
✓ Trade Secrets: The Company maintains over 100,000 design drawings, including part drawings, circuit diagrams, assembly drawings, etc., as well as more than 4,000 technical documents, including manuals, part lists, unit reports, circuit schematics, trial production abnormality records and so on.
✓ The 2025 implementation report was submitted to the Board of Directors on March 10, 2026, thereby fulfilling the Board’s oversight responsibility for the Company’s intangible assets.</td></tr>
</table>

(VI) Climate-related information of TWSE/TPEx listed companies

1. Implementation status of climate related information

Items	Implementation status
1. Describe the supervision and governance of Board of Directors and management on climate-related risks and opportunities.	The Board of Directors of the Company is the highest decision-making unit for risk management, responsible for supervising and approving risk management policies, and ensuring that the Company can make wise decisions when addressing climate change risks. According to resolution of the Board of Directors, the Company has established the Sustainable Development Committee under the Board of Directors, consisting of three board members or senior managerial officers with professional knowledge and competence in corporate sustainability authorized by the Board of Directors, with the Vice President as the convener. The Company has also established a Sustainable Development Promotion Group (involving multiple departments) responsible for planning and monitoring climate change management strategies, with the participation of the Sustainable Report Task Force and department heads, to ensure that the analysis of climate related risks and opportunities can take into account the operational and practical needs of the Company. ➢ Board of Directors: The highest decision-making level responsible for reviewing and approving risk management policies, supervising annual risk management operations, and ensuring that strategies are aligned with long-term goals. ➢ Sustainable Development Committee: Composed of three board members or senior managerial officers, responsible for developing and promoting the Company's ESG strategy, reviewing climate risk management policies and action plans, and reporting progress to the Board of Directors. ➢ Sustainable Development Promotion Group: Composed of department heads, responsible for identifying and evaluating risks, developing response measures, and reporting major risks to the Board of Directors. ➢ Auditing Department: Regularly review the implementation of internal control and risk management measures to ensure their effective operation and prevent systemic risks.
2. Describe how identified climate risks and opportunities affect the business, strategy and finance of the Company (short-, medium- and long-term).	The Company is actively developing solutions to reduce the operational and financial impacts caused by climate changes and enhance organizational resilience to climate. According to the evaluation of climate change risks and opportunities, the short-term is defined as within 1-3 years, the medium-term as within 3-5 years, and the long-term as more than 5 years; the impact and contribution of climate change risks and opportunities on operations are analyzed based on the TCFD framework. Identify potential changes in policy, regulations, market and technology, goodwill, and physical risks that may arise under climate risks, and conduct risk and opportunity analysis separately. The evaluation scope includes the Company's own operations and the upstream and downstream of value chain (such as key suppliers and customers). Through the participation of relevant departments in the evaluation of climate change risks and opportunities, we will develop countermeasures for adjusting and mitigating the top three risks. The overall evaluation results and related countermeasures will be submitted to the Sustainability Report Task Force for approval. The climate related risks and opportunities identified by the Company that can be reasonably expected to affect individual prospects, as well as the time intervals that may be affected are shown in the table below:

Items	Implementation status				
	Type of risk/ opportunity	Description of risk/ opportunity	Time intervals that may be affected		
			Short-term 1 - 3 years	Medium-term 3 - 5 years	Long-term Over 5 years
	Physical risk	The severity of extreme weather events: The severity of extreme weather events such as typhoons and floods increases.	◎	◎	◎
	Transition risk	Countries are gradually strengthening their carbon emission regulations, for example, Taiwan's "Climate Change Response Act" will introduce stricter carbon fee mechanisms, which may increase compliance costs for businesses. As the environmental regulations and emission standards become stricter, the government may require companies to improve energy efficiency and reduce pollution emissions, otherwise they will face fines or operational restrictions.		◎	◎
		Customers are changing their product selection criteria, and the global machinery manufacturing industry is accelerating its transformation. If low-carbon technologies are not introduced in a timely manner, we may lose the market competitiveness. Traditional fuel or high energy-consuming machinery is gradually being replaced by electric and energy-saving equipment. If we cannot quickly adapt to this trend, our market share will decline.	◎	◎	◎
		Banks and investment institutions are gradually incorporating ESG (Environmental, Social, Governance) ratings into loan and investment evaluations. If AWEA Mechantronic fails to meet carbon emissions and environmental management standards, it may affect financing costs or investment attractiveness.		◎	◎
		Intelligent and low-carbon machinery has become the mainstream in the market, and Industry 4.0 promotes intelligent manufacturing. If AI monitoring and energy-saving machinery and equipment are not developed, our existing products may be eliminated by the market.	◎	◎	◎
	Opportunity	Promote low-carbon and green production: In the face of the international trend of net zero carbon emissions, the industry needs to transform towards low-carbon and intelligent directions. Through transformation subsidies provided by the government, the Group collaborates with suppliers to promote low-carbon and green production, strengthen energy-saving and carbon reduction technologies in		◎	◎

Items	Implementation status					
			the Company and supply chain, which is expected to reduce long-term operating costs.			
			Use of renewable energy: In Taiwan’s energy transformation path, it is expected that the energy sector will gradually reduce its dependence on fossil fuels (coal and natural gas) and increase the supply of renewable energy to promote a low-carbon and carbon-free energy and power supply structure. The Group has formulated the “2050 Net Zero Emission Pathway”, which aims to reduce long-term energy costs by seizing opportunities for the use of renewable energy.	◎	◎	◎
			Develop low-carbon products or services: Global giants are setting increasingly strict environmental standards and regulations for their supply chains, hoping to develop green and low-carbon products or services in the most environmentally friendly way possible, and requiring relevant certification data. The Group expects to continuously improve the R&D and design of low-carbon products or services by analyzing the carbon footprint of its products, and to seize product sales opportunities by applying for third-party certifications related to environmental declarations.		◎	◎
			Enhance corporate reputation and brand awareness: The issue of climate change has received high global attention, relevant regulatory measures are becoming gradually stricter, and the stakeholders’ expectations for the company will also increase. The Group has participated in Global Sustainability Initiative, including the Carbon Disclosure Project (CDP), and has laid a solid foundation. In the future, we will make continuous improvement and strive to win domestic and international sustainability awards, such as the National Sustainable Citizen Award and the Taiwan Corporate Sustainability Awards. The Group’s efforts to meet these expectations will have a positive impact on its reputation and brand value.		◎	◎

<table>
<tr><th>Items</th><th>Implementation status</th></tr>
<tr><td></td><td>The expected time interval for climate related risks and opportunities affecting the Company’s outlook:
<table>
<tr><th>Schedule</th><th>Period</th><th>Strategy</th></tr>
<tr><td>Short-term</td><td>1 - 3 years</td><td>In its first year of TCFD disclosure, AWEA Mechantronic prioritized building foundational climate risk management capabilities. Through data collection, internal capacity building, and operational optimization, the Company established fundamental competencies to address climate change impacts.</td></tr>
<tr><td>Medium-term</td><td>3 - 5 years</td><td>After short-term infrastructure construction, the Company will further deepen climate risk management and strengthen supply chain and energy management to address the market challenges and opportunities brought by low-carbon transformation.</td></tr>
<tr><td>Long-term</td><td>Over 5 years</td><td>The long-term strategy focuses on enhancing corporate climate resilience, developing low-carbon transformation technologies, investing in climate resilient infrastructure, strengthening disaster resilience, reducing the potential impact of extreme weather on operations, and ensuring that the company maintains competitiveness in the future global net zero trend.</td></tr>
</table></td></tr>
<tr><td>3. Describe the financial impacts of extreme climate events and transformational actions.</td><td>In the increasingly complex environment of global economy and climate change, sound risk management is the key to maintaining stable operations and long-term sustainable development for enterprises. We ensure that our business can maintain competitiveness and resilience in the face of uncertainty through preliminary risk identification, evaluation, and response strategies. We combine internal professional teams and external resources, conduct dynamic discussions, analysis, and emergency response, and adopt proactive management and adjustment strategies to mitigate risks that may have a significant impact on operations, finance, and supply chains, in order to reduce impacts and seize potential opportunities.
Financial impacts of extreme climate events:
This year, the Company paid special attention to the key issues with high risk and high probability of occurrence, including extreme climate impacts (such as typhoon, rainstorm and high temperature), international trade restrictions (such as carbon taxes, import tariffs and supply chain challenges caused by war), and global epidemics, etc. Through corresponding management measures and resource allocation, the Company ensured that it could respond quickly and reduce risk impact.
Financial impacts of transformational actions:
In the constantly changing market environment, we not only focus on climate related risk management, but also actively seek and seize various potential market and technological opportunities. By analyzing, identifying, and utilizing these opportunities, the Company can strengthen its competitive advantage while promoting sustainable development and ensuring its leading position in the transition to a low-carbon economy and intelligent manufacturing.
These opportunities may come from technological innovation, changes in market demand, policy support, and supply chain optimization, bringing business growth potential and financial benefits to the Company. Specifically, by promoting low-carbon technology research and development, expanding green product lines, and introducing intelligent manufacturing systems, the Company can not only meet the growing demand for sustainable development in the market, but also enhance brand value and attract international markets and ESG investment capital.</td></tr>
</table>

Items	Implementation status
	In addition, as global regulations on environmental protection of renewable energy applications and products become stricter, the Company is actively adjusting its supply chain strategy to ensure rapid adaptation to the changes in policies and market. By improving energy efficiency and carbon management capabilities, the Company can reduce long-term operating costs and enhance financial stability.
4. Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system.	Faced with market changes and environmental challenges, AWEA Mechantronic has established a risk and opportunity identification process based on the TCFD framework to evaluate the impact of climate change on business and adjust response strategies in a timely manner, so as to ensure stable operation of the enterprise. Through the management mechanism implemented for the first time this year, the Company is able to preliminarily identify climate risks and market opportunities that may affect its operation, and develop response plans accordingly to reduce potential impact and enhance competitiveness. This process covers the following five steps to ensure that risk management and opportunity development can proceed in an orderly manner and play a substantive role in strategic decision-making of the enterprise. 1. Theme identification: The Sustainable Development Committee members will identify climate related risks and opportunities that may affect our business. 2. Interview/Workshop: Collect opinions and suggestions from the Sustainable Development members on the identified risks and opportunities. 3. Analysis and prioritization: Further analyze risks and opportunities and prioritize them. 4. Incorporate into decision-making and action: Incorporate the identification results of risks and opportunities into the Company's sustainability report, and continuously track and update them. 5. Continuous monitoring and dynamic adjustment: Regularly review changes in risks and opportunities, and regularly report progress on risk management to the Board of Directors and other stakeholders.
5. Where scenario analysis is used to assess resilience to climate change risks, please describe the scenarios, parameters, assumptions, analysis factors and key financial impacts.	The Company does not use scenario analysis to evaluate climate change risks and their major financial impacts.
6. If there is a transition plan to manage climate-related risks, please describe the content of such plan and the indicators and targets used to identify and manage the physical and transition risks.	The Company does not have a transition plan for managing climate related risks, but will continue to pay attention to climate related risks and develop a transition plan in a timely manner.

Items	Implementation status
7. If internal carbon pricing is used as a planning tool, please describe the basis for setting the price.	To drive low-carbon investment, improve energy use efficiency and strengthen internal decarbonization initiatives, the Company has established its Internal Carbon Pricing (ICP) mechanism starting in 2025. Referring to the 2020 research recommendations on Taiwan's carbon pricing system commissioned by the EPA and conducted by the London School of Economics and Political Science (LSE), the Company sets its internal carbon price at NTD 300 per ton of CO_2e (approximately USD 10). The internal carbon fee mechanism is applied to energy conservation and carbon reduction projects, renewable energy adoption, and serves as an important reference for capital investment planning and major operational decision-making.
8. If climate-related targets are set, please describe the activities covered, the scope of greenhouse gas emissions, the planning schedule, and the annual progress of achievement; if carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant targets, please describe the source and quantity of carbon allowance used for offsets or the quantity of renewable energy certificates (RECs).	The Company has planned and set five management objectives based on the risks and opportunities related to climate change, covering carbon emission management, renewable energy use, supply chain stability, increasing the market share of low-carbon products, and extreme weather response capabilities. Each objective is set with a specific schedule and corresponding indicators, and is included in the annual management mechanism for tracking and improvement. The scope of activities, emission categories, schedule, and current progress covered by the objectives are as follows: 1. Carbon emissions management: covering direct emissions during the Company's operations (Scope 1) and indirect emissions generated by electricity consumption (Scope 2), with phased targets set for reducing carbon emissions by 5% by 2025 and 20% by 2030. At present, we will continue to promote emission intensity reduction through energy-saving projects (such as LED lighting replacement and air compression system optimization), and strengthen data inspection and management capabilities. The Company has not yet used carbon credits or renewable energy certificates (RECs) as tools to achieve our targets. In the future, we will further evaluate the feasibility of introducing relevant mechanisms based on the domestic carbon fee system and SBT requirements. 2. Renewable energy use: Covering the improvement of power consumption structure in the plant, focusing on Scope 2 emission sources. The Company aims to increase the proportion of renewable energy usage to 50% by 2028. The feasibility evaluation of the solar power purchase agreement (PPA) has been completed, and it is expected to launch trial procurement in 2026. 3. Supply chain stability: In the face of the potential supply chain interruption risk caused by climate change, the Company has set the goal of controlling the annual interruption frequency within 2 times, and continues to promote climate risk identification and questionnaire surveys for key suppliers. The first batch of supplier questionnaires have been sent and collected in 2024, which will be used as a basis for subsequent management. 4. Increase in market share of low-carbon products: In response to the trend of green transformation and changes in market demand, the Company actively promotes the design and development of low-carbon products, aiming to achieve a market share growth of 15% by 2025 and 30% by 2030. As of now, a low-carbon processing equipment design patent has been registered, and research and development resources have been continuously invested. 5. Extreme weather response capability: In response to the potential risk of operational interruption caused by extreme weather events, the Company has set the production recovery time limit of 48 hours by 2025 and 24 hours by 2030. Two simulated

Items	Implementation status
	power outage scenario response drills were completed in 2024 to test the effectiveness of system backup and emergency response processes.
9. Greenhouse gas inventory and assurance status, reduction targets, strategies, and specific action plans (fill in 1-1 and 1-2 separately).	Please refer to the following instructions.

1-1. The Company's greenhouse gas inventory and assurance status for the last two years

1-1-1. Greenhouse Gas Inventory Information

Please describe the greenhouse gas emissions (metric tons of CO2e), intensity (metric tons of CO2e/NTD million), and the scope of the data for the most recent two years.

According to the sustainable development roadmap of TWSE/TPEx listed companies, the scope of data that shall be disclosed at least includes:

1. Entities under the parent company shall start the Scope 1 and Scope 2 inventory since 2025.
2. The subsidiaries in the consolidated financial statements shall start the Scope 1 and Scope 2 inventory since 2026.
3. The Company will disclose the previous year's Scope 3 greenhouse gas emissions since 2032.

   The Company has established a greenhouse gas inventory mechanism in accordance with the ISO 14064-1 greenhouse gas inventory standard published by the International Organization for Standardization (ISO). Since 2022, the Company has conducted regular audits of greenhouse gas emissions of entities every year to fully understand the usage and emission status of greenhouse gases, and verify the effectiveness of reduction actions. The greenhouse gas inventory and disclosure of subsidiaries in the consolidated financial statements will be conducted in accordance with the provisions of the sustainable development roadmap of TWSE/TPEx listed companies.

The greenhouse gas emissions of the Company, covering all plants of the parent company, is summarized as follows:

Year		2024		2025	
Item (Unit)		Emissions (tons of CO2e)	Density (tons of CO2e/NTD million of revenue)	Emissions (tons of CO2e)	Density (tons of CO2e/NTD million of revenue)
The Company	Scope 1	374.3657		347.1745	
	Scope 2	1,641.8433		1,379.6045	
Total		2,016.2090	1.5593	1,726.7790	1.2471

The Company's total greenhouse gas emissions of Scopes 1&2 in 2025 were 1,726.7790 tons of CO2e, mainly from electricity emissions in Scope 2, accounting for 79.89% of the previous emissions.

1-1-2. Greenhouse Gas Assurance Information

Please describe the assurance status for the most recent two years as of the publication date of the annual report, including the assurance scope, the assurance organization, the assurance criteria and the assurance opinion.
According to the sustainable development roadmap of TWSE/TPEx listed companies, at least the following scope of assurance shall be implemented: 1. Entities under the parent company shall start the assurance since 2028. 2. The subsidiaries in the consolidated financial statements shall start the assurance since 2029. The Company has not conducted greenhouse gas assurance in the last two years, and will conduct assurance in accordance with the schedule specified in the sustainable development roadmap of TWSE/TPEx listed companies.

1-2 Greenhouse Gas Emission Reduction Targets, Strategies and Specific Action Plans

Please describe the greenhouse gas emission reduction base year and its data, reduction targets, strategies and specific action plans, and the achievement of reduction targets.
In response to global sustainability trends, the Company plans to integrate carbon reduction plans into our operational strategy, including: ➢ Greenhouse gas inventory: Regularly conduct greenhouse gas emission inventory and grasp emission trends. ➢ Energy saving equipment update: Continuously replace high energy consuming equipment, adopt energy-saving design, and implement solar energy installation projects. ➢ Resource management: Strengthen environmental management measures such as energy conservation, water conservation, and resource recycling. ➢ Establish an energy monitoring system: Digitize electricity usage data, continuously collect information, and develop plans to improve electricity usage. ➢ Greenhouse gas reduction target: The Company has not yet completed the greenhouse gas inventory of its subsidiaries in the consolidated financial statements. The parent company has temporarily set a carbon emission reduction target of 5% based on the carbon emissions of the previous year. After the completion of the greenhouse gas inventory of the subsidiaries in the consolidated financial statements, a reduction target for the consolidated company will be formulated based on the sustainable development roadmap of TWSE/TPEx listed companies, with a base year of no later than 2026. Implementation status: The greenhouse gas emissions in 2025 were 1,726.7790 tons of CO2e, a decrease of 14.36% compared to the greenhouse gas emissions of 2,016.2090 tons of CO2e in 2024. Due to the decline in revenue in 2025 compared to that in 2024, the overall activity data decreased due to economic conditions, resulting in a higher reduction in emissions.

(VII) Inconsistency status of the Company's performance in ethical corporate management with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons:

<table>
<tr><th rowspan="2">Assessment items</th><th colspan="3">Implementation status</th><th rowspan="2">Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td>1. Establishment of policies for ethical corporate management and plans
(1) Has the Company established policies for ethical corporate management approved by the board of directors and stated such policies and practices in its regulations and external documents and in the commitment made by the board of directors and senior management to actively implement such policies?</td><td>✓</td><td></td><td>The Company has established the "Ethical Corporate Management Best Practice Principles" and the "Ethical Management and Guidelines for Conduct" approved by the Board of Directors, which stipulate that all employees must be honest, fair, and comply with government orders and regulations when performing business of the Company. The Board Members and the Management also uphold the principle of ethical corporate management as the Company's business philosophy for entrepreneurship.
Key items under the "Ethical Corporate Management Best Practice Principles" (Policies) are summarized as follows:
• Purpose and Scope of Application
• Prohibited Unethical Conduct
• Types of Benefit Interests
• Compliance with Laws and Regulations
• Ethical Corporate Management Policy
• Commitment and Implementation
• Ethical Corporate Management in Business Activities
• Prohibition against offering or accepting bribes
• Prohibition against illegal political donations
• Prohibition against improper charitable donations or sponsorship
• Prohibition against undue gifts, hospitality or other improper benefits
The "Ethical Corporate Management Operating Procedures and Behavior Guidelines" set forth specific rules to be observed by directors, managerial officers, employees and persons with substantive control when performing their duties. The</td><td>No major discrepancy.</td></tr>
</table>

Assessment items	Implementation status			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			Guidelines cover the following matters: (1) Standards for determining the provision or acceptance of improper benefits. (2) Handling procedures for making lawful political contributions. (3) Procedures and monetary limits for legitimate charitable donations and sponsorships. (4) Regulations on avoiding duty-related conflicts of interest, together with relevant reporting and handling mechanisms. (5) Confidentiality provisions for confidential information and commercially sensitive data acquired in the course of business. (6) Governing rules and response procedures for suppliers, customers and business counterparties involved in unethical conduct. (7) Mechanisms for handling violations of the Ethical Corporate Management Principles. (8) Disciplinary measures imposed on violators. From November 1 to December 31, 2025, the Company conducted ethical awareness training and required incumbent directors, managerial officers and employees to sign the 2025 Ethical Corporate Management Declaration. A total of 294 participants completed the signing, with a signing compliance rate of 97.35%.	

Assessment items	Implementation status			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
(2) Has the Company established an assessment mechanism of risk from unethical behavior to regularly analyze and assess business activities with higher risk of involvement in unethical behavior and preventive programs for unethical behaviors containing at least the preventive measures stated in Article 7, Paragraph 2 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies”?	✓		The Company has established the “Ethical Management and Guidelines for Conduct”, clearly defining the Company’s policies for ethical corporate management, and made announcement to all employees. Its content covers the measures for preventing behaviors in Article 7, Paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.	
(3) Has the Company established in the preventive programs the operating procedures for unethical behavior prevention, penalties and grievance systems of breaching the guidelines for conduct, and implemented and periodically review them?	✓		The Company has established the “Ethical Management and Guidelines for Conduct”, which stipulate the guidelines, punishment, and appeal system for preventing unethical behaviors. The “Work Rules” of the Company also stipulate that employees shall abide by the code of professional ethics and establish relevant reward and punishment systems. The internal audit unit will conduct irregular audits. No violation is found in employees, trade customers or suppliers.	
2. Proper enforcement of business integrity (1) Does the Company have the integrity of the trade counterparty assessed and with the code of integrity expressed in the contract signed?	✓		In accordance with the Company’s relevant management procedures, employees must perform the Company’s business impartially and in accordance with relevant laws and regulations. If any dishonest behavior is found in the business dealings or cooperation partners, the Company shall immediately cease its business dealings with them and list them as objects of refusal to deal with, so as to implement the Company’s policy for ethical corporate management. Board members and the management shall also adhere to integrity as the Company’s operating principle.	No major discrepancy.

<table>
<tr><th rowspan="2">Assessment items</th><th colspan="3">Implementation status</th><th rowspan="2">Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td>(2) Has the Company established a dedicated unit under the Board of Directors to promote ethical corporate management and regularly report (at least once a year) to the Board of Directors its ethical management policies and unethical behavior preventive programs and supervise their implementation status?</td><td>✓</td><td></td><td>The Company appoints the General Administration Office as a part-time unit to promote ethical corporate management, and reports its implementation status to the Board of Directors at least once a year. The implementation results for 2025 were reported to the Board at its meeting held on December 22, 2025.
The “Ethical Corporate Management Operating Procedures and Behavior Guidelines” are formulated by the Finance Department, and serve as a policy for all enterprises and organizations in the Group to follow in promoting ethical management. It clearly stipulates the prohibition and prevention measures for unethical behaviors such as anti-corruption and anti-bribery, confidentiality mechanisms, anti-monopoly and unfair competition, insider trading prohibition, and supervision and reporting. The formulation, amendment or abolition of these measures and guidelines shall be approved by the Board of Directors. The directors of the Company shall fulfill the duty of good management to supervise the prevention of unethical conduct, ensuring the implementation of ethical corporate management measures.
The core responsibilities of the part-time ethical management unit are outlined below:
➢ System promotion and supervision: Regularly review and revise ethical management regulations and preventive mechanisms, and oversee all departments to enforce anti-corruption and anti-improper-benefit controls.
➢ Education and promotion: Organize ethical management training and promotional activities to strengthen legal compliance and ethical awareness among all directors, supervisors and employees.</td><td></td></tr>
</table>

Assessment items	Implementation status			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			➢ Commitment to promotion: Commitment to promotion: Senior managers and supervisors above the management level (included) of the Company shall sign the *Ethical Corporate Management Declaration*. General employees are required to sign the *Letter of Undertaking for Integrity* when they enter the Company. ➢ Supply chain management: Suppliers are required to sign the *Letter of Undertaking for Integrity* to uphold fair trading practices and ethical cooperation across the supply chain. ➢ Whistleblower and reporting mechanism: A dedicated ethics reporting mailbox has been established to accept complaints from employees and external stakeholders. All reported cases are investigated in accordance with internal procedures and reported to the Board of Directors. Ethical corporate management performance in 2025: ✓ Supplier commitment: A total of 139 out of 161 (86%) suppliers have signed the Letter of Undertaking for Integrity. ✓ Education and training: 36 new employees participated in induction training; 286 out of 295 (96.95%) employees completed related ethics training. ✓ The employees shall sign the letter of undertaking for integrity, and the directors and senior managers shall sign the ethical management declaration. Commitment: The annual signing rate of Letter of Undertaking for Integrity by the employees shall reach 97.29%. All directors and senior managers have completed the signing of the Ethical Corporate Management Declaration.	No major discrepancy.

Assessment items	Implementation status			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			✓ Promotion: The Company conducts company-wide advocacy on ethical conduct and confidentiality obligations through the employee portal. ✓ Whistleblower system - Dedicated reporting and complaint email: info@awea.com	
(3) Does the Company establish policies to prevent conflicts of interest, provide appropriate channels of representation, and implement them?	✓		If there is a possibility that any decision or transaction may have conflict of interest with the directors and managerial officers, such personnel shall not participate in the decision-making or voting.	
(4) Has the Company established an effective accounting system and an internal control system for the internal audit unit to establish related audit programs based on the results of risk assessment of involvement in unethical behavior to audit and prevent the compliance with the preventive programs of unethical behavior or hire a CPA to perform the audit?	✓		The regulations and system for implementing ethical corporate management are formulated in the Ethical Corporate Management Best Practice Principles and effective accounting system and internal control system are established. In addition, the internal audit unit reviews irregularly.	
(5) Has the Company organized corporate management internal and external education and training programs on a regular basis?	✓		The Company advocates and makes employees clearly understand the ideas and regulations of ethical corporate management through orientation training and employee training. The employees shall sign the letter of undertaking for integrity, and the directors and senior managers shall sign the ethical management declaration.	
3. The operations of the Company's Whistle-blowing System (1) Does the Company have a specific report and reward system stipulated, a convenient report channel established and a responsible staff designated to handle the individual being reported?	✓		The Company has established the "Regulations Governing Whistle-blowing System" and has a dedicated email to provide a convenient channel for directly reporting to the management. It is stipulated that the project leader or ethical management team designated by the President shall be the investigating unit,	No major discrepancy.

Assessment items	Implementation status			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			and those who have conflicts of interest in the acceptance and investigation process of cases shall be avoided.	
(2) Has the Company established standard operating procedures for investigating reported events, follow-up measures to be taken after the investigation was completed, and related confidentiality mechanisms?	✓		Elaborate on the information that whistleblowers shall provide and the complete handling process of the whistleblowing system on the official website, as well as the handling methods and follow-up review and improvement measures, and report to the Board of Directors from time to time.	
(3) Has the Company taken proper measures to protect the whistle-blowers from suffering any consequence of reporting an incident?	✓		The "Regulations Governing Whistle-blowing System" of the Company stipulate the whistleblower protection policy, which requires keeping the whistleblower's identity data confidential, and prohibits the disclosure of information that is sufficient to identify their identity. Whistleblowers shall not be subjected to removal, dismissal, demotion, reduction in salary, harm in their legal, contractual, or customary rights, or other unfavorable punishments due to whistleblowing cases.	
4. Enhanced information disclosure Does the Company disclose its Ethical Corporate Management Best Practice Principles and the results of its implementation on the Company's website and MOPS?	✓		The Company has disclosed the "Ethical Corporate Management Best Practice Principles" on our website and MOPS, and has also disclosed the implementation report on our website.	No major discrepancy.
5. If the Company has established its own Ethical Corporate Management Best Practice Principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/ TPEx Listed Companies", please specify any deviation of their implementation from the corporate social responsibility best-practice principles: None.				
6. Other important information that helps to understand the practice of business integrity of the Company (e.g., the Company's review and revision of the Ethical Corporate Management Best Practice Principles): None.				

(VIII) For the inquiry method of other important information that can promote the understanding of corporate governance operation, the Company reports it on the MOPS for investors to understand the Company's latest status.

(IX) For the hands-on performance in the Internal Control System, the following matters shall be disclosed:

1. Internal Control System Statement

AWEA Mechantronic Co., Ltd.

Internal Control System Statement

Date: March 10, 2026

The following declaration is based on the 2025 self-audit over the Company's internal control system:

1. The Company is aware that the establishment, execution, and maintenance of its internal control policies are the responsibilities the Company's board of directors and managerial officers. These policies were implemented throughout the Company. The purpose is to provide reasonable guarantee for the effectiveness and efficiency of operating (including profit, performance, and asset security protection, etc.), the reliability, timeliness, transparency and compliance of report with relevant norms, laws and regulations, and achievement of other goals.
2. There are inherent limitations on internal control system, and an effective internal control system may only provide reasonable guarantee for the achievement of the said three goals, no matter how perfect its design is; Furthermore, the effectiveness of an internal control system may change due to changes in the environment and circumstances. However, the Company's internal control system has a self-monitoring mechanism, and once the deficiencies are identified, the Company will take corrective actions.
3. The Company has judged the effectiveness of the design and implementation of the internal control system based on the items for judging the effectiveness of an internal control system specified in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). The items for judgment on an internal control system specified in these Regulations are composed of five factors depending on management control process: 1. control environment, 2. risk evaluation, 3. control, 4. information and communication, and 5. monitoring. And each factor includes several items. Please refer to these Regulations for the said items.
4. The Company has adopted the above-mentioned judgment items for internal control system to evaluate the effectiveness of the design and implementation of the internal control system.
5. On the grounds of the outcome of evaluation mentioned in the preceding Paragraph, the Company firmly holds that the Company's internal control system as of December 31, 2025 (including supervisory control and management over subsidiaries), notably the effect of the business operation, extent of accomplishment of the target where the report proves trustworthy, transparent in real time, the design and implementation of the Company's internal control system proves effective, capable of assuring accomplishment of the aforementioned targets.

6. This statement forms part of the main contents of the Company's annual report and prospectus, and shall be disclosed to the public. In case of any false, concealed or other illegal said contents to be disclosed, legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act shall be assumed.
7. This statement was approved by the Board of Directors of the Company on March 10, 2026. Among the eight directors present, none of them held any objections, and the rest agreed to the content of this statement.

AWEA Mechantronic Co., Ltd.

Chairman: Signature

President: Signature

2. Audit of the internal control system by CPA shall disclose the accountant's review report: None.

(X) Major resolution of the Shareholders' Meeting and Board Meetings in the latest year and up to the publication date of the Annual Report:

Shareholders' Meeting/ Board of Directors	Date	Significant decisions resolved
Shareholders' Meetings	2025.5.27	1. Recognized the proposal for the 2024 business report and financial statements. 2. Recognized the proposal for the 2024 earnings distribution. 3. Adopted the proposal for making amendment to the "Articles of Incorporation" of the Company.
Board of Directors	2025.7.8	1. Adopted the proposal for solar energy installation in the Company's Central Taiwan Science Park Plant. 2. Proposal for re-election of chairman.
Board of Directors	2025.8.5	1. Adopted the proposal for appointment of the acting president. 2. Adopted the proposal for appointment of the Sustainable Development Committee members. 3. Adopted the proposal for appointment of the manager of Taichung Branch. 4. Recognized the Proposal for the Consolidated Financial Statements for the Q2 of 2025. 5. Adopted the proposal for the 2025 Sustainability Report. 6. Adopted the proposal for cancellation of the third treasury stock buyback. 7. Adopted the proposal for changing the Company's stock transfer agent for relevant stock affairs. 8. Adopted the proposal for making amendment to the Internal Control System of the Company. 9. Adopted the proposal for formulating the Company's "Sustainability Information Management Operating Measures". 10.Adopted the proposal for loan of Best Way Mechantronic to AWEA Mechantronic (Suzhou). 11.Adopted the proposal for the credit line from bank.
Board of Directors	2025.11.4	1. Recognized the Proposal for the Consolidated Financial Statements for the Q3 of 2025. 2. Adopted the proposal for the transaction limit of YAMA SEIKI USA, INC. 3. Adopted the proposal for evaluation of the independence and competence of CPAs for 2026. 4. Adopted the proposal for making amendment to the Internal Control

Shareholders' Meeting/ Board of Directors	Date	Significant decisions resolved
		System of the Company. 5. Adopted the proposal for making amendment to the "Organizational Regulations of the Audit Committee" of the Company. 6. Adopted the proposal for the credit line from bank.
Board of Directors	2025.12.22	1. Adopted the proposal for appointment of the president. 2. Adopted the matters resolved by the Remuneration Committee. 3. Adopted the proposal for establishing the internal carbon pricing mechanism. 4. Adopted the proposal for 2026 internal audit plan. 5. Adopted the proposal for the 2026 budget. 6. Adopted the proposal for loan to Yih Chuan Machinery. 7. Adopted the proposal for the credit line from bank.
Board of Directors	2026.3.10	1. Adopted the proposal for director remuneration payment for 2025. 2. Adopted the proposal for 2025 Business Report and Financial Statements. 3. Adopted the matters resolved by the Remuneration Committee. 4. Adopted the proposal for the 2025 earnings distribution. 5. Adopted the proposal to issue new shares through capitalization of retained earnings. 6. Adopted the proposal for re-election of directors. 7. Adopted the proposal to lift the restrictions on the non-competition of the new directors and their legal representatives. 8. Adopted the proposal for time, place and reason for convening the 2026 annual shareholders' meeting. 9. Adopted the proposal for accepting proposals submitted by shareholders holding 1% or more shares. 10. Adopted the proposal for accepting director candidate nominations submitted by shareholders holding 1% or more shares. 11. Adopted the proposal for the Company's 2025 Internal Control Statement. 12. Adopted the proposal for making amendment to the Internal Control System of the Company. 13. Adopted the proposal for the credit line from bank.

(XI) In the latest year and up to the publication date of the Annual Report, where the directors or supervisor passed significant decisions with different opinions as backed with records or declarations, the major contents: None.

III. Certified Public Accountant's fee disclosure

Amount unit: NTD thousand

Name of CPA firm	Name of CPA	CPA auditing period	Audit remuneration	Non-audit remuneration	Total	Remark
EnWise CPAs & Co.	Guei-Duan Chen	January 1, 2025 - December 31, 2025	1,750	115	1,865	Non-audit remuneration items: change registration service fees, opinion letter fees, review and certification fees
	Xin-Yu Zhong	January 1, 2025 - December 31, 2025				

IV. Changes in CPA

None.

V. Where the company's chairman, president, or any managerial officer in charge of finance or accounting matters has in the latest year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held

None.

VI. In the latest year and up to the publication date of the Annual Report, the fact regarding transfer or pledge stock equity by the Company's directors, supervisors and managerial officers and major shareholders holding over 10% in shareholding

(I) The fact regarding change or pledge of stock equity by the Company's directors, supervisors and managerial officers and major shareholders holding over 10% in shareholding:

Unit: shares

Title	Name	2025		From January 1, 2026 to March 29, 2026	
		Increase (decrease) in shares held	Increase (decrease) in shares collateralized	Increase (decrease) in shares held	Increase (decrease) in shares collateralized
Chairman	Cheng-Jun Yang	—	—	—	—
Director	Qing-Feng Yang	—	—	—	—
Director	Goodway Machine Corp. Representative: Cheng-Xuan Wang	—	—	—	4,700,000
Director	Goodway Machine Corp. Representative: Kun-Nan Zhuang	—	—	—	4,700,000

Title	Name	2025		From January 1, 2026 to March 29, 2026	
		Increase (decrease) in shares held	Increase (decrease) in shares collateralized	Increase (decrease) in shares held	Increase (decrease) in shares collateralized
Independent Director	Zheng-Yong Huang	—	—	—	—
Independent Director	Li-Ying Luo	—	—	—	—
Independent Director	Yu-Ren Su	—	—	—	—
Independent Director	Xi-Peng Hong	—	—	—	—
Major shareholders	Goodway Machine Corp.	—	—	—	4,700,000
President	Shang-Ru Yang	—	—	—	—
Vice President	Chang-Chi Yang	—	—	—	—
Vice President	Rui-Ming Ye	—	—	—	—
Supervisor of Finance Department	Guo-Xuan, Fan	—	—	—	—
Accounting Supervisor	Guo-Xuan, Fan	—	—	—	—

(II) Information of directors, supervisors and managerial officers and major shareholders with the counterpart of stock equity transfer as the related party: None.

(III) Information of directors, supervisors and managerial officers and major shareholders with the counterpart of stock equity pledge as the related party: None.

VII. Data of relationship among the company's top ten shareholders

March 29, 2026

Name	Shares held in own name		Shareholdings of spouse and minor children		Shares held in the names of others		Name and relationship between the Company's top ten shareholders, or spouses or relatives within the second degree of kinship		Remark
	Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding	Name	Relationship	
Goodway Machine Corp.	47,962,311	50.70%	－	－	－	－	De-Hua Yang	The person in charge is the relative within the second degree of kinship	
De-Hua Yang	9,030,403	9.55%	－	－	－	－	Hong Hua Investment Co., Ltd. JiaJin Investment Co., Ltd. Hung Jiu Machine Co., Ltd.	Person in charge	
JiaJin Investment Co., Ltd.	6,258,388	6.62%	－	－	－	－	De-Hua Yang	Person in charge	
Hung Jiu Investment Co., Ltd.	1,667,818	1.76%	－	－	－	－	None	None	
Zhi Yuan Investment Co., Ltd.	1,544,316	1.63%	－	－	－	－	None	None	
Jin Cheng Investment Co., Ltd.	1,039,000	1.10%	－	－	－	－	De-Hua Yang	The person in charge is the relative within the second degree of kinship	
Hong Hua Investment Co., Ltd.	830,250	0.88%	－	－	－	－	De-Hua Yang	Person in charge	
Hung Jiu Machine Co., Ltd.	816,312	0.86%	－	－	－	－	De-Hua Yang	Person in charge	
Yu En Investment Co., Ltd.	786,728	0.83%	－	－	－	－	De-Hua Yang	The person in charge is the relative within the second degree of kinship	
Zong Han Investment Co., Ltd.	552,000	0.59%	－	－	－	－	De-Hua Yang	The person in charge is the relative within the second degree of kinship	

VIII. Investments jointly held by the Company, the Company's directors, supervisors, managerial officers, and enterprises directly or indirectly controlled by the Company. Calculate shareholding in aggregate of the above parties

December 31, 2025; Unit: shares; %

Investees	Invested by the Company		Investment held by directors, supervisors, managerial officers, and directly or indirectly controlled enterprises		Aggregate investment	
	Number of shares	Ownership (%)	Number of shares	Ownership (%)	Number of shares	Ownership (%)
B-WAY (CAYMAN) CO., LTD. (Note 1)	10,665,029	100%	—	—	10,665,029	100%
BILLION-WAY (CAYMAN) CO., LTD. (Note 1)	—	—	12,829,840	100%	12,829,840	100%
Best Way Mechantronic Ltd. (Note 3)	—	—	—	100%	—	100%
AWEA Mechantronic (Suzhou) Ltd. (Note 3)	—	—	—	100%	—	100%
AUTECH EUROPE	50	5%	—	—	50	5%
Yih Chuan Machinery Industry Co., Ltd.	5,914,800	60%	3,943,200	40%	9,858,000	100%
YAMA SEIKI,USA,INC.	584,192	28.58%	1,460,000	71.42%	2,044,192	100%
AXTRON INT'L INVESTMENT CO., LTD. (Note 1)	—	—	50,000	100%	50,000	100%
AXTRON INT'L INVESTMENT LIMITED (Note 2)	—	—	10,000	100%	10,000	100%
Extron Machinery Co., Ltd. (Note 3)	—	—	—	100%	—	100%

Note 1: Overseas company, with the price per share of US$1.

Note 2: Overseas company, with the price per share of HK$1.

Note 3: The number of shares is not counted for mainland companies.

Chapter III Funding Status

I. Share capital and shares

(I) Sources of share capital

Unit: shares/ NTD

Month/ Year	Price of issue	Authorized capital		Paid-up capital		Remark		
		Number of shares	Amount	Number of shares	Amount	Sources of share capital	Paid in properties other than cash	Others
July 2008	10	100,000,000	1,000,000,000	82,901,175	829,011,750	NTD 39,178,250 of capital increase transferred from surplus reserve NTD 6,268,500 of capital increase transferred from employees bonus	None	Note 1
December 2008	10	100,000,000	1,000,000,000	82,370,866	823,708,660	Consolidate Baiwei shares, and reduce a capital of NTD 5,303,090 for treasury shares	None	Note 2
July 2009	10	100,000,000	1,000,000,000	90,607,952	906,079,520	NTD 82,370,860 of capital increase transferred from surplus reserve	None	Note 3
August 2011	10	100,000,000	1,000,000,000	94,952,449	949,524,490	NTD 43,444,970 of capital increase transferred from surplus reserve	None	Note 4
November 2012	10	100,000,000	1,000,000,000	94,952,449	949,524,490	Consolidate Jinwei shares	None	Note 5
November 2013	10	100,000,000	1,000,000,000	91,994,449	919,944,490	Cancel a capital of NTD 29,580,000 for treasury shares	None	Note 6
September 2016	10	100,000,000	1,000,000,000	96,594,171	965,941,710	NTD 45,997,220 of capital increase transferred from surplus reserve	None	Note 7
September 2025	10	100,000,000	1,000,000,000	94,594,171	945,941,710	Cancel a capital of NTD 20,000,000 for treasury shares	None	Note 8

Note 1: The Financial Supervisory Commission, Executive Yuan approved a capital increase through Jin-Guan-Zheng-Yi-Zi Letter No. 0970033790 on July 7, 2008.
Note 2: The Ministry of Economic Affairs approved a capital decrease through Jing-Shou-Shang-Zi Letter No. 09701323420 on December 23, 2008.
Note 3: The Financial Supervisory Commission, Executive Yuan approved a capital increase through Jin-Guan-Zheng-Fa-Zi Letter No. 0980033595 on July 7, 2009.
Note 4: The Financial Supervisory Commission, Executive Yuan approved a capital increase through Jin-Guan-Zheng-Fa-Zi Letter No. 1000030026 on June 29, 2011.
Note 5: Registration was changed through Jing-Shou-Shang-Zi No. 10101223870.
Note 6: Registration was changed through Jing-Shou-Shang-Zi No. 10201241980.
Note 7: Registration was changed through Jing-Shou-Shang-Zi No. 10501224890.
Note 8: Registration was changed through Jing-Shou-Shang-Zi No. 11430145260.

Share category	Authorized capital					Remark
	Outstanding shares			Unissued shares	Total	
	Listed	Unlisted	Total			
Registered ordinary shares	94,594,171	-	94,594,171	5,405,829	100,000,000	Belong to listed stocks

(II) List of major shareholders: Names of shareholders holding over 5% in shareholding or top ten shareholders in shareholding, number of shares and proportion.

Shares / Name of major shareholders	Number of shares held	Ownership (%)
1. Goodway Machine Corp.	47,962,311	50.70%
2. De-Hua Yang	9,030,403	9.55%
3. JiaJin Investment Co., Ltd.	6,258,388	6.62%
4. Hung Jiu Investment Co., Ltd.	1,667,818	1.76%
5. Zhi Yuan Investment Co., Ltd.	1,544,316	1.63%
6. Jin Cheng Investment Co., Ltd.	1,039,000	1.10%
7. Hong Hua Investment Co., Ltd.	830,250	0.88%
8. Hung Jiu Machine Co., Ltd.	816,312	0.86%
9. Yu En Investment Co., Ltd.	786,728	0.83%
10. Zong Han Investment Co., Ltd.	554,000	0.59%

(III) The Company's dividend policy and fact of implementation thereof

1. Dividend policy:

   The Company's annual net income after final settlement shall be used to pay taxes and cover the deficits of prior years according to law, 10% of the remaining income shall be set aside as legal reserve and special reserve in accordance with the law, and the remaining balance shall be added to the undistributed earnings of prior years and a part of which retained as the capital required for the business growth, and then the Board of Directors shall prepare the earnings distribution proposal and submit it to the Shareholders' Meeting for resolution.

   The Company is in an industry with changing environment, and in the growth stage of life cycle, and in order to consider long-term financial planning and meet the cash inflow needs of shareholders, the annual cash dividend shall not be less than 10% of the total cash and stock dividends.

2. Status of dividend distribution proposed at the shareholders' meeting:

   The Company passed the earnings distribution plan for the year 2025 through a resolution of the board meeting on March 10, 2026. The Company's net loss after tax profit for the year 2025 was (NTD 233,202,342), and it is proposed to be distributed as follows:

	Earning distribution plan (NTD thousand)	Dividends per share (NTD)
Stock dividends	85,135	0.9
Cash dividends	9,459	0.1

(IV) The impact of issuance of bonus shares proposed in the present shareholders' meeting upon the Company's business performance and earning per share:

In accordance with stipulations in Regulations Governing the Publication of Financial Forecasts of Public Companies, the Company did not need to disclose its financial forecast information for 2026.

(V) Remuneration to the employees, directors and supervisors:

1. The percentage or range of employee dividends, directors and supervisors' remuneration as stated in the Articles of Association:
   If the Company has profit in the year (the so-called profit refers to the profit before tax, and before deduction of employees' remuneration and directors' and supervisors' remuneration), it shall set aside 3%-8% of the profit as employees' remuneration (of which the remuneration for grassroots employees shall be not less than 50%), and set aside no more than 2% as directors and supervisors' remuneration. The Company may distribute the above remuneration to employees of its subsidiaries who meet certain criteria, and the terms and methods of distribution shall be determined by the Board of Directors. However, if the Company has accumulated deficit, an amount to cover such deficit shall be reserved in advance.
2. The basis for estimating the amount of employee, directors, and supervisor remuneration, for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of the discrepancy, if any, between the actual dividend amount and the estimated figure, for the current period:
   The employees' remuneration and the remuneration to directors and supervisors that the Company is required to distribute in accordance with the Company Act and the Articles of Incorporation, shall be estimated in advance during the preparation of interim and annual financial statements in accordance with the Accounting Research and Development Foundation's (2007) Ji-Mi-Zi No. 052 Interpretation Letter, and shall be classified as appropriate accounting subjects under operating costs or operating expenses based on the nature of employee dividends and the remuneration to directors and supervisors. If there is a discrepancy between the distribution amount resolved by the Shareholders' Meeting and the estimated amount in the financial statements, it shall be considered as a change in estimate, and shall be included in the profit and loss of the current distribution period.
3. The situation where the Board of Directors approves the distribution of remuneration:
   (1) The amount of employee remuneration and directors' and supervisors' remuneration distributed in cash or stock. If there is a discrepancy between the estimated amount of expenses recognized in the year, the number, reasons, and handling status of the discrepancy should be disclosed:

According to the proposed Articles of Incorporation of the Company, if the Company makes a profit in the fiscal year, it shall allocate 3% - 8% for employee remuneration, and the director's remuneration shall not exceed 2%.

The Company incurred a loss in 2025, hence no allocation of employees' remuneration and remuneration of directors for the year 2025. There is no discrepancy with the recognized amount in the 2025 financial report.

(2) The percentage of amount of remuneration to employees to be distributed in shares to the aggregate total of the net profit after tax as shown through the individual financial statements or respective financial statements and the aggregate total of remuneration to employees: Not applicable.

4. The actual distribution of employee and director remuneration for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee and director remuneration, additionally the discrepancy, cause, and how it is treated:

The Company actually distributed director remuneration of NTD 2,750 thousand and employees' remuneration of NTD 16,000 thousand in cash for 2024 in 2025. There is no discrepancy with the amounts recognized in the Company's 2024 financial report.

(VI) Buyback of the Company's stock:

March 29, 2026

Buyback phase	The 3rd (phase)
Purpose of buyback	To safeguard the Company's credit and shareholders' equity
Buyback period	April 21, 2025 - June 10, 2025
Buyback price range	NTD 28.98 to NTD 32.83 per share
Type and quantity of shares bought back	Common shares: 2,000,000 shares
Amount of shares bought back	NTD 63,692,011
Percentage of actual buyback quantity to planned buyback quantity (%)	100%
Quantity of shares canceled or transferred	2,000,000 shares (Note)
Cumulative holding of the Company's shares	Common shares: 0 shares
Ratio of cumulative shareholdings to total issued shares (%)	0.00%

Note: The shares from the third share buyback completed cancellation registration on September 26, 2025.

II. Insurance of corporate bonds (including overseas corporate bonds)

None.

III. Status of preferred shares

None.

IV. Issuance of global depository receipts

None.

V. Employee stock options

None.

VI. Status of new shares issuance in connection with mergers and acquisitions

None.

VII. Progress on the use of funds

(I) Planned content: None.
(II) Implementation status: None.
(III) Use of unexpended capital: None.

Chapter IV Business Performance

I. Content of business

(I) Scope of business operation

1. Major contents of businesses

The Company's main business activities include the development and design, production, manufacturing and sales of Computer Numerical Control (CNC) machine tools, and the business activities listed in the Company's change registration form are as follows:

- CB01010 Mechanical Equipment Manufacturing.
- CC01110 Computer and Peripheral Equipment Manufacturing.
- I501010 Product Designing.
- F113010 Wholesale of Machinery.
- F213080 Retail Sale of Other Machinery and Equipment.
- ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

2. Ratio of operating revenue in the major contents of businesses

The ratio of the Company's operating revenue from its major products is as follows:

Unit: NTD thousand

Major products	2025		2024	
	Amount	%	Amount	%
Gantry vertical integrated machining center	976,539	50.69	926,085	48.29
C-type vertical integrated machining center	838,279	43.51	877,829	45.77
Other (Note)	111,651	5.80	113,848	5.94
Total	1,926,469	100.00	1,917,762	100.00

Note: Others include machine maintenance, and purchase and sales of components and purchased products.

Focusing on the development and design, production, manufacturing and sales of Computer Numerical Control (CNC) machine tools, the ratio of operating revenue is above 95%.

3. The current products of the Company

The Company's main product is Computer Numerical Control (CNC) machine tools, which belong to the metal cutting machine building industry in the industrial machinery and are indispensable mechanical equipment for basic machining and precision machining. The products are applied in the aerospace industry, national defense industry, automobile industry, general machinery, metal processing industry, electronic industry and other industries. The Company's machine tools can be divided into the gantry vertical integrated machining centers and the C-type vertical integrated machining centers, or, by machines, into:

- Vertical Machining Center.
- Gantry Vertical Machining Centers.
- Bridge Type 5-Face Machining Center.
- High Speed Machining Center.
- Horizontal Machining Centers.
- Horizontal High-speed Machining Centers.
- Horizontal Boring Mills.
- Five-Axis Machining Center.
- Automation.

4. New products under development

   Computer Numerical Control (CNC) machine tools are one of the new industries actively promoted by the government in recent years, of which precision CNC lathes and machining centers with higher added value are key development projects; in the early days of the Company, medium and large precision machining centers were developed as the core to meet the needs of large machine part and mold processors. In recent years, small and medium CNC vertical machining center series products have also been developed to meet the market needs of small and medium object machining and molds. In the future, the Company not only continues to improve the competitiveness of the original medium and large gantry machining center series products and small and medium CNC vertical machining center series products, but also strives to develop different models of CNC horizontal boring mills and CNC five-axis machining centers, and plans to develop the following new products:

   - Development of 2-axis worktable with FCV620 RD structure.
   - Development of 130-spec spindle shaft for BT horizontal boring main spindle.
   - Cutting rigidity improvement for extended-nose 90° angle head.
   - Cutting rigidity improvement for manual universal angle head.
   - Development and launch of SP-II model.
   - Design and development of AWH-30 biaxial head.

(II) Industrial profiles:

1. The status quo and development of the machine tool industry

   (1) Industry status

   According to customs export statistics issued by the Customs Administration, Ministry of Finance, the total export value of Taiwan’s machine tools from January to December 2025 reached USD 2,004.06 million, with a decrease of 9.6% compared to the same period last year, including USD 1,650.72 million for metal-cutting machine tools, with a decrease of 10% compared to the same period last year, and USD 353.35 million for metal-forming machine tools, with a decrease of 7.8% compared to the same period last year.

Ranked by export countries, China ranked first from January to December 2025, with an export value of USD 548,640 thousand, accounting for 27.4% of the total export value, a decrease of 13.0% over the same period last year. The USA ranked second, with an export value of USD 318,050 thousand, accounting for 15.9% of the total export value, a decrease of 6.8% over the same period last year. India ranked third, with an export value of USD 144,950 thousand, accounting for 7.2%, a decrease of 0.6% over the same period last year. Turkey ranked fourth, with an export value of USD 142,160 thousand, accounting for 7.1%, a decrease of 26.1% over the same period last year. Vietnam ranked fifth, with an export value of USD 98,140 thousand, accounting for 4.9%, an increase of 9.6% over the same period last year.

Other countries are as follows: Thailand accounted for 4.3%, an increase of 8.6%. Japan, accounting for 2.5%, with a decrease of 2.3%. Netherlands, accounting for 2.4%, with a decrease of 16.3%. Italy accounted for 2.2%, a decrease of 1.4%. Malaysia accounted for 2.0%, an increase of 13.2%. The ranking of export countries from January to December 2025 is as follows:

Statistical analysis table of main export countries of
Taiwan machine tools in 2025

Unit: USD thousand; %

Rank	Export country	2024		2025		Rate of change %
		Export value	%	Export value	%	
1	China (including Hong Kong)	630,595	28.4	548,641	27.4	-13.0
2	USA	341,263	15.4	318,054	15.9	-6.8
3	India	145,759	6.6	144,952	7.2	-0.6
4	Turkey	192,287	8.7	142,157	7.1	-26.1
5	Vietnam	89,583	4.0	98,144	4.9	9.6
6	Thailand	79,522	3.6	86,329	4.3	8.6
7	Japan	52,265	2.4	51,082	2.5	-2.3
8	Netherlands	58,136	2.6	48,632	2.4	-16.3
9	Italy	43,813	2.0	43,213	2.2	-1.4
10	Malaysia	35,467	1.6	40,145	2.0	13.2
Others		549,257	24.7	482,713	24.1	-12.1
Total		2,217,947	100.0	2,004,062	100.0	-9.6

Source: Customs administration, Ministry of Finance and Taiwan Machine Tool & Accessory Builders' Association (TMBA)

According to the analysis of metal-cutting machine tool category, EDM, laser and ultrasonic machine tools decreased by 7.6%, Machining Centers decreased by 8.3%, Lathes decreased by 18.3%, drilling, boring, milling and tapping machine tools decreased by 8.8%, and Grinding Machines grew by 2.4%. Planing, slotting, broaching and gear cutting machine tools decreased by 9.4%. In metal-forming machine tools, forging and stamping machines decreased by 11.1% compared to the last year, while other forming machine tools grew by 5.9%. The statistical analysis of export from January to December 2025 is shown as follows:

Statistical analysis table of export of Taiwan machine tools in 2025

Unit: USD thousand; %

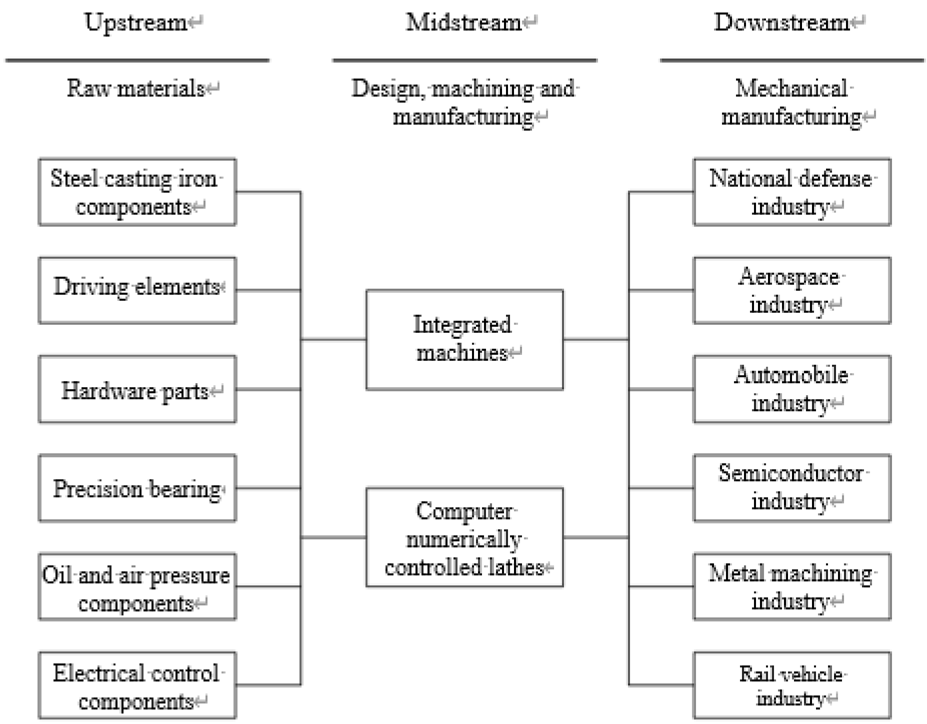
Machine tool category	2024		2025		Rate of change %
	Export value	%	Export value	%	
EDM, laser and ultrasonic machine tools	158,045	7.1	146,079	7.4	-7.6
Integrated machines	658,288	29.7	603,484	30.1	-8.3
Lathes	533,625	24.1	435,768	21.7	-18.3
Drilling, boring, milling and tapping machine tools	157,047	7.1	143,241	7.1	-8.8
Grinding machines	214,590	9.6	219,749	11.0	2.4
Planing, slotting, broaching and gear cutting machine tools	113,002	5.1	102,395	5.1	-9.4
Subtotal of metal-cutting machine tools	1,834,597	82.7	1,650,716	82.4	-10.0
Forging and stamping forming machine tools	309,627	14.0	275,303	13.7	-11.1
Other forming machine tools	73,723	3.3	78,043	3.9	5.9
Subtotal of metal-forming machine tools	383,350	17.3	353,346	17.6	-7.8
Total machine tools	2,217,947	100.0	2,004,062	100.0	-9.6

Source: Customs administration, Ministry of Finance and Taiwan Machine Tool & Accessory Builders' Association (TMBA)

2. Correlation between the midstream and downstream industries

The relationship between the upstream, midstream and downstream machine tool industries is extremely close. Raw materials required for production include numerical controllers, ball screws, casts, hardware parts and other components, which are generally manufactured by the subcontractor and part processer. Then these components are integrated by specialized division of labor and assembled into the machine tool. The machine tool is a machine for making machinery, and also an indispensable machine and equipment for basic machining and precision machining. The machine tool industry, which plays a key role in industrial development, has a close relationship with the national defense industry, automobile industry, and aerospace industry.

Since the machining process is complex, and a large number of components are required in the machine tool industry, there are several developments (for example, key components are purchased from foreign countries, general parts are processed by the subcontractor, the central plant is responsible for assembly, testing and other work) in Taiwan machine tool industry, and machining is integrated by specialized division of labor. The correlation between the upstream, midstream and downstream machine tool industries is shown as follows:



3. Product development trends

(1) Technological development trends

The technology of machine tools in Taiwan continues to be high-speed, high-precision and high-composite, mainly in improving the manufacturing process of components, enhancing productivity and reducing costs. Therefore, high-precision, high-speed and open controllers and composite and systemic trends have become a common goal for machine tool manufacturers. In terms of high speed and precision, high-speed feeding systems and high-speed spindles are developed to enhance the machining speed, which is conducive to the improvement of production efficiency; as the production efficiency is improved, the roughness of the machining surface should also be improved, so the high-speed capability should also be considered; in terms of open controllers, with the rapid development of computers and information processing, controllers will make the function of machine tools more intelligent, so as to improve the performance of the machine and reduce the needs and costs of production manpower; in terms of composite trend, to save space, reduce costs and deal with the need for a small number of diverse and complex workpieces, multifunctional composite machines will be developed to reduce the space for the machine, thus reducing workpiece moves and improving machining precision; in terms of systemic trend, flexible machining, automated process, intelligent monitoring and standardized interfaces will be developed.

(2) Product development trends

At present, there are two development trends in the Computer Numerical Control (CNC) machine tool market. First, machine tools of standard specifications occupy the low-price markets with mass production and low costs; second, high-precision and high-quality machine tools are produced by the technological level, and occupy the high value added markets with the price-performance ratio; high value added machine tools will be of high speed, multiple functions, environmental safety, quality stability and product stability in the future, and machine tool manufacturers are actively improving the production process, and develop high-speed spindles, high-speed cutting and high-precision products to improve competitiveness.

4. Product competition

The Company’s current products include gantry machine products and small C-type machines, and the competition of the products is described as follows:

In the gantry machine products, the processing of such products is complex, and these products cannot be mass-produced since the specifications vary with customer requirements and thus are diverse and in a small quantity. At present, companies producing similar products worldwide include WALDRICH SIEGEN in Germany, and SNK, OKUMA, TOSHIBA and MITSUBISHI in Japan, which occupy market segments with different prices from domestic machine tool manufacturers due to their high unit prices.

In the C-type machine products, with large market demands, there are a number of manufacturers for the same type of products at home and abroad, and such products vary in functions and properties and capture different market segments. The products mainly include special machines and multifunctional machines. At present, the Company's C-type machines are mid-range multifunctional machines, with its main competitors from the same industry in South Korea, Italy and other countries. Since the labor cost in Taiwan is lower than that in South Korea, Italy and other countries, Taiwan is more competitive in such products than manufacturers of the same grade in other countries. However, influenced by exchange rate fluctuations, the competition will increase or decrease as there is a large change in the exchange rate of the New Taiwan dollar or the competitor.

In the five-axis machines, with the growth in market demands and large investment of domestic and foreign competitors in research and development, the Company also invests in the development of small, medium and large five-axis machines. At present, companies producing similar small and medium products worldwide include Hermle, and DMG&MORI in Germany, and those producing large products include SNK, OKUMA, TOSHIBA, and MITSUBISHI in Japan. These companies capture market segments with different prices from domestic companies due to their high unit prices, while the domestic competitors' products are not mature, and thus may have considerable opportunities in market competition.

(III) Research and development:

1. Technical level of the business affairs

Since its inception, the Company has focused on the R&D, production and manufacturing of machine tools, with its main technology from long-term cultivation of talents, technology establishment, experience inheritance, and self-development of products, and main R&D cadres have the ability to develop products and maintain close cooperation with upstream component suppliers. As the design and manufacturing of machine tools require long-term experience accumulation and planning ability, the Company technologically works with the Industrial Technology Research Institute (ITRI), a specialized machinery research institute in Taiwan, and the Precision Machinery Research & Development Center for product development and improvement.

By means of years of experience in product R&D, the Company has built a complete R&D system and can develop the product process capability for customer application demands to meet customers' demands for product quality and maintain market competitiveness in production technology that is superior to the same industry.

2. Research and development status

In recent years, the Company has focused on the improvement of production efficiency and process capability, and thus the development of high-range products. In the future, the Company's R&D interest will include continuously reducing production cost, and actively developing in the fields of aerospace, 3C industry, light metal machining industry and precision mold machining industry. The products for development in the near future are as follows:

(1) Small and medium horizontal boring mills

Small and medium CNC horizontal three-axis machines, as the main body, are equipped with rotary high payload index tables and self-made boring spindles to cope with the precision machining applications; in addition, a table exchange mechanism is developed to reduce downtime and improve work efficiency.

(2) Large horizontal boring mills

The main market is large turbine parts machining industry, large mechanical precision parts, large pipe valve parts and wind power parts manufacturing industry. The product features include ultra-high payload table, ultra-large work stroke, ultra-large spindle output torque and three-axis travel module design that can be matched according to customer needs.

(3) Large gantry type five-axis machining center

In response to the trend of large product development in the market, the Company will modify super-large crown block gantry machines, and improve the machining efficiency and quality; it will add two rotary spindle heads to the large crown block gantry to improve products' machining performance, and minimize the number of turns of large workpieces.

(4) Small high-speed CNC vertical machining center

Small CNC vertical three-axis machines, as the main body, are optimized in structure and performance to meet the parts machining needs of the 3C industry and ensure high efficiency, high precision and low cost.

(5) Intelligent software development

In response to customers' requirements for strict machining, including size, shape, surface brightness and reduced processing time, the Company will continue to develop the most appropriate machining parameters, compensation function, anti-collision simulation software and machine status monitoring function to meet the needs of different industrial groups, improve customers' satisfaction with products, and enhance product competitiveness.

(6) Development of high-precision optical mounting and correction system of large machine tool

To meet the product needs of the large object processing market, the Company will develop ultra-large stroke machines. To satisfy the needs, and improve product precision and value, the Company advances precision assembly technology, and participates in "Development of High-precision Optical Installation Calibration System for Large Machines and Tools", an industry-university cooperation plan led by National Formosa University.

(7) Development of large moving column moving cross rail gantry five-face machining center

To meet the product needs of the large object processing market, the Company will develop ultra-large moving column moving cross rail gantry five-face machines to meet the processing needs of large, high-torque and high-rigidity products.

(8) Development of gantry friction stirring welder

Based on the "friction stirring welding technology", a new technology transfer by the Company and TWI (The Welding Institute), UK, and the current gantry machine framework, the Company can enter the welding market of shipbuilding, aerospace and automobile industries. At present, no manufacturer in Taiwan develops this type of functional machines, and the Company first enters the market to capture the blue ocean market, increase product lines and improve its competitiveness.

The Company, which pays particular attention to the R&D of products, forms the product R&D team from time to time, in which the R&D personnel are responsible for the development of new products, improvement of production process and technical guidance.

3. R&D expenditure in the latest year

The ratio of the Company's R&D expenditure in the latest year in the operating revenue is as follows:

Unit: NTD thousand

Items \ Year	2024	2025
Research and development expenses	92,583	64,253
Operating revenue	1,917,762	1,926,469
Ratio in operating revenue	4.83%	3.34%

To meet the market demand and improve product competitiveness, the Company especially attaches importance to the R&D of products, investing in NTD 92,583 thousand and NTD 64,253 thousand in 2024 and 2025, which accounted for 4.83% and 3.34% of the operating revenue. The investments are mainly used to develop new products, modify the functions of the original products, test new products and develop components. The Company continues to attract R&D talents, and add R&D equipment and relevant application software. In the future, the R&D funds are expected to stably increase with the revenue scale.

4. Successfully developed technology or product in recent five years

The Company's R&D results are developed based on more than 20 years of production technology and constantly modified according to customers' actual needs, so as to improve product performance and gain the competitive advantage in the market. The R&D results of the Company in the latest years are listed as follows:

Year	Successfully developed technology or product
2021	1.Optimization and development of the one-index AC full-automatic universal joint. 2.Optimization and development of the 4,500RPM horizontal joint. 3.Integration of the LB/EP fixed column gantry machine. 4.Development of tool management function. 5.Development of tool monitoring function. 6.Development of the diagnostic function of the machine.
2022	1.Development of VP-type 12KB internal spindle. 2.Electrical design of the self-made tool changer. 3.Development of Z800 hard track short gear spindle. 4.Development of the AU-680 high-rigidity moving column five-axis machine. 5.Development of VP-xx16 gantry machine (lockable). 6.Development of AHM-800-APC horizontal pallet changer. 7.Design and development of X-A2 biaxial head. 8.Development of the intelligent spindle thermal displacement deep learning compensation technique. 9.Development of the intelligent tapping deep learning automatic dispatch technique. 10. Development of intelligent information control system platform (FANUC controller).
2023	1. Intelligent digital communication box. 2. Intelligent information APP. 3. Development of the Z800 linear guide vertical junction spindle box. 4. Improvement of vertical and horizontal tool arms in tool storage. 5. Development of the tray storage system of the five-axis machine.
2024	1. Development of tool load monitoring function. 2. Optimization of the one-index AC control of AC full-automatic universal joint. 3. Development of talk function of the intelligent information control system. 4. LP model main component integration and simplification project. 5. AC automatic universal joint stability improvement - C-axis lower section body hardening. 6. MEGA5P model tool modification project. 7. RG model fully enclosed modification project.
2025	1. The AU-680 high-speed 5-axis machining center was awarded the Silver Label in the 2nd TMBA Energy Saving Mark Evaluation. 2. The intelligent and automated AU-680 high-speed 5-axis machining center won the 2026 Taiwan Excellence Award. 3. Development of 2-axis worktable with FCV800II RD structure. 4. Development of A+850 / AF-860 APC worktable. 5. Development of autonomous correction function for AC automatic universal joint. 6. Development of one-click troubleshooting function for side-mounted tool magazine.

(IV) Long- and short-term business development programs:

Since its inception, the Company has actively expanded high-precision and automated production equipment to improve production efficiency, production capacity and technical level, develop high value added products, and create operating benefits. The short-term and long-term development programs of the Company are described as follows:

1. Short-term business programs
   (1) Marketing strategies:
      - Strengthen the customer service quality system
        The Company establishes two-way communication channels between the Company and customers, strengthens the training of marketing and customer complaints personnel, promotes good customer service quality, and provides after-sales services for products, and prioritizes information reflected by customers, striving to meet customers' satisfaction and enhance the long-term relationship with customers.
      - Obtain orders of high value added products to enhance competitive advantages
        In addition to customers in long-term cooperation, the Company strengthens the development of domestic potential customers to expand business space, and actively obtains orders of high value added products, so as to increase the proportion of medium- and high-priced machine tools, obtain market segments with other companies in the same industry and enhance competitive advantages.
      - Disperse customer sources and adjust product structure and channel
        The Company consolidates and expands customer sources, while maintaining good cooperation with existing customers. In addition, the Company, in response to market demands and industrial development trends, also adjusts the product structure and actively develops diversified sales channels, and wins orders from domestic and foreign customers with its production flexibility and product quality and disperses order sources to reduce the operating risk of changes in industrial prosperity.
   (2) Production strategies
      - Mass-production and modularization of machine tools
        In response to the need for shorter market delivery, the Company strengthens the mass production and modularization of machine tools to meet customers' need for multifunctional applications and improve production flexibility, while sharing of components can reduce the inventory risk of stocks.
      - Upgrade the assembly level of the Mainland China plants
        The Company upgrades the assembly level of its Mainland China plants, cultivates local mechatronic talents, and develops its own-brand products to strengthen product cost competitiveness and meet mainland customers' need for local delivery.

(3) Development orientation of product

- Supply ability of complete product lines

  In addition to the development of large precision machine tools, the Company also develops small and medium CNC vertical machining centers and has the supply ability of complete product lines in response to customer demands and all-round market needs, so as to meet customers' need for one-stop shop.

- Enhance the integration of high-speed machine tools and application software

  To comply with the trend of high-speed development in the market, the Company will develop and modify small and medium high-speed machines, improve product machining efficiency, including size, shape and surface brightness, and shortens machining time; it will also develop the most appropriate parameter software, and meet the needs of different industrial groups and upgrade the competitiveness of small size machines by optimizing parameters.

(4) Operating scales and financial cooperation

- Implement the management system, and improve administrative efficiency

  The Company will effectively plan its management system, and implement the computerization of enterprise information to perfect the information integration, analysis and customer services; the Company will also promote the performance management system to improve the administrative efficiency.

- Strengthen financial management, and properly use funds

2. Long-term business programs

(1) Marketing strategies:

- Expand overseas markets and enhance international reputation

  The Company will actively expand the international market, and attract orders from foreign customers with good reputation; it will also set up plants in Mainland China to develop emerging markets and increase the sales percentage of overseas markets to establish a global marketing network and realize market diversification.

- Integrate resources across departments to ensure competitive advantages

  By improving the customer service mechanism and integrating resources across departments, the Company improves the flexibility and mobility of the production process, and enhances its professional image to get customers' trust, and then it expands its performance and profits to ensure the competitive advantages.

(2) Production strategies

- Enhance production efficiency and improve product quality

  Based on the product demands of domestic and foreign customers, the Company proposes the production plan, plans the development progress of new products, and accelerates the commercialization of products, ensuring that it can achieve the operating revenue target; the Company also effectively utilizes the production capacity to improve its overall production efficiency.

- Adjust production structure in response to market supply and demand

  In the future, the Company will adjust the production structure according to the changes in market supply and demand and business cycle to optimize the production flexibility; the Company will also form a strategic alliance with upstream and downstream manufacturers, and strengthen the division of labor system to improve the profitability.

(3) Development orientation of product

- Improve the ability to self-make the key parts

  The Company will continue to train electronic control system talents, and develop key components of machine tools, such as precision bearings, with domestic technical research institutions, to reduce its dependence on foreign suppliers.

(4) Operating scales and financial cooperation

- Uphold the concept of sustainable development, and expand the operating scale

  Adhering to the concept of sustainable operation, the Company actively cultivates R&D talents, and builds talents needed for the long-term development of the Company and accumulate R&D strength based on industry-university, dual system of vocational training, so as to improve the global competitiveness. In addition, combined with the long-term marketing strategy and production policy, the Company improves the production automation and product quality, and expands the operating scale and business items to increase market shares.

II. Markets, production and marketing in summary

(I) Market analyses

1. Sales regions of key products

Unit: NTD thousand

Year / Region	2025		2024	
	Amount	%	Amount	%
Taiwan	276,645	14.36	299,703	15.63
Mainland China	658,908	34.20	818,465	42.68
Asia	142,061	7.38	132,598	6.91
USA	354,705	18.41	307,345	16.03
Turkey	101,906	5.29	93,840	4.89
Italy	19,471	1.01	15,295	0.80
Other countries	372,773	19.35	250,516	13.06
Total	1,926,469	100.00	1,917,762	100.00

2. Market share

Due to the wide variety of machine tool products and great differences in functions, specifications and applications, it is hard to objectively count and analyze identical products. The Group's main products belong to the metal cutting machine tool manufacturing and repairing industry of the industrial machinery, with a sales value of NTD 1,926,469 thousand in 2025.

3. The future market supply and demand and growth potential

   (1) Future market supply

   Machine tools are used in all walks of life. In addition to traditional automobile and motorcycle industry and household appliance industry, machine tools are also mainly used to manufacture and produce components in high-tech industries, such as information industry and aerospace industry, so the range of application is extremely wide. With the development of global intelligent and unmanned factories, the machine tool industry will develop to be high-range and complex in the future. In addition to continuously capture the existing market with cost advantages, the Company also plans to gradually integrate the surrounding automated components through domestic information electronic technology support and cooperation with academic units, so as to meet the intelligent and plant output of machine tool products.

   (2) Market conditions and challenges faced

   Taiwan's machine tool industry has long secured a solid foothold in the global market with outstanding cost-performance advantages. However, affected by the relative appreciation of the New Taiwan Dollar in recent years, this edge has gradually disappeared, and rival countries now have greater cost-performance strengths. As a result, Taiwan's machine tool exports are caught in market squeeze from high-end equipment made by Japan and South Korea, as well as mid-to-low-end equipment from Mainland China. In the sales of standard and general-purpose models with economies of scale, it is difficult for Taiwanese products to compete on price and secure orders.

   In the high-end equipment segment, Taiwan's machine tool manufacturers have continuously developed high-value-added and high-end products over the decades to strengthen global competitiveness. Although constrained by brand recognition, Taiwan's high-end machine tools still compete well internationally and maintain a stable market position with favorable cost-performance. In recent years, however, the continuous depreciation of the Japanese Yen has widened exchange rate disparities, making it difficult for Taiwan's high-end machine tools to compete with Japanese products in the global market. An analysis of exchange rate movements from 2021 to early January 2026 shows that the New Taiwan Dollar depreciated by only 11.2%, compared with a sharp depreciation of 53.2% for the Japanese Yen and 34.1% for the Korean Won. The historical price gap, where Taiwanese equipment was 20% to 30% lower in price than Japanese equivalents, has fully disappeared, causing Taiwan's high-end machine tools to lose their original cost-performance advantage worldwide.

   On the other hand, in the mid-to-low-end segment, machine tools from Mainland

China have seen significant progress in quality and precision. Backed by large-scale production, strong export price competitiveness and national export subsidy policies, Mainland China's products have intensified market competition. Accordingly, Taiwan's mid-to-low-end equipment is unable to compete on price, and its traditional high cost-performance advantage has vanished.

4. Competitive niche

(1) The Company focuses on business operation, and its image is well recognized

For more than 30 years since its inception, the Company has an excellent reputation and image in its private brand "AWEA". The Company has adhered to the high-quality policy and strived to improve customer satisfaction over the years, being certified by the international quality management system ISO 9001 and the environmental management system ISO 14001 in 1996 and 1998, respectively. The products comply with the EU CE safety regulations. With strict requirements on product quality and technical level, the Company has constantly developed new products, and established complete product lines, which enables itself a considerable competitive advantage in the machine tool market.

(2) The operation team has abundant professional experience

Members of the Company's current operating team has focused on the machine tool industry for years. The main cadres have rich experience in the industrial environment changes, product development trends, manufacturing, marketing business, and other aspects. In recent years, the Company's operating revenue and profits have been growing year by year, and the operating team has excellent professional quality and operating performance.

(3) The R&D ability is strong, and the technical level of products is high

The Company, which is actively engaged in the research and development of process technology, also cooperates with the Mechanical and Mechatronics Systems Lab., ITRI and the Precision Machinery Research & Development Center to obtain technology transfer and the latest product information, so that the Company has competitive advantages in the development of production technology. The Company makes creative efforts on an established basis. It has published a number of R&D results over the years, which has been affirmed by all levels of government agencies and professional associations, and won several certifications, awards and patents, which shows that the product quality and technical capacity have reached the international level.

(4) Products are produced flexibly, and the positioning and segmentation strategy is proper

To meet the needs for customized products and shorter delivery, the Company continues to improve the added value of products, and establishes the outsourcing system and modularized production technology to reduce the production cost and delivery time. In addition, the Company positions its products in the medium-and high-range machine tool markets with high added value with complete product combination and strong product development capacity, and gains a foothold in the medium-and high-range machine tool markets controlled by Japan and Germany for a long term with its price advantages, while avoiding price competition within the industry.

(5) Sales bases are expanded at home and abroad, and perfect after-sales service is provided

The Company works with distributors with sales and maintenance ability to provide logistics and technical support for distributors and improve their marketing and service ability, so that they can better expand overseas sales markets, provide real-time after-sales services and establish a good brand image.

5. Advantages and disadvantages of development and countermeasures

(1) Advantages

- The industrial prospect continues to develop and the Taiwan industry remains competitive

  The mechanical industry is one of ten emerging industries with high added value and high technology planned by the government, and electronic information and automobile and motorcycle industries thriving in such regions as the Mainland China and Southeast Asia provide excellent mechatronic integrated resources and stamping equipment markets for the mechanical industry. After the China-United States trade war, Taiwan companies replace some American companies for purchasing goods from China, and Taiwanese companies return to Taiwan to expand factories, which increases the machine tool demands of the Taiwan market.

- There are multiple channels for the sales of private brands, ensuring extensive sales bases

  The Company's products of the private brand "AWEA" are sold worldwide, mainly in America, Asia and Europe. In the future, the economy in European and American regions continues to grow, and the Company should perform more well. Meanwhile, Asian emerging markets Mainland China and India drive the demands for machine tools, which are also the future niche market and growth driver of the Company. In addition, the Company disperses its markets through direct selling, distribution, agency and other channels to promote business, which also contributes to the steady growth of sales performance.

- Excellent product quality is deeply recognized by the market

  Since its inception, the Company has spared no effort in quality inspection and technology improvement, based on which it not only is certified by the international quality management system ISO 9001 and the environmental management system ISO 14001, but also complies with EU CE regulations, with its production process and product quality at the international level. In addition, the Company has also won several awards, such as Taiwan Excellence Award, Good Design Award, Taiwan SMEs Innovation Award, National Award of Outstanding SMEs, and Industrial Technology Advancement Award, which have positive effect on the image and international competitiveness of the Company’s products of the private brand “AWEA”. Therefore, the Company is highly trusted by customers.

- Unique process innovation capability
  The Company has focused on the development of new products, and customized, diversified and small-scale production. It has appointed excellent senior engineers to constantly improve the process and manufacturing capacity, such as simple and rapid process change, flexible process management, and real-time production support, and immediately and rapidly used process innovation technology to modify the production lines, ensuring rapid delivery and stable quality.
- Highly vertical division of labor between the central factory and the subcontractor
  Taiwan’s machine tool industry has a complete satellite system, with the exception of a few key components supplied by foreign manufacturers, most of the other components can be produced independently; as for casting processing of the Company’s mechanical parts and production of its components, they are all supplied by third-party factories in long-term cooperation, enabling an efficient and highly elastic production process.

(2) Disadvantages and countermeasures

- Shipping port congestion and rising energy price make the ocean freight several times higher than that in the normal period.

Countermeasures:

In response to this trend, the Company actively modifies the design of machines, and designs lockable machines to reduce the transportation cost and improve the competitiveness of products.

- Domestic labor wages and production cost increase
  It is hard to cultivate domestic technical talents and there is a shortage of experienced workers. In addition, the government has gradually adjusted benefit policies, adopted national health insurance, and raised basic pay in recent years, which results in a gradual increase in operating costs.

Countermeasures:

The Company actively strengthens the training of educational technology in employees, and improves the whole working environment to reduce the employee turnover rate. In addition, the Company also enhances production efficiency, increases investment in automated equipment and outsourcing work, reduces direct demands for human resources, improves employee efficiency and reduces production costs.

- Some raw materials rely on foreign plants

  At present, the technology of key components of machine tools in Taiwan, such as numerical controllers and precision bearings, remains in the hands of manufacturers in Japan, Germany and other countries. The high proportion of these components in the cost will be unfavorable to the future development and international competitiveness of the industry.

Countermeasures:

  The Company reduces the production cost of key components by expanding production capacity and adopting bulk purchase, and maintains cooperation with several suppliers by dispersing supply sources, so as to reduce the risks of excessive concentration of supply sources and price fluctuations.

- The domestic sales market is small, and the product competition is fierce

  Compared to European and American countries, Taiwan features a relatively small domestic market in the machine tool industry, and fierce competition due to highly homogeneous products in the same industry, thus forming a special phenomenon of installment sales, which has an adverse effect on the operation of the Company.

Countermeasures:

  In order to avoid fiercely competitive domestic trading conditions, the Company has, in recent years, implemented the product segmentation policy to avoid the price war in low-priced products in the same industry; it has also actively expanded overseas markets, widely set sales service bases, enhanced the marketing and maintenance ability of agents, and established close cooperation with other countries to expand the operating scale of overseas markets and disperse the risk of excessive concentration of sales in Taiwan. In addition, by developing or participating in technical cooperation programs of research institutions, the Company has developed high-precision, automated, high-performance products to improve the added value of products and create market segments.

(II) Manufacturing process and key purposes of our principal products

1. Key purpose

   The Company is mainly engaged in the development, design, production, manufacturing, purchase and sales, and other businesses of Computer Numerical Control (CNC) machine tools, and belongs to the metal cutting machine building industry in industrial machinery. The machine tool industry is technology-intensive, high value added, and highly interconnected to other industries, especially the mechanical industry, national defense industry, automobile industry, and aerospace industry. The products are widely used for precision component machining, automobile metal plate stamping molds, plastic molds, and aerospace part machining. The key purposes of the Company’s main products are as follows:

Main products	Key purpose
Gantry Vertical Machining Center	Part and mold machining of machine tools and industrial machinery, automobile and motorcycle molds, plastic molds, petrochemical industry, power plant boiler parts and aerospace military parts, and household appliance industry
Gantry Five-Face Machining Center	Multifaceted machining of large precision parts in the above industries
Gantry Fixed Column Machining Center	Part and mold machining of machine tools and industrial machinery, automobile and motorcycle molds, plastic molds, petrochemical industry, power plant boiler parts and aerospace military parts, and household appliance industry
Gantry Moving Column Machining Center	Large automobile and motorcycle molds, petrochemical industry
Bridge Type Five-Axis Machining Center	Aerospace parts, complex curved surface parts machining
Moving Column Horizontal Boring and Mills	Medium and large precision axis hold machining, medium and large parts machining
C-type Vertical Machining Center	Applicable to light metal machining industry, small and medium mold industry, and automobile parts and 3C industry

2. Product manufacturing process

Production plan → Components Cast/ Raw materials → Machining Procurement of purchased parts → Incoming quality inspection

Painting → Mechanical assembly → Electronic-controlled assembly → Mechantronic adjustments

Finished product quality Inspection → Packing/ Shipping → Installation and acceptance at the customer site → After-sales services

(III) Supply status of major raw materials

The main raw materials of the Company's products are controllers, castings and linear tracks. In recent years, most of the controllers have been purchased from domestic manufacturers, which will have price differences due to different brands and software functions. However, the Company and the suppliers are in good cooperation. Affected by raw material cost fluctuations, component prices will increase in 2026, while product lead times will be delayed by approximately one month compared with previous years. The suppliers of castings and linear tracks are all our long-term cooperative partners, and although the purchase prices are currently subject to slight fluctuation due to rising international raw material prices and difference in specifications, on the whole, the Company can still obtain sufficient main raw materials from a number of domestic and foreign suppliers that are in long-term cooperation with the Company, so the Company can maintain both the price and the quality in a reasonable and stable way. It is expected that overall raw material supply in 2026 will see moderate price increases and extended delivery lead times.

(IV) The names of any customers that have purchased 10% or more of the Company's gross purchases (sales) in either of the last two years, and the amount and proportion, and set forth the reasons for changes in increase or decrease.

1. The major customers that have purchased 10% or more of the Company's gross sales in the last two years:

Unit: NTD thousand

	2024				2025			
Items	Name	Amount	Ratio to net sale in the whole year (%)	Relationship to the issuer	Name	Amount	Ratio to net sale in the whole year (%)	Relationship to the issuer
1	Customer A	305,977	15.95	Associates	Customer A	353,155	18.33	Associates
2	Customer G	210,333	10.97	None				
	Others	1,401,452	73.08		Others	1,573,314	81.67	
	Net sales	1,917,762	100.00		Net sales	1,926,469	100.00	

Explanation on the change in increase or decrease:

Affected by the U.S. reciprocal tariff measures, exports to U.S. Customer A surged significantly during the three-month grace period following the tariff announcement, thereby raising the sales proportion of this customer. Faced with dual pressures from tariffs and exchange rate fluctuations, the Company strengthens internal operations and enhances competitiveness by advancing high-end in-house spindle heads. Meanwhile, the Company has revised its development strategies to explore niche markets and business opportunities. By adopting differentiated, customized and group-based layouts, the Company strives to respond to fierce market competition.

2. The major manufacturers that have purchased 10% or more of the Company's net purchases in the last two years:

Unit: NTD thousand

	2024				2025			
Items	Name	Amount	Ratio to net purchases in the whole year (%)	Relationship to the issuer	Name	Amount	Ratio to net purchases in the whole year (%)	Relationship to the issuer
1	FANUC	74,813	5.86	None	FANUC	56,541	4.88	None
	Others	1,202,574	94.14		Others	1,101,644	95.12	
	Net purchase	1,277,387	100.00		Net purchase	1,158,185	100.00	

Explanation on the change in increase or decrease:

Controllers, the main raw material purchased by the Company, is one of the components necessary for the machine tool to achieve various precision and complex machining functions, so the function and reliable and stable quality have been valued by customers. Fanuc is a world-renowned manufacturer, which provides products with stable quality, and has a perfect marketing and after-sales service system in the world, and its maintenance and operation training is quite quick and easy. Therefore, Fanuc controllers are often specified by the Company's sales customers.

III. The number of employees employed, average years of service, average age, and ratio of academic qualification in the last two years

Information of employees employed in the last two years

Year		2024	2025	As of March 31, 2026
Number of employees	Direct labour	137	133	137
	Indirect labour	324	298	297
	Total	461	431	434
Average age		40.3	40.7	40.7
Average years of service		10 years and 5 months	10 years and 10 months	10 years and 10 months
Ratio of academic qualification	Doctoral degree	0.22%	0.00%	0.00%
	Master's degree	8.03%	8.35%	8.53%
	Bachelor's degree	59.22%	62.65%	61.98%
	High school	27.11%	24.59%	24.88%
	Below high school	5.42%	4.41%	4.61%

IV. Environmental spending

(I) By statute, if there is a need to apply for the pollution facility installation permit or pollution discharge permit or pay pollution prevention fees or set up dedicated environmental protection unit personnel, the application, payment or setting up conditions are described as follows:

No pollution will be caused in the Company's product manufacturing process, and there is no need to apply for the pollution facility installation permit or pollution discharge permit, pay pollution prevention fees or set up dedicated environmental protection unit personnel. In addition, general household waste is cleared and transported by qualified cleaners; before machine delivery, the cutting oil from operation test, which cannot be recycled, is recovered by the recycler. The Company has not suffered any loss due to environmental pollution in the last two years.

(II) Investment in main equipment for the prevention and control of environmental pollution, and its use and potential benefits:

Unit: NTD thousand

Equipment name	Quantity	Date of acquisition	Investment cost	Undiscounted balance	Use and expected benefits
Coating water curtain-type spray room equipment	1 set	November 25, 2004	3,980	0	Maintain the air quality in the working environment and reduce air pollution

(III) Pollution disputes involving the process of the Company's improvement of environmental pollution in the last two years and up to the publication date of the Prospectus, and the process of improvement: None.

(IV) Any losses suffered by the Company due to environmental pollution in the last two years and up to the publication date of the Prospectus, and total penalties, future countermeasures and possible expenditures:

No pollution will be caused in the Company's product manufacturing process. In addition, the Company has attached importance to pollution prevention and control, invested funds to set up pollution prevention and control equipment, and strengthened employees' environmental protection education and training. There has been no heavy losses or compensation due to environmental pollution in the last two years and up to the publication date of the Prospectus.

(V) Current pollution situation and the effect of pollution improvement on the Company's earnings, competitive position and capital expenditure, and significant environmental capital expenditure expected over the next two years:

The Company's production activities are mainly design and assembly, and the processing process is mainly outsourced, so there have been no significant environmental pollution issues affecting the Company's earnings, competitive position and capital expenditure since its inception. With the development of the social environmental awareness in recent years, the government is also making stricter pollution discharge standards. While attaching importance to and making efforts in environmental protection, the Company inputs manpower and funds to expand and maintain pollution prevention and control equipment, and also entrusts a professional waste disposal plant to deal with general domestic waste. It is expected that the Company has no significant environmental capital expenditures over the next two years.

V. Employee-employer relationship

(I) The Company's employee benefits, continuing education, training, retirement systems, and the status of their implementation, as well as the status of agreements between labor and management, and all measures aimed at preserving the rights and interests of employees

1. Employee benefits:

The Company attaches great importance to human-based management. To provide employees with a comfortable working space, the Company continues to actively improve the working environment and promote various benefits to properly ensure employees' health and safety in work and life; in addition, through the Employee Welfare Committee organized by employees, actively participate in these activities to employees can adjust their physical and mental health.

(1) The Company purchases labor insurance, health insurance, and group insurance for all employees, and purchases health insurance for family members of the employees in compliance with government regulations.

(2) The Company holds regular domestic and overseas travels, birthday parties and various group recreational activities for employees, which are participated by all employees and their families, so as to gather the cohesion of the Company's employees.

(3) The Company provides subsidies for employees related to marriage, funerals, celebrations, and other matters, making the colleagues in the Company feel the Company's care.

(4) The Company assists with the employees in obtaining some loan assistance in case of emergency accidents.

(5) Educational scholarship is provided for employees' children.

Through various benefits and activities organized by the Welfare Committee, the Company allows its employees to balance work and leisure and live a happy life. The benefits provided by the Company are as follows:

Employee benefits	Provided by the Company	Provided by the Welfare Committee
Year-end bonus	V	-
Performance bonus	V	-

Employee benefits	Provided by the Company	Provided by the Welfare Committee
Employee bonus	V	-
Retention bonus	V	-
Free lunch/overtime meal	V	-
Group accident insurance	V	-
Employee stock ownership trust	V	-
Annual health examination	V	-
Full-time plant nurses and occupational doctors are resident in the plant to provide professional consultation	V	-
Employee uniform	V	-
1-day birthday leave	V	-
Preferential grant of 3-day special leave	V	-
Spring Festival gift	-	V
Dragon Boat Festival gift	-	V
Mid-Autumn Festival gift	-	V
Labor Day gift	-	V
Wedding gift	-	V
Childbirth gift	-	V
Employee birthday gift	-	V
Domestic and foreign tourism	-	V
Scholarship and grants for children's education	-	V
Association grant	-	V
Medical sympathy	-	V
Condolence allowance	-	V
Year-end dinner for employees	V	V
Emergency loan	-	V
Appointed store discount	-	V

2. Employee continuous education and training:
   To assist with the new colleagues in entering the working state as soon as possible, job orientation and training courses are arranged to assist with them in understanding the industrial positioning and future development of the Company. In addition, professional courses are provided at irregular intervals, so that employees can receive new information about professional skills at any time and enhance their capabilities.
   To provide on-the-job training for employees, departments arrange appropriate education and training courses in the Company according to actual needs, or employees participate in the courses offered by the training institutions as required by the professional courses of each function, so as to improve employees' professional quality.

3. Retirement system and implementation:

In accordance with the Labor Standards Act, the Company sets up a Labor Pension Supervisory Committee, which sets aside 2% of the gross salary monthly as the reserve for employee retirement into the Central Trust Bureau special account. The pension payment system is governed by the Labor Standards Act.

The Labor Pension Act, which came into force on July 1, 2005, adopts the defined contribution. After its implementation, employees shall choose to apply the pension provisions in the Labor Standards Act or apply the pension system in this act and retain the years of service prior to application. For an employee to whom the act applies, the Company contributes 6% of the employee's salary monthly as employee pensions into the employee's individual retirement account.

The Company's applicable provisions in accordance with the Labor Pension Act and the Company's preferential retirement management methods are as follows:

(1) Voluntary retirement:

A labor may retire voluntarily under any of the following circumstances: (for labors who choose to apply the Labor Pension Act, the retirement may be handled in accordance with the same act)

A. Those who have worked for more than 15 years and are at least 55 years old.

B. Those who have worked for more than 25 years.

C. Those who have worked for more than 10 years and are at least 60 years old.

D. Those who have served the Company for more than 24 years.

(2) Compulsory retirement:

Compulsory retirement is not allowed to employees who are not under any of the following circumstances:

A. Those who are at least 65 years old.

B. Those who are mentally or physically disabled and incapable of working.

For those under the age specified in the first subparagraph of the preceding paragraph, who are engaged in dangerous, physical or other special work, the Company shall submit the cases to the central competent authority for approval and adjustment. But these employees shall not be under 55 years old.

(3) Pension payment standards:

A. For employees with years of service before and after the application of the Labor Standards Act, and those who choose to continue to apply the pension regulations in the Labor Standards Act or retain the years of service before the application of the Labor Pension Act, the pensions shall be paid accordance with Article 84-2 and Article 55 of Labor Standards Act.

B. For employees with years of service specified in the preceding subparagraph and subject to compulsory retirement in accordance with Subparagraph 2, Paragraph 1, Article 35, who are mentally or physically disabled due to the performance of their duties, additional 10% of pensions shall be paid in accordance with Subparagraph 2, Paragraph 1, Article 55 of Labor Standards Act.

C. For an employee to whom the pension provisions of the Labor Pension Act applies, the Company contributes 6% of the employee's salary monthly as employee pensions into the employee's individual retirement account.

(4) Pension payment:

The pensions payable by the Company to employees shall be paid within 30 days from the date of retirement of the employees.

4. Status of labor-management agreements:

The Company's labor-management relationship is harmonious, all regulations and measures are handled according to law and well implemented. The Employee Welfare Committee meeting is held on a monthly basis and the labor-management meeting is held on a quarterly basis, during which no disputes have occurred.

(II) Any losses suffered by the Company arising from labor dispute in the latest year and up to the publication date of the Annual Report, and any estimated amounts at present and that may occur in the future and measures in response thereto:

The Company has paid attention to the benefits of its employees, and complied with relevant labor-management laws. There have been no losses arising from labor-management disputes in the latest year and up to the publication date of the Annual Report. There is no possibility of losses arising from labor-management disputes in the foreseeable future.

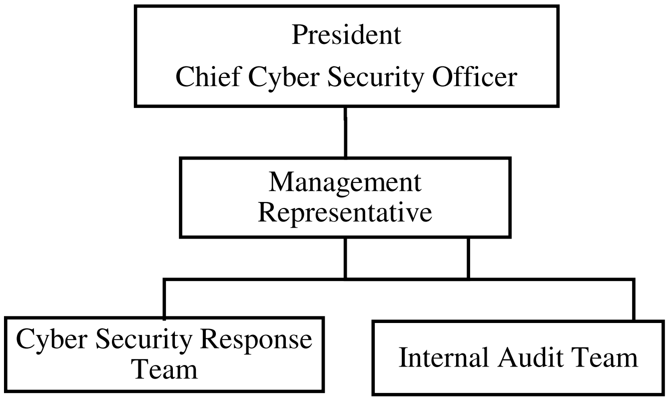
VI. Cyber security management

(I) The cyber security risk management framework, the cyber security policy, specific management plan and the resources invested in the cyber security management:

1. Cyber security management framework

The Company has established an Information Security Committee, and set up an information security supervisor and an information security responsible person to plan and formulate the information security management policy, implement the promotion policy, and implement and track review, and immediately improve deficiencies regularly, so as to ensure that the policy is effectively implemented. The relevant implementation results are regularly submitted to the Company's senior management meeting, to reduce the operating risk.

The information center reviews the results of information security risk analysis and the corresponding preventive measures and policies adopted by the Company through the annual management review meeting, to ensure the applicability, suitability and effectiveness of the information security management system for continuous operation. The information security management performance and information security strategy direction are reported to the Board of Directors regularly for regular review and amendment. The results of the latest evaluation were reported to the Board of Directors on December 22, 2025.



2. Cyber Security Policy:
   (1) In accordance with the ISO 27001 Information Security Management System, all relevant operations are implemented and enforced.
   (2) Account management is decentralized to avoid the leakage of privileged accounts.
   (3) Internal/external network policies are distinguished and the access is limited.
   (4) Employees' computer behaviors are recorded faithfully to prevent the occurrence of illegal matters.
   (5) Information room and personal computer data are backed up regularly to prevent data loss.
   (6) Implement disaster recovery drills to reduce the downtime in the event of a disaster.
   (7) Regular education and training are provided to improve employees' awareness of information security.
   (8) An employee signs a cyber security guarantee to ensure their compliance of the regulations.
   (9) The Company joins the Science Park Information Sharing and Analysis Center (SP-ISAC), and masters the possible information security threats and weakness to facilitate early management and response.
3. Specific management programs and resources:
   To achieve the information security policies and goals, the Company establishes comprehensive information security protection. The management issues and specific management program are as follows:
   (1) The Company adopts a new-generation firewall, and an internal/external network classification system, and employees can only access general services, while permission shall be applied for special services and the records shall be retained.
   (2) The mail server shall be equipped with a spam mail gateway, and social engineering protection, anti-fraud and anti-virus modules shall be purchased selectively to filter

harmful emails.

(3) An endpoint security protection system shall be imported, external equipment shall be controlled, users' Internet and file access behaviors shall be recorded, and information equipment asset inventory shall be made.

(4) The computer room shall be equipped with general anti-virus and advanced MDR anti-hacking software, and shall be entrusted to a manufacturer for 24-h monitoring and protection.

(5) The independent backup area is provided with backup software/hardware, with which information room and personal computer data are backed up regularly. This area can only be accessed by backup services, reducing the risk of hackers.

(6) With account decentralized management, ordinary persons only have the minimum privilege. Special permission must be subject to application for approval. The password of the privileged account shall be changed regularly, and the password strength shall be the highest to reduce the risk.

(7) Regular education and training are provided to improve employees' awareness of information security.

(8) Joining the information security information sharing organization, the Company can obtain the information about information security warning, threats and weakness.

4. Resources invested in cyber security management

Information security has become an important issue for the Company's operations. The corresponding information security management issues and resource input plan are as follows:

(1) Special manpower: A full-time enterprise organization "Information Security Committee" is set up, with one information security supervisor and one information security staff member. Four information security meetings were held in 2025. The Committee is responsible for the Company's information security planning, technology sourcing and related audit matters, so as to maintain and continue to enhance information security. The application for special manpower of information security in TWSE/TPEx Listed Companies is completed.

(2) Customer satisfaction: No major information security incidents, and no complaints for violation of customer data loss regulations.

(3) Signature of cyber security guarantee: All employees and new employees have signed the cyber security guarantee.

(4) Social engineering drill: Compared with the results of the 2024 social engineering drill, employees' overall information security awareness improved significantly in 2025. In 2024, the maximum email opening rate reached 45.5% and the maximum click rate hit 35%, indicating insufficient ability of employees to identify phishing emails. By contrast, the 2025 email opening rate dropped to 7.8% and the click rate fell to 1.8%. It reflects that, thanks to regular drills and training, employees have

markedly heightened their alertness to suspicious emails. Although the number and scope of participants differed between the two years, comparative analysis based on ratios remains referential. The overall trend demonstrates that the Company's information security education, training and protection measures have achieved remarkable results.

5. ISO/IEC 27001:2022 Information Security Management System. Certificate Validity Period: October 9, 2025 – October 8, 2028.

(II) List the losses, possible impacts, and countermeasures from major cyber security incidents in the latest year and up to the publication date of the Annual Report. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

VII. Important contract

Contract nature	Participants	Contract start and end dates	Main contents	Restrictive clauses
Land lease contract	Central Taiwan Science Park Bureau	January 1, 2024 - December 31, 2043	Lease the land of AWEA Central Taiwan Science Park branch	None
Project undertaking	San Min Construction Development Co., Ltd.	August 1, 2023 - Completion of construction	Establishment of Dapumei Plant of AWEA	None

Chapter V Review Analysis and Risk Management of Financial Status and Operation Results

I. Financial status

Unit: NTD thousand

Items \ Year	2025	2024	Difference	
			Amount	%
Current assets	3,189,044	3,947,304	(758,260)	-19.21%
Investments accounted for using equity method	129,817	145,031	(15,214)	-10.49%
Property, plant and equipment	1,889,482	1,833,974	55,508	3.03%
Intangible assets	13,288	16,776	(3,488)	-20.79%
Other assets	438,623	450,173	(11,550)	-2.57%
Total assets	5,660,254	6,393,258	(733,004)	-11.47%
Current liabilities	2,089,391	2,365,299	(275,908)	-11.66%
Non-current liabilities	289,330	302,606	(13,276)	-4.39%
Total liabilities	2,378,721	2,667,905	(289,184)	-10.84%
Equity attributable to owners of the parent	3,192,535	3,635,337	(442,802)	-12.18%
Share capital	945,942	965,942	(20,000)	-2.07%
Capital surplus	95,389	95,516	(127)	-0.13%
Retained earnings	2,155,759	2,576,623	(420,864)	-16.33%
Other equity	(4,555)	(2,744)	(1,811)	66.00%
Non-controlling interests	88,998	90,016	(1,018)	-1.13%
Total equity	3,281,533	3,725,353	(443,820)	-11.91%

The analysis and explanation for those with a change of over 20% are as follows:

(I) The decrease in intangible assets is mainly due to the amortization of intangible assets over time.

(II) The other equity decreased, which was due to the decrease in exchange differences in the financial statements of foreign operations.

II. Financial performance

(I) Table of comparative analysis of operation results

Unit: NTD thousand

Items \ Year	2025	2024	Amount in increase/decrease	Change percentage (%)
Operating revenue	1,926,469	1,917,762	8,707	0.45%
Operating costs	(1,651,771)	(1,639,155)	(12,616)	0.77%
Gross profit	274,698	278,607	(3,909)	-1.40%
Realized (Unrealized) gain among associated companies	(3,674)	3,076	(6,750)	-219.44%
Realized gross profit	271,024	281,683	(10,659)	-3.78%
Operating expenses	(347,625)	(365,950)	18,325	-5.01%
Operating profit	(76,601)	(84,267)	7,666	-9.10%
Non-operating income and expenses	(130,580)	541,747	(672,327)	-124.10%
Net profit before tax	(207,181)	457,480	(664,661)	-145.29%
Income tax expense	(27,321)	(10,983)	(16,338)	148.76%
Net profit for the current period	(234,502)	446,467	(680,999)	-152.52%
Other comprehensive income	(735)	36,154	(36,889)	-102.03%
Total comprehensive income for current period	(235,237)	482,651	(717,888)	-148.74%

Analysis explanation on the change in the ratio of increase or decrease:

1. The increase in operating revenue and operating profit was mainly due to the impact by the global economic downturn and U.S. reciprocal tariff measures, resulting in no significant increase in revenue compared to the last year. The decline in gross profit was mainly due to weak demand amid the economic slowdown, which led to poor inventory turnover and a resulting provision for inventory write-downs. In addition, the increase in income tax expense was due to gains on disposal of marketable securities.
2. The non-operating income and expenses, net profit before tax, net profit for the current period, other comprehensive income, and total comprehensive income for the current period decreased, which was due to the exchange losses generated by exchange rate fluctuations and the valuation losses of financial assets measured at fair value through profit or loss.

(II) Expected sales volume and basis: With the completion of Dapumei Phase II Plant in H1 2026 and Wujiang Phase II Plant entering mass production, sales volume is projected to see promising growth.

(III) Possible impact on future financial business of the Company and the response plan: Wait with bated breath, and it's expected that the fall of the inflation data and the return of expansion of manufacturing capital expenditure demand could bring the opportunity of the industrial recovery for the machine tool industry. It's expected that there will be expectable growth in both finance and business this year, therefore, it's not necessary to formulate any response plan.

III. Cash flow

(I) Analysis on cash flow change in the latest year (2025)

Cash balance at the beginning of the year	Net cash flow from operating activities in the year	Net cash flow from investing activities in the year	Net cash flow from financing activities in the year	Effect of changes in foreign exchange rates on cash and cash equivalents	Amount of cash balance and deficits	Countermeasure for mount of cash balance and deficits	
						Investment plans	Wealth management plans
809,774	119,294	543,780	(455,382)	2,670	1,020,136	—	—

(II) Improvement plan for insufficient liquidity: Not applicable.

(III) Analyses on the cash liquidity for next year:

Unit: NTD thousand

Cash balance at the beginning of the year	Net cash inflow from operating activities in the year	Year-round cash outflow	Remaining (insufficient) cash	Countermeasure for mount of cash balance and deficits	
				Investment plans	Wealth management plans
1,020,136	118,880	(371,632)	767,384	—	—

1. Analysis on the cash flow change for next year:
   (1) Operating activities: It is expected that the Company's operations are stable, and the number of days to collect accounts remains unchanged.
   (2) Investment activities: It is expected to pay for the solar panel project at the CTSP Plant and Phase II construction project of Chiayi Dapumei Branch, etc.
   (3) Fund-raising and financing activities: This mainly refers to financial activities aimed at maintaining the normal operation of the Company, which have no major changes except for loans repayment and estimated cash dividend payment.
2. Remedial measures and liquidity analysis for anticipated cash shortfalls: None.

IV. The impact of the significant capital expenditure in the latest year upon the financial performance

(I) Use of significant capital expenditure and sources of funds:

Unit: NTD thousand

Planned items	Actual or expected sources of funds	Actual or expected completion date	Total funds required for 2025 and 2026	Actual use of funds in 2025 and expected use of funds in 2026	
				2025	2026
Dapumei Plant Phase II project (AWEA)	Own funds	2026	295,567	146,664	148,903

V. The outward investment policies in the latest year. The key reasons leading to the profit or loss, the corrective plans and the investment plan in one year ahead

None.

VI. Risk issues that occurred in the latest year and up to the publication date of the Annual Report shall be analyzed and evaluated as follows

(I) The impact incurred by change in interest rate, exchange rate, inflation upon the Company's profit and/or loss and the future countermeasures

1. Interest rates:
   The Company regularly evaluates the differences between the interest rate on bank borrowings and that in the market, and keeps close contact with the bank at any time to obtain a favorable interest rate. Therefore, the change in the interest rate has no significant impact on the Company.
2. Exchange rate:
   The Company will collect information on the change in the exchange rate at any time, keep track of the exchange rate trend, and judge the change in the exchange rate, so as to take hedging operations in time or flexibly adjust the foreign exchange deposits. In addition, it also maintains good interactions with the bank, and takes appropriate measures in response to the change in the exchange rate to avoid the foreign currency risk.
3. Inflation:
   The Company will continue to pay attention to inflation, so as to properly adjust the selling price of products and the stock of raw materials.

(II) The major causes for engaging in high-risk, high-leverage investment, lending of funds to others, endorsements/guarantees and derivative financial instruments, the profits or loss and the future countermeasures:

1. The Company adopts a prudent and conservative financial policy, and does not engaged in high-risk, high-leverage investment.

2. The Company's loaning of funds to others in the latest year and up to the publication date of the Annual Report is as follows:

December 31, 2025

Unit: NTD thousand (unless stated otherwise)

No. (Note 1)	Companies loaning fund	Companies that fund is loaned to	Transaction subject	Related party	Maximum balance of the current period (Note 3)	Ending balance (Note 4)	Amount drawn	Interest rate	Type of loans	Amount of transaction	Cause for necessity of short-term financing	Amount of allowance for uncollectible accounts	Collateral		Loaning limit to individual objects (Note 2)	Total loaning limit to others (Note 2)
													Name	Value		
0	AWEA Mechantronic Co., Ltd.	Yih Chuan Machinery Industry Co., Ltd.	Other receivables - related parties	Yes	140,000	130,000	60,000	2.175%	With necessity of short-term financing	-	Operating turnover	-	Promissory note	130,000	319,254	1,277,014
1	Best Way Mechantronic Ltd.	AWEA Mechantronic (Suzhou) Ltd.	Other receivables - related parties	Yes	87,290 (CNY20,000)	42,670 (CNY10,000)	44,710	3.000%	With necessity of short-term financing	-	Operating turnover	-	-	-	164,714	164,714

Note 1: The explanation for the numbering column is as follows:

(1) Fill in 0 for issuer.

(2) The investees are coded sequentially beginning from "1" by each individual company.

Note 2: The loaning limit to individual objects shall not exceed 10% of their net value of the current period, and the total loaning limit shall not exceed 40% of their net value of the current period.

Note 3: The maximum balance of loaning funds to others of the current year.

Note 4: It is the loaning limit approved by the Board of Directors.

3. The Company's endorsements/guarantees in the latest year and up to the publication date of the Annual Report are as follows:

Endorsements/guarantees for others on December 31, 2025: None.

4. The derivative financial instruments engaged by the Company are mainly currency hedging, so the market risk is not significant.

(III) The future research & development plans and the expenses anticipated to be invested into research & development

1. The Company's R&D directions planned for the near future are as follows:
   (1) Find and develop products for the blue ocean market.
   (2) Develop high value-added performance and technology.
   (3) Develop low-cost/well-manufactured mass-produced products to maintain the existing market competitiveness.
   (4) Make modularized/stackable design to increase production efficiency and reduce production cost.
2. Expenses anticipated to be invested into R&D:
   In 2025, the Company invested NTD 64,253 thousand in R&D, accounting for 3.34% of operating revenue. In the future, the Company will develop new products and technologies with a considerable proportion of the R&D expenses to expand the market competitive advantage.

(IV) The possible impacts by government policies and laws at home and abroad upon the Company's financial conditions and the Company's countermeasures

Up to now, in response to the revision of relevant processing standards and the promotion of corporate governance systems by the competent authorities, the Company has shown active cooperation and compliance. Moreover, there is no significant impact on the Company's financial business due to the changes in important policies and laws both at home and abroad. In the future, the management of the Company will obtain relevant information at any time, and develop necessary countermeasures in real time to meet operational needs of the Company.

(V) The impact of technological changes and industrial changes on the Company's financial performance and countermeasures

Since the Company keeps abreast of the progress of technology and industry to meet customers' needs in real time, it, in the face of market competition and threats in Mainland China, Eastern Europe and other third world countries, constantly improves production technologies and quality and develops new machines to avoid price war, and also actively develops high value-added composite machines. So far, technological and industrial changes have not caused significant impact on the Company's financial performance.

(VI) The impacts created by a change in corporate image upon the management over crisis, and the Company's countermeasures

The Company's operation principle is being honest, prompt and thorough. So far, there has been no significant impact on the Company due to the change in corporate image.

(VII) Expected benefits, potential risks, and countermeasures of mergers and acquisitions: None.

(VIII) The risks anticipated from the expansion of the plant buildings, and the Company's countermeasures: Not applicable.

(IX) Risks of and countermeasures for concentrated goods purchases or sales: the Company's purchasing factories and sales customers adopt the discrete policy, so there is no risk of concentration of purchases or sales.

(X) The impacts and risks anticipated from the massive transfer of shareholding by directors, supervisors or major shareholders who hold more than 10% in shareholding and the Company's countermeasures: None.

(XI) The impacts and risks anticipated from the change in the managerial powers and the Company's countermeasures: None.

(XII) For litigious and non-litigious matters, major litigious, non-litigious or administrative disputes that: (1) involve the company and/or any company director, any company supervisor, the president, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10%, and/or any company or companies controlled by the company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute up to the publication date of the annual report: None.

(XIII) Other critical risks and response measures: None.

VII. Other important disclosures

None.

Chapter VI Special Disclosure

I. Relevant information of affiliated enterprises

Please refer to the Market Observation Post System (MOPS) [Website https://mops.twse.com.tw/mops/#/web/homeMOPS > Single Company > Electronic File Download > Affiliated Enterprises Financial Statements Zone], enter the company code to inquire about relevant information of affiliated enterprises.

II. Where the company has carried out a private placement of securities in the latest year and up to the publication date of the annual report

None.

III. Other necessary supplemental information

None.

Chapter VII Occurrences of events defined under Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act in the most recent year and as of the publication date of the annual report that significantly impacted shareholders’ equity or security prices

None.