

Stock Code: 4564



Mosa Industrial Corporation

2025 Annual Report

Notice to readers

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

Annual Report is available at: <https://mops.twse.com.tw>

<https://www.twmosa.com>

Printed on May 1, 2026

1. Name, title, telephone number and e-mail address of spokesperson and acting spokesperson

Spokesperson

Name:Hui-Ping Chuang

Title: Assistant Vice President

Tel:(05)636-1867

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acting spokesperson

Name: Chun-Hsiang Hsieh

Title:Manager

Tel:(05)636-1867

E-mail:doris@mosatw.com

2.Address and contact number of the headquarter, branches and plant sites

Head office: No. 18, Kehu 3rd Road, Huwei Town, Yunlin County

Tel: (05)636-1867

Plant: No. 16,18,20,22 Kehu 3rd Road, Huwei Town, Yunlin County

Tel: (05)636-1867

Branches: None

3. Stock Transfer Agent

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Address: 6th Floor, No.6, Sec. 1 Zhongxiao W Rd., Zhongzheng Dist., Taipei City

Website: <http://www.gfortune.com.tw>

Tel: (02)2371-1658

4. Name of CPA and the name, address, and contact number of the accounting firm for the latest financial report:

Name of CPA: Li-Tung Wu, Shu-Chin Chiang

Name of accounting firm: Deloitte & Touche

Address: 22F, No. 88, Section 1, Hui-Zhong Road, Xi-Tun District, Taichung City

Website: [http : //www.deloitte.com.tw](http://www.deloitte.com.tw)

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5.Name of overseas exchange where securities are listed, and method of inquiry: None

6.Company website: [https:// www.twmosa.com](https://www.twmosa.com)

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publication of the annual report:

One. Letter to Shareholders

Ladies and gentlemen:

Welcome to attend the shareholders meeting this year. In the name of the Company, I'd like to extend my greatest thanks to all the shareholders who supported us and encouraged us. A report on the 2024 operating status and future outlook report is as follows:

I. 2025 Business Report

(I) Business Plan implementation results

Affected by factors such as border conflicts, geopolitical interference, and intense competition from China, global consumer demand remained weak. Coupled with fierce industry competition and price-cutting tactics by competitors, revenue from high-pressure chargers decreased in 2025 compared to 2024, while revenue from inflators only saw slight growth. Due to a decrease in consolidated operating revenue, a widening consolidated operating loss, and increased exchange losses in 2025 compared to 2024, operating performance in 2025 was worse than in 2024, resulting in a loss per share of NT\$1.86.

Unit: NT\$ thousands

Item \ Year	2025		2024		Percentage of increase (decrease) (%)
	Amount	Percentage (%)	Amount	Percentage (%)	
Operating revenue	1,102,016	100	1,144,554	100	(4)
Operating costs	1,325,707	120	1,338,328	117	(1)
Gross profit	(223,691)	(20)	(193,774)	(17)	15
Operating expenses	153,335	14	154,981	14	(1)
Operating profit	(377,026)	(34)	(348,755)	(31)	8
Profit before tax	(420,630)	(38)	(363,230)	(32)	16
Net loss for the year	(421,177)	(38)	(353,050)	(31)	19

(II) Budget implementation status

The Company did not disclose its financial forecast for 2025.

(III) Financial structure and profitability

Analysis item \ Year		2025	2024
Financial structure	Debt to assets ratio (%)	37.90	44.80
	Ratio of long-term capital to property, plant, and equipment (%)	143.26	151.74
Solvency	Current ratio (%)	154.73	246.51
	Quick ratio (%)	117.16	194.37
Profitability	Return on assets (%)	(5.55)	(4.15)
	Return on equity (%)	(10.43)	(8.54)
	Ratio of net profit before tax to paid-in capital (%)	(18.07)	(17.91)
	Profit margin (%)	(38.22)	(30.85)

(IV) Research and Development Status

Since its establishment, the Company has adhered to the principles of technological specialization and independent development. We actively recruit professional R&D talent to expand our technological capabilities and better meet customer needs. In addition to continuously improving manufacturing processes to enhance production efficiency and reduce production costs, we also develop and design new or customized products with reliability and safety in response to customer and market demands.

Furthermore, with “metal sealing technology” as our core competency, the Company has developed temperature control valves and entered the high-end application market for precision temperature control. Through various R&D initiatives, we continue to expand our product portfolio and actively pursue transformation strategies to strengthen and maintain the Company’s competitiveness.

II. Summary of the 2026 Business Plan

(I) Business policy and future development strategy

1. High-pressure chargers

- (1) Refine production technology and efficiency, improve product quality, build strong relationship with current customers and continue to develop new customers.
- (2) Use the core technology of gas filling to develop products for high value-added applications, to reduce the operational risk that comes from excessive concentration on customers and industry.

2. Inflators

- (1) Optimize the manufacturing process and production technology, reduce production costs, and improve competitive advantages.
- (2) Develop and design various hybrid and air-conditioning inflators in accordance with customer needs to provide safe and reliable inflators for various systems and devices to protect the safety of personnel..
3. Diversify and expand new product offerings by leveraging “metal sealing technology” as the core competency to develop temperature control valves for high-end applications requiring precise temperature control, while also collaborating with external research institutions to enter the drone market and establish a supply chain presence.
4. Improve the working conditions and create friendly workplaces, actively develop and retain exceptional talents and strengthen internal control processes in order to satisfy the Company’s growth and development need.
5. Pay close attention to the environment, social obligation, and corporate governance, put into practice applicable measures and strive for constant enhancement, with the aim of attaining the Company's objective of sustainable growth.

(II) Expected volume of sale, and the basis for such expectation

In addition to continuously expanding the application fields of High-pressure chargers and Inflators products and optimizing products and services to meet the needs of customers in various markets, the Company has also invested in the market development and sales of thermal control valves, with the aim of creating new business opportunities for the Company.

(III) Important production and marketing policies

1. Strengthen relationships with existing customers to effectively understand customer needs and market trends.
2. Continuously enhance R&D capabilities to expand into new product markets and further improve operating performance.
3. Reduce production costs through cost control and improved production efficiency.
4. Implement strict quality inspections to maintain the products’ image of high safety and superior quality.

(IV) Impact of external competition, regulatory environment, and macroeconomic environment

In the face of external factors such as intense industry competition, stronger customer bargaining power, rising raw material prices, labor shortage, and tightening environmental regulations, the Company has optimized processes and improved yield rates to reduce production costs. It is also actively developing high value-added products to increase profit margins. In addition, the Company has purchased environmental protection facilities, reduced process carbon emissions, and established a safe operating environment in order to comply with relevant laws and regulations and retain outstanding employees, thereby alleviating operational pressure. In response to the challenges faced by the global economy, the Company has adopted a prudent attitude, actively transformed itself to enhance competitiveness, continued to develop customers and new products, and practiced corporate social responsibility in the spirit of "sincere, persistent, innovative, cherishing chance, and grateful" , to promote economic, environmental and social progress, to achieve the goal of sustainable development, and to create good investment returns for all shareholders.

Last but not least, I want to act on behalf of the directors to express my sincere appreciation to shareholder, ladies and gentlemen, and colleagues and wish them all a very good health!

Two. Corporate Governance Report

I. Information on the Company's directors, supervisors, president, vice presidents, assistant vice presidents, and the heads of all the Company's divisions and branch units

(I) Information on directors

1. Information on directors

Unit: shares; % May 1, 2026

Title	Nationality or place of registration	Name	Gender Age	Date elected	Term of office	Date first elected	Shareholding when elected		Number of shares currently held		Current shareholding of spouse or minor children		Shareholding by nominee arrangement		Major work experience and academic qualifications	Position concurrently held in the Company or other company	Spouse or relatives within second degree of kinship who are other managers, directors, or supervisors of the Company			Remarks
							Number of shares	Percentage of shares held	Number of shares	Percentage of shares held	Number of shares	Percentage of shares held	Number of shares	Percentage of shares held			Title	Name	Relations	
Chairman	R.O.C	The-Hsin Wang	Male 61-70	2023/6/28	3Years	1988/7/11	13,926,913	6.87%	15,371,913	6.60%	6,270,882	2.69%	-	-	EMBA, National Central University	President, Mosa Industrial Corporation Chairman, Yuan Lin Investment Co., Ltd. Director, Yuan Lin Shanghai Co., Ltd Chairman and President, Mosa Safety System Corporation Supervisor, Yong Xin International Investment Co., Ltd. Corporate director representative, Maoqiang Technology Co., Ltd.	Director	Wen-Hui Lin	Spouse	Note
Director	R.O.C	Yong Xin International Investment Co., Ltd.	-	2023/6/28	3Years	2015/6/25	14,131,735	6.97%	14,131,735	6.07%	-	-	-	-	-	None	-	-	-	
		Representative: Wen-Hui Lin	Female 51-60	2023/6/28	3Years	2015/6/25	-	-	6,270,882	2.69%	15,371,913	6.60%	-	-	Bachelor of Business Management Department, Fu Jen Catholic University	Chairman, Yongxin International Investment Co., Ltd. Special Assistant, Mosa Industrial Corporation	Chairman	The-Hsin Wang	Spouse	

Title	Nationality or place of registration	Name	Gender Age	Date elected	Term of office	Date first elected	Shareholding when elected		Number of shares currently held		Current shareholding of spouse or minor children		Shareholding by nominee arrangement		Major work experience and academic qualifications	Position concurrently held in the Company or other company	Spouse or relatives within second degree of kinship who are other managers, directors, or supervisors of the Company			Remarks
							Number of shares	Percentage of shares held	Number of shares	Percentage of shares held	Number of shares	Percentage of shares held	Number of shares	Percentage of shares held			Title	Name	Relations	
Director	R.O.C	Kao Investment Corporation	-	2023/6/28	3Years	2020/5/27	725,093	0.36%	805,544	0.35%	-	-	-	-	-	Director, Ouhua Investment Development Co., Ltd Director, Twinhead International Corporation	-	-	-	
		Representative: Mei-Li Tsai	Female 61-70	2023/6/28	3Years	2006/11/09	-	-	-	-	-	-	-	-	Master of Accounting, National Chengchi University Director, Shih Hsin University Section chief of the Investment Department, Bank of Communications Adjunct Lecturer at National Taipei University Adjunct Lecturer at Shih Hsin University Adjunct Lecturer at Chinese Culture University	Director and President, Ouhua Investment Development Co., Ltd Corporate director representative, Twinhead International Corporation Director, Aero Win Technology Corporation	-	-	-	
Director	R.O.C	Chao-Kao Chen	Male 61-70	2023/6/28	3Years	2023/6/28	2,078,000	1.03%	2,078,000	0.89%	2,411,630	1.04%	-	-	Graduate from Chia-Yang High School Chairman, Kong Chou Construction Co., Ltd. Director, Hsin Yung Chien Co., Ltd. Director, Hsin Yung Chien Co., Ltd. Corporate director representative, Maoqiang Technology Co., Ltd.	Director, Kong Chou Construction Co., Ltd. Director, Hsin Yung Chien Co., Ltd. Corporate director representative, Maoqiang Technology Co., Ltd.	-	-	-	

Title	Nationality or place of registration	Name	Gender Age	Date elected	Term of office	Date first elected	Shareholding when elected		Number of shares currently held		Current shareholding of spouse or minor children		Shareholding by nominee arrangement		Major work experience and academic qualifications	Position concurrently held in the Company or other company	Spouse or relatives within second degree of kinship who are other managers, directors, or supervisors of the Company			Remarks
							Number of shares	Percentage of shares held	Number of shares	Percentage of shares held	Number of shares	Percentage of shares held	Number of shares	Percentage of shares held			Title	Name	Relations	
Independent Director	R.O.C	Feng-Tsung Cheng	Male 71-80	2023/6/28	3Years	2017/6/16	120,925	0.06%	134,342	0.06%	201,514	0.09%	-	-	Ph.D., Department of Industrial Engineering and Management, National Chiao Tung University Full-time professor and head of the Department of Industrial Engineering, Feng Chia University Independent Director, China Fineblanking Technology Co.,Ltd.	Research professor, Smart Machinery Industry Development Center, College of Engineering and Science, Feng Chia University Independent Director, Audit committee member, Corporate Governance and Sustainable Development Committee member, Fulgent Sun International (Holding) Co., Ltd.	-	-	-	
Independent Director	R.O.C	Tzu-Ping Jen	Male 71-80	2023/6/28	3Years	2017/6/16	-	-	-	-	-	-	-	-	Department of Business Administration, Fu Jen Catholic University President of the Bank of Communications Management Consulting Company Chairman, Tai Ping Insurance Co., Ltd Associate vice president of the headquarters, Mega International Commercial Bank	Independent Director, Audit committee member, Remuneration committee member, Twinhead International Corporation	-	-	-	

Title	Nationality or place of registration	Name	Gender Age	Date elected	Term of office	Date first elected	Shareholding when elected		Number of shares currently held		Current shareholding of spouse or minor children		Shareholding by nominee arrangement		Major work experience and academic qualifications	Position concurrently held in the Company or other company	Spouse or relatives within second degree of kinship who are other managers, directors, or supervisors of the Company			Remarks
							Number of shares	Percentage of shares held	Number of shares	Percentage of shares held	Number of shares	Percentage of shares held	Number of shares	Percentage of shares held			Title	Name	Relations	
Independent Director	R.O.C	Chung-Hung Liao	Male 51-60	2023/6/28	3Years	2017/6/16	-	-	-	-	-	-	-	-	Doctor of Laws, University of Cologne, Germany Adjunct Associate Professor, Institute of Financial and Economic Law, Feng Chia University Full-time associate professor, Institute of Financial and Economic Law, Feng Chia University	Associate professor of the Department of Law, College of Law, Tunghai University	-	-	-	
Independent Director	R.O.C	Chao-Li Chen	Female 51-60	2023/6/28	3Years	2023/6/28	-	-	-	-	15,677	0.01	-	-	Bachelor of Accounting, Chung Yuan Christian University CPA, Honesty CPA Firm	CPA, Chao-Li CPA Firm	-	-	-	

Note: Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (e.g., increasing the number of independent directors and ensuring that a majority of directors do not concurrently serve as an employee or managerial officer).

The Company's Chairman concurrently serves as the Company's President mainly in order to maintain customer relationships, develop business, and improve operating efficiency. However, in order to enhance the independence of the Board of Directors, the Company has increased the number of independent director seats to four to enhance the occupational and supervisory function of the Board of Directors. At present, the Company has the following specific measures in place to strengthen the occupational functions of the Board of Directors.

1. The four incumbent independent directors are an expert in finance, law, or smart machinery industry.
2. Independent directors can have open dialogue in each functional committee and put forward suggestions to the Board of Directors for the implementation of corporate governance.
3. Board members all take continuing education courses to enhance board operation performance.
4. Of the directors, three are women, and more than half are not concurrently an employees or a manager.

2. Major shareholders of corporate shareholders:

April 30, 2026

Name of institutional shareholder	Major shareholders of corporate shareholders (Note 2)
Yong Xin International Investment Co., Ltd.	The-Hsin Wang (33.23%) Wen-Hui Lin (60.39%) Guan-Han Wang(3.76%) Guan-Yu Wang (2.62%)
Kao Investment Corporation	Ming-Luan Gao Zhang (9.74%) Jih Yueh Kao Investment Co., Ltd. (15.58%) Yu-Ren Kao (45.46%) Wan-Qian Kao(9.74%) Si-Bo Kao (9.74%) Si-Fu Kao (9.74%)

Note: The above information is provided by the corporate shareholders concerned, and disclosed by the Company without any modification.

3. Major shareholders of a major shareholder who is a corporation:

April 30, 2026

Name of institutional	Major shareholder of the corporation
Jih Yueh Kao Investment Co., Ltd.	Kao Investment Corporation (66.00%) Yue-Ai Zhu (7.5%) Xuan-Yu Zhu (7.5%) Si-Bo Kao(5.00%) Si-Fu Kao (5.00%) Wan-Qian Kao (5.00%) Ming-Luan Gao Zhang (3.00%) Yu-Ren Kao(1.00%)

Note: The above information is provided by the corporate shareholders concerned, and disclosed by the Company without any modification.

4. Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and the Independence of Independent Directors

Criteria Name	Professional qualifications and experience	Independence	Number of other public companies where the individual serves as an independent director concurrently
Chairman Te-Hsin Wang	·Has more than five years of working experience necessary for the Company's business. ·Currently the chairman and president of the Company and Mosa Safety System Corp. ·Has served successively as the chairman of the Company. ·Not involved in the matters described in Article 30 of the Company Act.	·Except for Chairman Te-Hsin Wang and his spouse, Director Wen-Hui Lin, none of other directors is a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the Company, or ranks as one of its top five shareholders, or designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act.	None
Director Wen-Hui Lin	·Has more than five years of working experience necessary for the Company's business. ·Currently the Chairman of Yongxin International Investment Co., Ltd., and special assistant of the Company. ·Used to be a director of the Company. ·Not involved in the matters described in Article 30 of the Company Act.	·In case a majority of the company's director seats or voting shares and those of any other company are controlled by the same person, none of the four directors is a director, supervisor, or employee of that other company. ·Except for Chairman Te-Hsin Wang and his spouse, Director Wen-Hui Lin, if the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses, none of the other directors is a director, supervisor, or employee of that other company or institution.	None
Director Mei-Li Tsai	·Has more than five years of working experience necessary for the Company's business. ·Currently director and president of Ouhua Investment Development Co., Ltd, corporate director representative of Twinhead International Corporation, director, Aero Win Technology Corporation. ·Used to be a director of the Company. ·Not involved in the matters described in Article 30 of the Company Act.	·None of the four directors is a director, supervisor, managerial officer, or shareholder holding more than 5% of the shares of a specific company or institution that has financial or business dealings with the company.	None
Director Chao-Kao Chen	·Has more than five years of working experience necessary for the Company's business. ·Currently the director of Kong Chou Construction Co., Ltd., the director of Hsin Yung Chien Co. Ltd., the Corporate director representative of Maoqiang Technology Co., Ltd. ·Not involved in the matters described in Article 30 of the Company Act.	·None of the four directors is a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof.	None

Criteria Name	Professional qualifications and experience	Independence	Number of other public companies where the individual serves as an independent director concurrently
Independent Director Feng-Tsung Cheng	·Ph.D., Department of Industrial Engineering and Management, National Chiao Tung University. ·Has more than five years of work experience required by the Company's business. ·Currently Research professor at Smart Machinery Industry Development Center, College of Engineering and Science, Feng Chia University. ·Currently Independent Director, Audit committee member, Corporate Governance and Sustainable Development Committee member, Fulgent Sun International (Holding) Co., Ltd. ·Used to be the dean and full-time professor of the Industrial Engineering Department of Feng Chia University and Independent Director of China Fineblanking Technology Co., Ltd. ·Not involved in the matters described in Article 30 of the Company Act.	·None of the four independent directors is involved in any of the circumstances listed in Article 3, Paragraph 1, Subparagraphs 1-9 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies"; therefore, they are considered independent. ·None of the four independent directors, or their spouse or relative within the second degree of kinship is a director, supervisor, or employee of the Company. ·Shares held by the Independent Director Feng-Tsung Cheng, his spouse, and his minor children (or in the name of others) total 335,856 shares, or 0.14% in percentage. ·None of the two independent directors, including Tzu-Ping Jen and Chung-Hung Liao nor their spouses or minor children (or in the name of others) hold shares in the company. ·Shares held by the Independent Director Chao-Li Chen, her spouse, and his minor children (or in the name of others) total 17,416 shares, or 0.01% in percentage.	1
Independent Director Tzu-Ping Jen	·Graduated from Department of Business Administration, Fu Jen Catholic University, passed the special examination for financial personnel examination B, and has accounting or financial expertise. ·Has more than five years of working experience necessary for the Company's business. ·Currently independent director of Twinhead International Corp. ·Used to be the president of Bank of Communications Management Consulting Company and chairman of Taiping Insurance (Co.,) Ltd. ·Not involved in the matters described in Article 30 of the Company Act.	·None of the four independent directors serves as a director, supervisor, or employee of a company that has a specific relationship with the Company (refer to Article 3, Paragraph 1, Subparagraphs 5-8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). ·None of the four independent directors received remuneration for providing business, legal, financial, accounting and other services to the Company or its affiliated companies in the last two years.	1
Independent Director Chung-Hung Liao	·Doctor of Law from the University of Cologne, Germany; and qualified in law. ·Has more than five years of work experience required by the Company's business. ·Currently associate professor of the Department of Law, College of Law, Tunghai University. ·Used to be an associate professor and assistant professor of the Graduate Institute of Financial and Economic Law, Feng Chia University. ·Not involved in the matters described in Article 30 of the Company Act.		None
Independent Director Chao-Li Chen	·Graduated from Department of Accounting, Chung Yuan Christian University, obtain an accountant certificate, and has accounting or financial expertise. ·Has more than five years of working experience necessary for the Company's business. ·Currently CPA of Chao-Li CPA Firm. ·Used to be CPA of Honesty CPA Firm. ·Not involved in the matters described in Article 30 of the Company Act.		None

5. Diversity and Independence of the Board of Directors

(1). Diversity of the board of directors:

The Company's board of directors have set a target of having more than one-third of the board seats allocated to each gender to increase diversity. The board of directors as a whole shall possess expertise in areas of industry, finance, accounting, law, and business administration, and shall have an international market perspective and ability to lead and make decisions. The Company's 12th Board of Directors has 9 directors (including 4 independent directors). Since Mr. Ching-Jung Chen resigned on January 15, 2025, there were 8 directors left as of the date of publication of the annual report. The policy on diversity of Board of Directors members is implemented as follows:

·There are 3 Female directors, account for 37.5% and male directors account for 62.5%.

·There are 2 directors with employee status, accounting for 25.0%.

·The directors of the company are all of R.O.C nationality.

·There 4 independent directors, accounting for 50.0%. None of the independent directors has been in office for more than three terms.

·Two directors are 70 and over, three are in the 61-70 age range, and three are in the 51-60 age bracket.

·Diversity among board members:

Diversity among board members.

Diversified core			Age	Professional background			Professional knowledge and skills					
				Financial accounting	Law	Industry	Operational judgment capability	Business administration capability	Crisis management capability	Industry knowledge	Cosmopolitan market view	Leadership and decision-making ability
Name of director		Gender										
Director	The-Hsin Wang	Male	61-70	✓		✓	✓	✓	✓	✓	✓	✓
	Wen-Hui Lin	Female	51-60	✓		✓	✓	✓	✓	✓	✓	✓
	Mei-Li Tsai	Female	61-70	✓		✓	✓	✓	✓	✓	✓	✓
	Chao-Kao Chen	Male	61-70			✓	✓	✓	✓	✓	✓	✓
Independent director	Feng-Tsung Cheng	Male	71-80			✓	✓		✓	✓		✓
	Tzu-Ping Jen	Male	71-80	✓		✓	✓	✓	✓		✓	✓
	Chung-Hung Liao	Male	51-60		✓	✓	✓		✓			✓
	Chao-Li Chen	Female	51-60	✓		✓	✓	✓	✓			✓

·Specific management objectives and achievement of the diversity policy on board members:

Management objectives	Achievement
The members of the board of directors shall include at least one director of different gender.	Achieved
No independent director shall have a tenure longer than three consecutive terms.	Achieved
At least one of the independent directors is a specialist in finance and accounting.	Achieved
Have no fewer than four independent directors	Achieved
More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.	Achieved
Sufficient and diverse professional knowledge and skills	Achieved

(2). Independence of the Board of Directors:

As of the publication date of the annual report, the Board of Director was composed of 4 independent directors and 4 ordinary directors. All independent directors complied with the requirements on independent directors stipulated in the Securities and Exchange Act. The number of directors who are a spouse or a relative within the second degree of kinship of another director did not exceed 2. None of the matters listed in Article 26-3, Paragraph 3 and Paragraph 4 applied. In addition, the Company has an Audit Committee, which is composed of all independent directors and responsible for supervising the fair presentation of the Company's financial statements; appointing and dismissing attesting CPAs and assessing their independence

and performance; effectively implementing the Company's internal control system; ensuring that the Company comply with relevant laws and regulations; and controlling the Company's existing or potential risks. For the operation of the Audit Committee, please refer to "Two. Corporate Governance Report / III. Status of Corporate Governance Operation / (II) Status of Operation of the Audit Committee."

(II) Information on the president, vice presidents, assistant vice presidents, and the heads of all the Company's divisions and branch units

Unit: shares; % May 1, 2026

Title	Nationality	Name	Gender	Date elected	Shareholding		Shareholding of spouse or minor children		Shareholding by nominee arrangement		Major work experience and academic qualifications	Current employment with other companies	Spouse or relatives within second degree of kinship who are other managers of the Company			Remarks
					Number of shares	Percentage of shares held	Number of shares	Percentage of shares held	Number of shares	Percentage of shares held			Title	Name	Relations	
President	R.O.C	The-Hsin Wang	Male	2014/10/1	15,371,913	6.60%	6,270,882	2.69%	-	-	EMBA, National Central University	Chairman, Yuan Lin Investment Co., Ltd. Director, Yuan Lin Shanghai Co., Ltd. Chairman, Mosa Safety System Corp. Supervisor, Yong Xin International Investment Co., Ltd. Representative of a corporate director, Maoqiang Technology Co., Ltd.	-	-	-	(Note1)
Vice President	R.O.C	Yu-Ying Wang	Male	2018/6/1	120,744	0.05%	-	-	-	-	Department of Mechanical Engineering, National Chiayi University Manager, Guotong Automobile Co., Ltd.	Representative of a corporate director, Mosa Safety System Corp.	-	-	-	
Assistant Vice President	R.O.C	Nung-shan Yeh	Male	2014/7/1	71,380	0.03%	-	-	-	-	Department of Mechanical Engineering, National Taipei Institute of Technology assistant vice president, GREAT CITY JEN HO INDUSTRIAL CO., LTD.	None	-	-	-	
Assistant Vice President	R.O.C	Chia-Hsin Lee	Male	2013/9/10	225,709	0.10%	-	-	-	-	Department of Materials Science and Engineering, National Tsing Hua University Deputy Manager of the Manufacturing Department, TSMC Deputy section chief of the Production Management Section of Formosa Plastics Optoelectronics Co., Ltd.	None	-	-	-	
Assistant Vice President	R.O.C	Chun-Chai Lin	Male	2013/9/10	65,946	0.03%	-	-	-	-	Institute of Industrial Engineering, National Chiao Tung University Consultant, China Productivity Center Quality Assurance Manager, JING HE SCIENCE CO., LTD. Director, Thailand Factory, Karma Medical Products CO., LTD.	None	-	-	-	
Assistant Vice President	R.O.C	Chia-Jung Lin	Male	2026/1/1	72,488	0.03%	-	-	-	-	Institute of Mechanical Engineering, National Chiao Tung University Assistant Professor, Far East University of Science and Technology Assistant Vice President, Mosa Safety System Corp.	Representative of a corporate director, Mosa Safety System Corp.	-	-	-	
Assistant Vice President	R.O.C	Hui-Ping Chuang	Female	2019/4/1	-	-	-	-	-	-	Department of Accounting, Shih Chien University Assistant vice presidents of business, Underwriting Department, Grand Fortune Securities Co., Ltd. Deputy Manager, Capital Market Division, SinoPac Securities	Representative of a corporate supervisor, Mosa Safety System Corp.	-	-	-	
Manager	R.O.C	Chun-Hsiang	Female	2008/7/22	75,000	0.03%	-	-	-	-	Department of Business Administration, National Sun Yat-sen University NEXIA Sun Rise CPAs & Co.	None	-	-	-	

Title	Nationality	Name	Gender	Date elected	Shareholding		Shareholding of spouse or minor children		Shareholding by nominee arrangement		Major work experience and academic qualifications	Current employment with other companies	Spouse or relatives within second degree of kinship who are other managers of the Company			Remarks
					Number of shares	Percentage of shares held	Number of shares	Percentage of shares held	Number of shares	Percentage of shares held			Title	Name	Relations	
		Hsieh														

Note1: Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (e.g., increasing the number of independent directors and ensuring that a majority of directors do not concurrently serve as an employee or managerial officer).

The Company's Chairman concurrently serves as the Company's President mainly in order to maintain customer relationships, develop business, and improve operating efficiency. However, in order to enhance the independence of the Board of Directors, the Company has increased the number of independent director seats to four to enhance the occupational and supervisory function of the Board of Directors. At present, the Company has the following specific measures in place to strengthen the occupational functions of the Board of Directors.

1. The four incumbent independent directors are an expert in finance, law, or smart machinery industry.
2. Independent directors can have open dialogue in each functional committee and put forward suggestions to the Board of Directors for the implementation of corporate governance.
3. Board members all take continuing education courses to enhance board operation performance.
4. Of the directors, three are women, and more than half are not concurrently an employees or a manager.

II. Remuneration paid during the most recent fiscal year to directors, supervisors, the president, and vice presidents

(I) Remuneration of ordinary directors and independent directors (disclosure of individual names and remuneration methods)

2025 unit: NT\$ thousand; %

Title	Name	Remuneration to directors								Total Remuneration (A+B+C+D) as a % of the Net Income		Remuneration received for serving as an employee concurrently								Total Remuneration (A+B+C+D+E+F+G) as a % of the Net Income		Remuneration from investees other than subsidiaries or from the parent company
		Base remuneration (A)		Severance and pension (B)		Remuneration to directors (C)		Business execution expenses (D)				Remuneration, bonus, and allowance (E)		Severance and pension (F)		Employee remuneration (G)						
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	Cash amount	Stock amount	Cash amount	Stock amount	The Company	All companies in the financial statements	
Director	The-Hsin Wang	2,700	2,700	-	-	-	-	40	40	2,740 -0.65%	2,740 -0.65%	3,346	3,346	-	-	-	-	-	-	6,086 -1.44%	6,086 -1.44%	None
	Kao Investment Corporation Representative: Mei-Li T	-	-	-	-	-	-	40	40	40 -0.01%	40 -0.01%	-	-	-	-	-	-	-	-	40 -0.01%	40 -0.01%	None
	Yong Xin International Investment Co., Ltd. Representative: Wen-Hui Lin	-	-	-	-	-	-	40	40	40 -0.01%	40 -0.01%	1,732	1,732	95	95	-	-	-	-	1,867 -0.44%	1,867 -0.44%	None
	Chao-Kao Chen	-	-	-	-	-	-	40	40	40 -0.01%	40 -0.01%	-	-	-	-	-	-	-	-	40 -0.01%	40 -0.01%	None
	Ching-Jung Chen (Note)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	None
Independent director	Feng-Tsung Cheng	600	600	-	-	-	-	40	40	640 -0.15%	640 -0.15%	-	-	-	-	-	-	-	-	640 -0.15%	640 -0.15%	None
	Tzu-Ping Jen	600	600	-	-	-	-	40	40	640 -0.15%	640 -0.15%	-	-	-	-	-	-	-	-	640 -0.15%	640 -0.15%	None
	Chung-Hung Liao	600	600	-	-	-	-	40	40	640 -0.15%	640 -0.15%	-	-	-	-	-	-	-	-	640 -0.15%	640 -0.15%	None
	Chao-Li Chen	600	600	-	-	-	-	40	40	640 -0.15%	640 -0.15%	-	-	-	-	-	-	-	-	640 -0.15%	640 -0.15%	None

1. Please describe the remuneration policy, system, criteria, and structure for independent directors, and the relevance of remuneration to factors such as the duty and risk they assume and the time they invest:

The remuneration of independent directors is determined in accordance with the company's director remuneration policy. Compensation is provided on a monthly fixed basis, with reimbursement for transportation expenses based on the number of meetings attended..

2. In addition to as disclosed in the above table, the remuneration received by the directors for their services provided (such as serving as a non-employee consultant for the parent company/any of the consolidated companies/ investees) in the most recent fiscal year: None.

Note: Mr. Ching-Jung Chen resigned on 15 January,2025.

*This table is for information disclosure purposes only and is not intended to be used for tax purposes, as the remuneration disclosed in this table differs from the concept of income under the Income Tax Act.

(II) Supervisor's remuneration: not applicable

(III) Remuneration to the President and Vice Presidents (disclosure of individual names and remuneration methods)

2025 unit: NT\$ thousand; %

Title	Name	Salary (A)		Severance and pension (B)		Bonus and special reimbursement (C)		Employee remuneration (D)				Total Remuneration (A+B+C+D) as a % of the Net Income		Remuneration from investees other than subsidiaries or from the parent company
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
President	The-Hsin Wang	3,331	3,331	-	-	15	15	-	-	-	-	3,346 -0.79%	3,346 -0.79%	None
Executive Vice President	Ho-Chung Fu(Note)	992	992	36	36	-	-	-	-	-	-	1,028 -0.24%	1,028 -0.24%	None
Vice President	Yu-Ying Wang	1,440	1,440	87	87	120	120	-	-	-	-	1,647 -0.39%	1,647 -0.39%	None

*This table is for information disclosure purposes only and is not intended to be used for tax purposes, as the remuneration disclosed in this table differs from the concept of income under the Income Tax Act.

Note: Mr. Ho-Chung Fu resigned on 30 April,2025.

(IV) The Company's five highest remunerated management personnel (disclosure of individual names and remuneration methods)

2025 unit: NT\$ thousand; %

2023 Unit: NT\$ thousand, %

Title	Name	Salary (A)		Severance and pension (B)		Bonus and special reimbursement (C)		Employee remuneration (D)				Total Remuneration (A+B+C+D) as a % of the Net Income		Remuneration from investees other than subsidiaries or from the parent company
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
President	The-Hsin Wang	3,331	3,331	-	-	15	15	-	-	-	-	3,346 -0.79%	3,346 -0.79%	None
Assistant Vice President	Chia-Hsin Lee	1,386	1,386	83	83	626	626	-	-	-	-	2,095 -0.50%	2,095 -0.50%	None
Assistant Vice President	Hui-Ping Chuang	1,405	1,405	87	87	596	596	-	-	-	-	2,088 -0.50%	2,088 -0.50%	None
Assistant Vice President	Chun-Chai Lin	1,386	1,386	83	83	301	301	-	-	-	-	1,770 -0.42%	1,770 -0.42%	None
Assistant Vice President	Nung-shan Yeh	1,476	1,476	91	91	120	120	-	-	-	-	1,687 -0.40%	1,687 -0.40%	None

*This table is for information disclosure purposes only and is not intended to be used for tax purposes, as the remuneration disclosed in this table differs from the concept of income under the Income Tax Act.

(V) Names and Distributions of Employee Remuneration to Managerial Officers

2025; unit: NT\$ thousand; %

	Title	Name	Stock amount	Cash amount	Total	Proportion of total amount to net income (%)
Managers	President	The-Hsin Wang	-	-	-	-
	Executive Vice President	Ho-Chung Fu(Note)				
	Vice President	Yu-Ying Wang				
	Assistant Vice Presiden	Chia-Hsin Lee				
	Assistant Vice Presiden	Chun-Chai Lin				
	Assistant Vice Presiden	Nung-shan Yeh				
	Assistant Vice Presiden	Hui-Ping Chuang				
	Manager	Chun-Hsiang Hsieh				

Note: Mr. Ho-Chung Fu resigned on 30 April, 2025.

(VI). Separately compare and describe total remuneration, as a percentage of net income indicated on the parent company only financial statements or individual financial statements, as paid by the Company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, supervisors, presidents, and vice presidents, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure.

1. Analysis of total remuneration, as a percentage of net income indicated on the parent company only financial statements or individual financial statements, as paid by the Company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, supervisors, presidents, and vice presidents

Unit: NT\$ thousand

Title	The Company				All consolidated entities			
	2024		2025		2024		2025	
	Total remuneration amount	A percentage of net income	Total remuneration amount	A percentage of net income	Total remuneration amount	A percentage of net income	Total remuneration amount	A percentage of net income
Director	5,460	-1.55%	5,420	-1.29%	5,460	-1.55%	5,420	-1.29%
President and vice presidents	8,263	-2.34%	6,021	-1.43%	8,263	-2.34%	6,021	-1.43%
Net income	-353,050	-	-421,177	-	-353,050	-	-421,177	-

2. Remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure

(1) The remuneration to the directors of the Company includes the remuneration for execution of their duties and the distribution of remuneration to directors. According to the Company's Articles of Incorporation, no more than 3% of the profit, if any, shall be allocated as the remuneration to directors. The principle of distribution of remuneration to directors (excluding independent directors) is based on

their functions, involvement in operations, contribution value, and acting as a joint and several guarantor for the company's financing needs. For these, different weights are given to calculate distributable remuneration. After the Remuneration Committee has made the decision, it submits the resolution to the board of directors for approval and reports to the shareholders' meeting. In consideration that the independent directors also act as the members of functional committees and, in addition to the board of directors, participate in the discussion and voting at the committee meeting, their remunerations are paid monthly at a fixed amount. The Chairman receives compensation according to Article 16 of the Articles of Incorporation for his effort in dealing with the matters of the Company. For the compensation to the Chairman, the HR department make a measurement and raise a proposal in consideration of the competitive environment and operational risks, and in accordance with the Company's Regulations for Salary Management and the result of the business operations. The Remuneration Committee gives its approval after evaluating the operating results and performance, and submits it to the board of directors for resolution.

- (2) Remuneration to the President and Vice Presidents includes salary, bonus, employee remuneration and pension. The remuneration consists of a fixed salary and a variable bonus. The fixed salary is the base salary and various extras and allowances approved according to the grade and the salary scale table; the bonus is based on the overall operating performance of the Company and the personal performance evaluation. The President and Vice Presidents set the targets and execute planning of strategic goals for the coming year by the end of each year in accordance with the overall goals of the Company's business plan for the next year. KPIs need to be set for evaluation of performance goals. Mid-term and final evaluations must be conducted and reasonable remuneration is provided based on the evaluation result and the Company's overall operating performance. The main operating performance and strategic goals include:
- A. Revenue, gross profit, net profit
 - B. With respect to specific important technologies or products, production yields, new customers, and development of new products, achieve specific strategic goals within a set period
 - C. Material strategic goals related to sustainable development
- Employees' remuneration is determined in accordance with the Company's Articles of Incorporation. 5% ~ 15% of the profit, if any, shall be set aside as remuneration (at least 30% of total employee remuneration shall be designated for the remuneration of entry-level employees). The proportion of the remuneration is calculated in consideration of the position, the responsibility taken, whether there is any penalty for causing a negative impact on the Company, and the results of individual managers' KPIs. The pension is dealt with in accordance with labor-related laws and regulations.
- (3) The reasonableness of the remuneration to the above-mentioned directors, president, vice president and managerial officers is reviewed by the Remuneration Committee and the board of directors. The remuneration system is reviewed from time to time in accordance with the actual business conditions and relevant laws and regulations.
- (4) The Company's 2025 net loss before tax after deducting the remuneration to employees and directors was NT\$423,460 thousand. In accordance with Article 20 of the Articles of Incorporation, since there was no profit for the year, no remuneration was set aside for directors and employees.

III. Corporate governance implementation

(I) Operation of the Board of Directors

There were 5 Board of Directors meetings (A) in 2024, with directors' attendance as follows:

Title	Name	No. of meetings attended in person (B)	Attendance by proxy	Actual attendance rate (%) 【B/A】	Remark
Chairman	Wang Te-Hsin	5	0	100%	
Director	Kao Investment Corporation Representative: Tsai Mei-Li	4	1	80%	
Director	Yongxin International Investment Co., Ltd. Representative: Lin Wen-Hui	4	1	80%	
Director	Chao-Kao Chen	3	2	60%	

Independent director	Cheng Feng-Tsung	5	0	100%	
Independent director	Jen Tzu-Ping	5	0	100%	
Independent director	Liao Chung-Hung	4	1	80%	
Independent director	Chao-Li Chen	5	0	100%	

Additional information:

I. If the operations of the Board of Directors is under any of the circumstances below, the date of the board meeting, the session, the content of the proposal, all independent directors' opinions, and the Company's response to said opinions shall be specified:

- (I) Matters specified in Article 14-3 of the Securities and Exchange Act: The Company has established Audit Committee, therefor, Article 14-5 of the Securities and Exchange Act is applicable, Article 14-3 of the Securities and Exchange Act is not applicable, please refer to the description of the "Operation of the Audit Committee" for relevant resolutions.
- (II) Any other documented objections or qualified opinions raised by an independent director against a board resolution: None.

II. In the event of directors' recusal from proposals, the name of director, the content of proposal, the reasons for recusal, and the participation in voting shall be specified:

Date of Board of Directors meeting Session	Motion content	Name of director who recused himself/herself	Reason for recusal	Participation in voting
2025/12/26 14th. meeting of the 12th term	Proposal on the year-end bonus to be distributed to the Company's managers of 2025.	Chairman Wang Te-Hsin, Director Lin Wen-Hui	Being an interested party in this proposal, hence recusal from the proposal.	Except directors who are required by law to recuse themselves from discussion and voting, the rest directors present approved the proposal as proposed.
	Proposal on the remuneration for the Company's chairman for 2026.	Chairman Wang Te-Hsin, Director Lin Wen-Hui		
	Proposal on the remuneration for the Company's managers for 2026.	Chairman Wang Te-Hsin, Director Lin Wen-Hui		

III. Status of implementation of evaluation of the performance of the Company's Board of Directors:

Cycle	Period	Scope	Method	Content
Once a year	January 1, 2025 through December 31, 2025	The Board of Directors as a whole	Self-evaluation by the Board of Directors	1. The degree of participation in the Company's operations. 2. Improving the Board of Directors' decision-making quality. 3. Composition and structure of the Board of Directors. 4. Election and continuing education of directors. 5. Internal control.
Once a year	January 1, 2025 through December 31, 2025	individual directors	Self-evaluation by directors	1. Grasp of the Company's goals and tasks 2. Awareness of the duties of directors 3. The degree of participation in the Company's operations. 4. Internal relationship management and communication 5. Directors' professionalism and continuing education. 6. Internal Control
Once a year	January 1, 2024 through December 31, 2025	Remuneration Committee; Audit Committee	Self-evaluation by committee members	1. The degree of participation in the Company's operations. 2. Awareness of the duties of functional committees 3. Improving the functional committee's decision-making quality. 4. Composition of functional committees and election of members 5. Internal control.

IV. Give an evaluation of the targets that were adopted for strengthening of the functions of the board during the current and immediately preceding fiscal years (e.g., establishing an audit committee, increasing information transparency, etc.) and the measures taken toward achievement thereof:

(I) Continue to strengthen the structure of the board of directors:

1. In order to enhance corporate governance, and to strengthen the role of the Board of Directors, the Company has nominated and selected directors with a view to ensuring a diversity of directors. The board of directors has two female members; members possess the knowledge and proficiency in industry, accounting, law, business management, and the international market. They possess the knowledge, expertise, and literacy requisite for performing their duties. In 2025, all directors received 48 hours of continuing education courses to stay up-to-date with professional knowledge and skills.
2. The Company set up its Remuneration Committee as early as December 2016; the committee is obliged to assist the Board of Directors when it comes to evaluation of performance of directors and managers, the policy, system, and structure with respect to their remuneration, and suggestion of remuneration content for each individual. The Company also continue to enhance the independence of the Remuneration Committee. The latest Remuneration Committee members were appointed in June 2023 and composed solely of independent directors.
3. The Company set up an audit committee in June 2018; the committee is composed of all independent directors in order to strengthen the Company's internal monitoring mechanism, and review the risks and reasonability entailing in revision of internal control systems, financial statements, loaning of funds, endorsement and guarantees, and acquisition or disposal of assets.

(II) Effectively fulfill the Board of Directors' functions:

1. The Company acquires liability insurance for all directors so they can perform their duties without any reservations; this also allows the Company to pursue the best interests of itself and its shareholders.
2. The four independent directors of the Company had not held office for longer than three successive terms by December 31, 2025.
3. In August 2022, the board of directors of the Company gave the green light for the creation of a chief governance officer (CGO); it also set up the "Standard Operating Procedures for Processing Directors' Requests" to help directors in their duties and enhance the potency of the board of directors.
4. The Company formulated the "Board of Directors Performance Evaluation Guidelines", by which it assesses the performance of the entire board of directors, individual directors, remuneration committee, and audit committee annually. The Company retrieved the questionnaire on self-evaluation of the performance of the board of directors, board members and functional committees in 2025. The statistics collected demonstrated a performance level that was "markedly above the norm". Each evaluation indicator indicated an effective and efficient operation, thus a sound operation of the Company's Board of Directors and each functional committee, signifying compliance with corporate governance. On March 6, 2026, the results of the 2025 annual performance evaluation were handed over to the board of directors.

(III) Increasing information transparency:

The Company held 5 board meetings throughout 2025, which complies with the requirement of the Rules and Procedures for Board of Directors Meetings that a board meeting be held at least once a quarter. The Company, in accordance with the law, posted its vital resolutions from the board meeting on the Market Observation Post System to protect the shareholders' rights and interests; it also designated a dedicated specialist to be responsible for gathering and disclosing the company information, and established a spokesperson system to ensure that all important information is disclosed in a timely and appropriate manner.

(II) The state of operation of the audit committee or the state of participation in board meetings by the supervisors
There were 5 (A) Audit Committee meetings in 2024, with the attendance of independent directors as follows:

Title	Name	Number of meetings attended in person (B)	Attendance by proxy	Attendance (%) (B/A)	Remark
Independent director	Cheng Feng-Tsung	4	0	100%	
Independent director	Jen Tzu-Ping	4	0	100%	
Independent director	Liao Chung-Hung	4	0	100%	
Independent director	Chao-Li Chen	4	0	100%	

Additional information:

I. If any of the following circumstances exists, specify the audit committee meeting date, meeting session number, content of the motion(s), the content of any dissenting or qualified opinion or significant recommendation of the independent directors, the outcomes of audit committee resolutions, and the measures taken by the Company based on the opinions of the audit committee:

1. Matters listed in Article 14-5 of the Securities and Exchange Act

Audit Committee Meeting Date Session	Audit Committee meeting proposal content	Independent directors' objections, qualified opinion, or major suggestions	The outcomes of audit committee resolutions, and the measures taken by the Company based on the opinions of the audit committee:
2025/3/7 9th meeting of the 3rd term	- The Company's accounts receivable that were more than 3 months past the normal credit period and significant in terms of value as of December 31, 2024 were not loans to others. - Proposal on the Company's 2024 Business Report, and Financial Statements. - Proposal on the 2024 Deficit Compensation. - Proposal on assessment of the effectiveness of the Company's 2024 Internal control system, and on the Statement on Internal Control. - Proposal to evaluate the independence and competence of the Company's attesting CPAs. - Proposal on amendments to the Company's "Internal Control System". - The Proposal not to Proceed with the Private Placement of Common Shares approved by the 2024 Annual General Shareholders' Meeting. - Proposal for the private placement with issuance of common shares of the Company.	None	Outcomes of audit committee resolutions: All members present approved the proposal as proposed without objection. Measures taken by the Company based on the opinions of the audit committee: N/A.
2025/5/9 10th meeting of the 3rd term	- The Company's accounts receivable that were more than 3 months past the normal credit period and significant in terms of value as of March 31, 2025 were not loans to others. - The Company's 2025Q1 Consolidated Financial Statements.		
2025/8/8 11th meeting of the 3rd term	- The Company's accounts receivable that were more than 3 months past the normal credit period and significant in terms of value as of June 30, 2025 were not loans to others. - The Company's 2025Q2 Consolidated Financial Statements. - Proposal on the Company's provision of endorsement and guarantee for a subsidiary's credit facility taken out from a bank.		
2025/11/7 12th meeting of the 3rd term	The Company's accounts receivable that were more than 3 months past the normal credit period and significant in terms of value as of September 30, 2025 were not loans to others.		

	• The Company's 2025Q3 Consolidated Financial Statements. • Proposal on the Company's 2026 audit plan. • Proposal on the Company's provision of endorsement and guarantee for a subsidiary's credit facility taken out from a bank.		
2. Any other resolutions that were approved by two thirds of Board members but not approved by the Audit Committee other than those described above: None. II. Disclosure regarding avoidance of interest-conflicting motions, including the names of independent directors concerned, the motions, the nature of conflicting interests, and the voting process: None. III. Communication between independent directors, chief internal audit officer, and CPAs: 1. The audit committee of the company is composed of all independent directors. It meets at least once a quarter, or at any time as needed. 2. Communication between the chief internal audit officer and the Audit Committee: (1) Before the end of the next month, the monthly audit report which was carried out in accordance with the audit plan must be shown to the independent directors for inspection either by email or in person. (2) At a minimum, the audit committee meeting will review the progress of the audit operation quarterly. (3) If extraordinary conditions arise, a person may inform the audit committee members immediately. No extraordinary conditions took place as of the issue date of the annual report. 3. Communication between CPAs and the Audit Committee: (1) The Company's attesting CPAs communicate with the Audit Committee on the content of, and exchange opinions on, the matters required by law to be disclosed. (2) The Audit Committee may make use of diverse communication channels (e.g., by telephone or e-mail, or in person) to communicate with the Company's attesting CPAs on the audit and audit outcome of the financial statements for the current period. (3) Should any matter requires considerable communication, a meeting may be arranged depending on the situation. 4. The communication channels between the independent directors, chief internal audit officer, and CPAs are varied and efficient, forging a productive communication. In 2024, independent directors communicated with the chief internal audit officer and CPAs alone on the following matters:			
Date/ Method	Communica tion counterparty	Communication matter	Communication results
2025/3/7 Report at an Audit Committee meeting	Certified Public Accountant	2023 audit findings, key audit matters, and recent changes in law.	The independent directors had no issue with the matters conveyed by the CPAs.
	The chief internal audit officer	Report on the progress of internal audit.	The independent directors had no issue with the progress of internal audit.
2025/11/7 Report at an Audit Committee meeting	Certified Public Accountant	Audit engagement team, audit scope and method, group audit, identification of significant risks, key audit matters and recent changes in law..	1. The independent directors had no issue with the matters conveyed by the CPAs.
	The chief internal audit officer	Report on the progress of internal audit.	1.The independent directors had no issue with the progress of internal audit. 2.The Audit Committee approved the "2026 Annual Audit Plan" and submitted it to the Board of Directors for resolution.

The primary yearly objectives of the Audit Committee are outlined below:

I. Formulate or revise the internal control system and important management measures	VI. Offer, issue, or privately place of equity-type securities.
II. Evaluate the effectiveness of the internal control system.	VII. Appoint, dismiss, or approve remuneration to, attesting CPAs.
III. Matters involving the interests of the directors themselves.	VIII. Appoint and dismiss financial, accounting or internal audit officers.
IV. Significant asset or derivative transactions.	IX. Annual financial reports and second quarter financial reports.

V. Provide significant loaning of funds, endorsements, or guarantees.	X. Communicate with the chief internal audit officer and CPAs alone.
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- Review of financial statements

The Board of Directors has prepared and submitted the Company's 2025 Business Report, Financial Statements, and the Deficit Compensation Proposal, of which the Financial Statements were audited by CPAs from Deloitte Taiwan, who have also furnished an independent auditors' report. The above business report, financial statements and deficit compensation have been audited by the Audit Committee and no discrepancy has been found.

- Appointment of CPAs

The independence and competence of the CPAs are evaluated with reference to the "Audit Quality Indicator Report (AQI Report)" of Deloitte Touche and the "Statement of Independence" issued by the CPAs. The Audit Committee approved at the meeting on March 7, 2025 that both CPAs Wu Li-Tung and Chiang Shu-Chin of Deloitte Touch, meet the Company's independence evaluation criteria and are qualified to act as the CPAs of the Company.

- Revise internal control system

The Audit Committee reviewed and approved the revised Internal Control System - Payroll Cycle Proposal on March 7, 2015, and then submitted it to the Board of Directors for resolution.

- Provide guarantees for subsidiary

The Audit Committee reviewed and approved the matter of providing an endorsement guarantee for the subsidiary Mosa Safety System Corp. to apply for a financing line from a bank. The Audit Committee reviewed and approved the matter on August 8, 2025 and November 7, 2025, and then submitted it to the Board of Directors for resolution.

(III) Corporate Governance – Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and the Reasons

Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
1. Has the Company formulated and disclosed its corporate governance best practice principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	✓		In order to establish a sound corporate governance system, the Company has established its "Corporate Governance Best Practice Principles", which is disclosed on the Company's website, by referencing the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies".	No major deviation
2. The Company's shareholding structure and shareholders' equity				
(1) Has the Company formulated internal operating procedures for handling shareholders' suggestions or questions or disputes and litigation with them and complied with the procedures?	✓		(I) The Company formulated the "Corporate Governance Best Practice Principles", and appointed a spokespersons and acting spokespersons as contacts, through which shareholders' inquiries are processed by dedicated personnel by phone or email; where legal matters are involved, they will be handled by the Legal.	No major deviation
(2) Does the Company have a list of the major shareholders with ultimate control over the Company and a list of the ultimate controllers of the major shareholders?	✓		(II) The Company files a report on changes in equity of insiders in accordance with regulations every month, keeps in touch with major shareholders; in doing so, the Company is able to grasp the list of major shareholders and their ultimate controllers.	No major deviation
(3) Has the Company established and implemented a risk control and a firewall mechanism between itself and affiliates?	✓		(III) By devising its "Regulations Governing Operations in relation to Finance and Business between Related Parties" and "Operating Procedures for Monitoring and Managing Subsidiaries", the Company has set forth specific regulations for any business and financial transaction between the Company and affiliates, thereby erecting a risk control mechanism.	No major deviation
(4) Has the Company formulated internal regulations to prohibit insiders from using information undisclosed in the market to buy and sell securities?	✓		(IV) The Company has devised the "Procedures for Handling Material Inside Information" as a means of creating an effective material information handling and disclosure system to prevent the improper release of information. Annually, the Company notifies all employees of procedures and arranges for directors to attend additional courses. Company insiders, including employees, are not allowed to purchase or sell securities using information that has not been made public.	No major deviation
3. Composition and responsibilities of the Board of Directors				
(1) Have a diversity policy and specific management objectives been adopted for the board and have they	✓		(I) 1. The Company stipulates in its "Corporate Governance Best Practice Principles" and "Regulations Governing the Election of Directors" that the composition of	No major deviation

Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
been fully implemented?			the board of directors consider diversity and an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs be formulated. It is advisable that the policy include, without being limited to, the following two general standards: (1). Basic requirements and values: Gender, age, nationality, and culture. (2). Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience. 2. The 12th board of directors consists of nine directors (four of which are independent directors). Since Mr. Chen Ching-Jung Resigned on January 15, 2025, there were 8 directors left as of the annual report's publication date. Please see page 10 of this annual report for information on the diversification of the board of directors, concrete management objectives and their implementation.	
(2) Has the Company voluntarily established other functional committees in addition to the remuneration and the audit committees established in accordance with the law?		✓	(II) The remuneration committee and the audit committee have been set up and the Company will assess if more functional committees should be created if the need arises in the future.	Will be established if need be
(3) Has the Company formulated board performance evaluation regulations and evaluation methods, conducted performance evaluations annually and regularly, reported the results of performance evaluations to the board of directors, and adopted such results as a reference for deciding the remuneration of and nominating candidates for individual directors?	✓		(III) The Company has formulated the "Board of Directors Performance Evaluation Guidelines", by which it evaluates the performance of the board of directors (including functional committees) at least once a year. A performance evaluation must be done by an external professional independent organization or an external team of experts and scholars on a tri-annual basis. A performance evaluation of the board of directors, both internal and external, must be concluded and the results given to the board of directors no later than the close of the first quarter of the next year. The items for evaluation of the performance of the board of directors can be categorized into the following five aspects: (1). The degree of participation in the Company's operations. (2). Improving the Board of Directors' decision-making quality. (3). Composition and structure of the Board of Directors.	No major deviation

Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	
(4) Does the Company regularly assess the independence of the CPAs?	✓		(4). Election and continuing education of directors. (5). Internal control. The items for evaluation of the performance of the board of director members can be categorized into the following six aspects: (1). Grasp of the Company's goals and tasks. (2). Awareness of the duties of directors. (3). The degree of participation in the Company's operations. (4). Internal relationship management and communication. (5). Directors' professionalism and continuing education. (6). Internal control. The items for evaluation of the performance of the Audit Committee and Remuneration Committee can be categorized into the following five aspects: (1). The degree of participation in the Company's operations. (2). Awareness of the duties of functional committees. (3). Improving the functional committee's decision-making quality. (4). The composition and selection of members of the functional committee. (5). Internal control. The Company retrieved the questionnaire on self-evaluation of the performance of the board of directors, board members, Audit Committee, and Remuneration Committee of 2025. The statistics collected demonstrated a performance level that was "markedly above the norm". The evaluation results were submitted to the Board of Directors meeting dated March 6, 2026 and would be used as reference for individual director's remuneration and nomination for another term of office. (IV) The Audit Committee of the company regularly evaluates the independence of attesting CPAs every year, and then submits the evaluation results to the board of directors. The evaluation results of 2025 were approved by the audit committee on May 7, 2025 and handed over to the board of directors on the same day. The Company obtained the "Audit Quality Indicator Report (AQI Report)" of the CPA firm and the "Statement of Independence" issued by the CPAs. Important assessment items are listed as follows:	No major deviation

Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
			1. The audit engagement team members and their families, other partners of the firm and their families do not have a direct financial interest or material indirect financial interest with the Company. 2. The firm or audit engagement team members do not have a significant close business relationship with the Company or the Company's affiliates. 3. The audit engagement team members do not enter into a potential employment negotiations with the Company at present. 4. The audit engagement team members are not commissioned to defend the Company's opinion or standing, or mediate any conflict between the Company and a third party on behalf of the Company. 5. No member of the engagement team is a relative who is a director, or officer of the Company or an employee of the Company who is in a position to exert significant influence over the subject matter of the engagement. 6. The Company does not make any member of the engagement team sustain or feel a threat that they will be deterred from acting objectively. 7. No CPA has served for more than seven years and a statement of independence issued by CPAs has been obtained. 8. Obtain the information on the 13 AQIs provided by the CPA firm to assess its quality management system and the audit team's audit of the Company. Assessment results: 1. The independence between the members of the audit service team (including CPAs) and the Company complies with the Certified Public Accountant Act and the Code of Ethics for Certified Public Accountants. 2. The Company does not appoint the same CPAs for seven consecutive years. 3. The training hours of CPAs are higher than the industry average, and their case load is reasonable. In addition, the cloud audit platform and digital technology have been continuously introduced in the most three years to improve the audit quality. 4. In summary, it is confirmed that the CPAs meet the standards of independence and competence.	

Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor						
	Yes	No	Brief description							
4. Has the Company has appointed an appropriate number of competent corporate governance personnel and designated a corporate governance officer to be responsible for corporate governance affairs (including but not limited to providing directors and supervisors with the materials required for performance of their duties, assisting directors and supervisors with compliance, handling matters related to board meetings and the shareholders' meetings, and preparing minutes of board meetings and shareholders' meetings)?	✓		The Company’s Board of Directors meeting dated August 9, 2022 resolved to appoint a senior executive who had been a financial officer for more than three years as the chief governance officer, who would be responsible for corporate governance related matters. (I) The duties of the chief governance officer were implemented, and described as follows: 1. Assist independent directors and ordinary directors to perform their duties; provide required materials; and arrange continuing education for directors; 2. Assist in the legal compliance of the procedures and resolutions of the meetings of the Board of Directors, Audit Committee, Remuneration Committee, and shareholders. 3. Give a meeting notice to directors at least 7 days prior to the meeting date; convene a meeting and provide meeting materials, and complete the Board of Directors meeting minutes within 20 days after the meeting date. 4. Handle the shareholder meeting in accordance with the law and provide meeting notices, Meeting handbooks, and minutes within the statutory time frame. 5. Report to the Board of Directors on the results of a review of the qualifications of independent directors at the time of nomination, election and during their term of office, to ensure they comply with relevant laws and regulations. (II) In 2025, the status of continuous education for the chief governance officer is described as follows: <table><tr><th>Organizer</th><th>Course title</th><th>Hours of continuing education courses</th></tr><tr><td>Taiwan Stock Exchange</td><td>2025 Cathay Sustainable Financial and Climate Change Summit.</td><td>6</td></tr></table>	Organizer	Course title	Hours of continuing education courses	Taiwan Stock Exchange	2025 Cathay Sustainable Financial and Climate Change Summit.	6	No major deviation
Organizer	Course title	Hours of continuing education courses								
Taiwan Stock Exchange	2025 Cathay Sustainable Financial and Climate Change Summit.	6								

Item	Operations					Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description			
			Chinese National Association of Industry and Commerce	2025 Taishin Taishin Shin Kong Net-Zero Summit	3	
			Securities & Futures Institute	2025 Insider Trading Prevention Conference.	3	
5. Has the Company has established communication channels with stakeholders (including but not limited to shareholders, employees, clients, and suppliers) and set up a section dedicated to stakeholders on the Company's website to properly respond to stakeholders’ major CSR issues of concern?	✓		The Company has a spokesperson and a deputy spokesperson; it has further set up a Stakeholders zone and an email box on its website, where dedicated personnel will process the issues concerning stakeholders and, based on the scope and nature of issues concerting stakeholders (employees, shareholders/investors, customers/consumers, suppliers, government agency/competent authority, and community), transfer the case to responsible units for processing and response. In doing so, the Company hopes to swiftly respond to major corporate social responsibility issues concerning stakeholders.			No major deviation
6. Does the Company appoint a professional stock affairs agency to handle the affairs related to shareholders' meetings?	✓		The Company has appointed the Shareholders’ Agent Department of the Grand Fortune Securities Co., Ltd., a professional stock agent, to handle the Company’s stock affairs.			No major deviation
7. Information disclosures						
(1) Has the Company set up a website to disclose information on financial business and corporate governance?	✓		(I) The Company has set up a company website (URL: https://www.twmosa.com) to disclose financial, business, and corporate governance information.			No major deviation
(2) Does the Company adopt other methods to disclose information (such as setting up an English website, designating personnel to collect and disclose company information, implementing a spokesperson system, or placing the proceeding of investor conferences on the Company website)?	✓		(II) 1. The Company has set up an English website (URL:https://www.twmosa.com/en) 2. The Company has assigned dedicated personnel to maintain its website, gather information on the Company, and disclose material information. 3. To bolster the Company's external communication channels, a spokesperson and a deputy spokesperson have been appointed by the Company. 4. In 2025, the Company attended one investor conference to disclose its business performance; relevant data and link were posted on the Company's website.			No major deviation
(3) Does the Company announce and submit an annual financial report to the competent authority within two months after the end of each fiscal year and announce and submit the financial reports for the		✓	(III) The Company publishes and makes official filing of annual financial report, Q1, Q2 and Q3 financial reports, and monthly business performance statements			The annual financial report

Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
first, second, and third quarters and the operations of each month to the competent authority before a specified deadline?			before the required due dates. Although the Company did not publish and makes official filing of its annual financial report within 2 months after the closing of a fiscal year, the Company has published and made official filing of annual financial report, Q1, Q2 and Q3 financial reports, and monthly business performance statements before the required due dates .	has yet to be available before the end of February.
8. Does the Company have other important information that facilitates the understanding of the operations of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders' rights, directors' and supervisors' continuing education, the implementation of risk management policies and risk measurement standards, the implementation of client policies, and the Company's purchase of directors and supervisors liability insurance)?	✓		Yes; other important information that is helpful to understand the Company's implementation of corporate governance is as follows: (I) Employees' rights and interests: Adhering to the Labor Standards Act and the Company's personnel regulations, the Company has purchased health insurance and labor insurance for employees and contributed the required pension, so as to ensure employees rights to employee benefits and benefits under the retirement system. (II) Employee care: Through the benefits system and trainings, the Company aims to build an employment relationship full of trust with employees. In addition, to maintain employees' rights at work and provide a working environment free of sexual harassment, the Company has put in place the "Regulations for Prevention and Reporting of Sexual Harassment and Punishment Therefor" . In addition, it regularly employs occupational experts to visit the factory and provide employees with advice on health issues, prevention of occupational diseases, and health check-up questions. (III) Investor relations: The Company appoints both a spokesperson and a deputy spokesperson to ensure efficient communication between itself and its investors; it further discloses public information in a timely manner based on the principle of good faith, so as to uphold investors' interests. (IV) Supplier relationship: In addition to devising its "Operating Procedures for Supplier Management" and relevant regulations, the Company also regularly assesses suppliers or gives them guidance if need be, so as to ensure quality and fulfill the delivery date. It also maintains a good interaction with suppliers, aiming to forge a partnership for mutual prosperity. (V) Rights of interested parties: The Company is devoted to setting up multiple ways of communication and furnishing enough data to customers, shareholders and	No major deviation

Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
			related stakeholders; it also gathers information about the issues of interest to stakeholders and assesses whether the implementation of different activities is effective in addressing the concerns of stakeholders. (VI) The status of directors' continuing education in 2024, please refer to Attachment 1. (VII) Implementation of risk management policies and risk measurement standards: The Company's major business proposals, including capital expenditures, endorsement and guarantees, loaning of funds, and bank financing facility may be implemented only after an evaluation by responsible units and a resolution by the Board of Directors. The Audit Office designs its year-long audit plan based on the risk assessment results, and executes it to put the control system in place and set up a reliable risk management system. (VIII) Implementation of customer policy: By understanding customers' needs, the Company provides them with tailored, quality products. By promptly responding to customer complaints and fully communicating with them, the Company makes a review for improvement at a management meeting and production and sales meeting. (IX) Every twelve months since 2017, the Company has purchased a liability insurance for directors and important staff; it continued to do so in 2024. The insurance period is from 2025/12/31 to 2026/12/31. Such purchase was reported to the board of directors on 2025/12/26.	
IX. Please explain improvements that have been made as well as priorities to improve the results of the Corporate Governance Evaluation issued by the Taiwan Stock Exchange Corporate Governance Center. (Companies excluded from the evaluation need not respond) (I) The Company was ranked among the top 66%~80% TWSE-listed companies in the 12th Corporate Governance Evaluation in 2025. The evaluation items below in this year have outperformed last year's results are as follows: 1. Disclose on the company's English-language website relevant information regarding major shareholders, financial performance, business operations, and corporate governance. 2. Disclose the annual greenhouse gas emissions for Scope 1 and Scope 2 over the past two years. (II) Priorities to improve the performance in the Corporate Governance Evaluation by item are as follows: 1. Convene the general shareholders' meeting by the end of May. 2. Hold at least two investor conferences and disclose at least two complete video and audio links of the meetings.. 3. Assess the need for establishing non-statutory committees.				

Attachment 1: The status of directors' continuing education in 2025

Title	Name	Course date	Organizer	Course title	Hours of courses
Director	Te-Hsin Wang	2025.7.9	Taiwan Stock Exchange	2025 Cathay Sustainable Financial and Climate Change Summit	6
Director	Wen-Hui Lin	2025.7.9	Taiwan Stock Exchange	2025 Cathay Sustainable Financial and Climate Change Summit	6
Director	Mei-Li Tsai	2025.6.16	Taiwan Corporate Governance Association	Corporate Governance and Securities Regulations	3
		2025.7.9	Taiwan Stock Exchange	2025 Cathay Sustainable Financial and Climate Change Summit	3
Director	Chao-Kao Chen	2025.5.8	Taiwan Corporate Governance Association	Sustainability Regulations and Corporate Climate Governance	3
		2025.11.6	Taiwan Corporate Governance Association	How the Board of Directors Ensures Corporate Sustainability: Starting with Talent Identification and Development	3
Independent director	Feng-Tsung Cheng	2025.5.8	Securities & Futures Institute	Case Studies of Greenwashing and Misleading Sustainability Reports: An Analysis of Legal Liabilities	3
		2025.7.9	Taiwan Stock Exchange	2025 Cathay Sustainable Financial and Climate Change Summit	3
Independent director	Tzu-Ping Jen	2025.7.9	Taiwan Stock Exchange	2025 Cathay Sustainable Financial and Climate Change Summit	6
Independent director	Chung-Hung Liao	2025.8.22	Chinese National Association of Industry and Commerce	2025 Taishin Taishin Shin Kong Net-Zero Summit	3
		2025.9.26	Securities & Futures Institute	2025 Insider Trading Prevention Conference	3
Independent director	Chao-Li Chen	2025.8.22	Chinese National Association of Industry and Commerce	2025 Taishin Taishin Shin Kong Net-Zero Summit	3
		2025.9.26	Securities & Futures Institute	2025 Insider Trading Prevention Conference	3

(IV) If a remuneration committee or nomination committee has been established by the company, the composition, duties and operation of such committees should be made public.

The Company held a general election of directors on June 28, 2023, and reappointed new members of the Remuneration Committee on the same day; the Company's four independent directors (Cheng Feng-Tsung, Liao Chung-Hung, Jen Tzu-Ping and Chao-Li Chen) were appointed member of the committee. The Remuneration Committee is held accountable for formulating and regularly reviewing the results of evaluation of the performance of directors and managers, in addition to the policy, system, standards, and package of their remuneration, and for regularly assessing and determining their remuneration. The convener of this committee is Mr. Cheng Feng-Tsung; the committee is required to meet at least twice a year, and actually met two times in 2025.

1. Information on members of the Remuneration Committee

May 1, 2026

Title	Title	Name	Professional qualifications and experience	Independence	Number of other public companies where the individual serves as a member of the remuneration committee concurrently
Convener	Independent director	Feng-Tsung Cheng	Please refer to the Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and the Independence of Independent Directors on page 9.		1
Committee member	Independent director	Tzu-Ping Jen			1
Committee member	Independent director	Chung-Hung Liao			0
Committee member	Independent director	Chao-Li Chen			0

2. Operation status of the Remuneration Committee

(1). The Company's Remuneration Committee has a total of 4 members.

(2) The term of office of the current committee members: After the general election of the Company's directors of the 12th Board of Directors on June 28, 2023, the Board of Directors resolved to appoint the four independent directors as member of the 4th Remuneration Committee for a term from June 28, 2023 through June 27, 2026. The Remuneration Committee met 3 times (A) in 2024, and members' attendance is outlined as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	Attendance (%) (B/A)	Remark
Convener	Feng-Tsung Cheng	2	0	100%	
Member	Tzu-Ping Jen	2	0	100%	
Member	Chung-Hung Liao	1	1	50%	
Member	Chao-Li Chen	2	0	100%	

I. Discussions and resolutions of the Remuneration Committee in 2025:

Remuneration Committee meeting date Session	Remuneration Committee meeting proposal content	Remuneration Committee members' opinion Measures taken by the Company in response to the opinions of the remuneration committee
2025/8/8 5th meeting of the 4th term	Proposal to review and revise the Company's "Regulations for Payment of Remuneration to Directors and Managers", "Board of Directors Performance Evaluation Guidelines", "Regulations for Salary Management", and "Regulations for Performance Evaluation Management".	Opinion of the Remuneration Committee: All the members present passed the proposal without objection, and submitted it to the Board of Directors for discussion.

2025/12/26 6th meeting of the 4th term	Proposal to submit the proposal on the year-end bonus to be distributed to the Company's managers of 2025.	Measures taken by the Company in response to the opinions of the remuneration committee: All directors present approved the proposal.
	Proposal to submit the proposal on the remuneration for the Company's chairman for 2026.	
	Proposal to submit the proposal on the remuneration for the Company's managers for 2026.	

II. Additional information:

1. If the board of directors does not accept, or amends, any recommendation of the remuneration committee, specify the board meeting date, meeting session number, content of the recommendation(s), the outcome of the resolution(s) of the board of directors, and the measures taken by the Company with respect to the opinions given by of the remuneration committee (e.g., if the salary/compensation approved by the board is higher than the recommendation of the remuneration committee, specify the difference(s) and the reasons): None.
2. With respect to any matter for resolution by the remuneration committee, if there is any dissenting or qualified opinion of a committee member that is on record or stated in writing, specify the remuneration committee meeting date, meeting session number, content of the motion, the opinions of all members, and the measures taken by the Company with respect to the members' opinion: None.

3. Information on the members of the nomination committee and its operation: Not applicable, because the Company does not have a nomination committee.

(V) Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Item	Implementation			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
1. Has the Company established a governance structure to promote sustainable development and set up a dedicated (concurrent) unit to promote sustainable development, governed by the senior management as authorized by the board of directors, which supervises the implementation? <u>(Listed companies should report the implementation status instead of stating compliance or giving explanation.)</u>	✓		The Company appointed the President's Office as the unit concurrently responsible for promoting corporate social responsibility in 2020. In 2022, the Company renamed its "Corporate Social Responsibility Best Practice Principles" "Sustainable Development Best Practice Principles", and set up a Sustainable Development Team headed by the President, assembled by the Vice President, and composed of three task forces, namely, Environmental Protection, Social Responsibility, and Corporate Governance. The team is responsible for devising a sustainable development plan, identifying the issues material to the Company's operations and concerning stakeholders, discussing for a plan and coordinating cross-departmental efforts, and continuing to track the implementation results. In 2025, one meeting was convened to discuss carbon reduction planning, establish short-, medium- and long-term carbon reduction targets, and review the 2024 ESG Report. The President reports the results of implementation of the sustainable development plan and important execution plans to the board of directors every year, so that the board of directors can assess the progress and efficacy of the sustainable development strategy, and provide guidance or suggest changes in a timely fashion. The 2025 sustainable development implementation situation was reported to the Board of Directors. on December 26, 2025.	No major deviation
2. Does the Company conduct risk assessments of environmental, social, and corporate governance issues related to company operations as per the principle of materiality? Has the Company formulated relevant risk management policies or strategies? <u>(Listed companies should report the implementation status instead of stating compliance or giving explanation.)</u>	✓		(I) The boundary of the risk assessment is mainly based on the Company's operating base in Huwei Park in Central Taiwan Science Park. The disclosure covers the sustainable development performance of the Company's main business site there during the period from January 2025 to December 2025. (II) The Company identifies the risks entailed in daily operations and may affect its sustainable development, prevents and regulates probable risks, and drafts pertinent early warning measures. The Company	No major deviation

			evaluates potential environmental, social, corporate governance, and information security risks associated with its operations according to the principle of materiality, and devises applicable management tactics and countermeasures to diminish the potential hazard of business disruption. 1. Environmental issues: (1) The Occupational Safety and Health Office is established to support relevant units in acquisition of required permits for operation/setup of permanent pollution sources, permits for water pollution control measures, and waste disposal plan approval letter according to relevant environmental protection laws and regulations. (2) In order to reduce environmental hazards and improve environmental management capabilities, the Company has obtained the ISO 14001 environmental management system certification. (3) Facing the global climate change crisis and the trend of 2050 net zero emissions, we understand the carbon emission status and identify emission hotspots through greenhouse gas inventory, and use these as a basis for evaluating the carbon reduction action plan. 2. Social issues: (1) The Company has obtained the Authorized Economic Organization (AEO) certificate, and continue to obtain other regulatory compliance certificate for products and develop new products in order to comply with customer needs and market regulations. (2) To ensure that the high-pressure inflators are safe and compliant with the safety regulations of the Europe and the US, the Company had its quality system pass a variety of international certification, e.g., ISO9001, ISO22000, HACCP, Halal for high-pressure chargers; TUV for high-pressure chargers/cream whippers/soda syphons; NSF for cream whippers /soda syphons/ high-pressure chargers; ANFOR (NF D 21-901), REACH, RoHS, LFGB. Food additives (gases): Passed testing and certification for compliance with relevant food additive laws and regulations of the TFDA and the EU. (3) To mitigate product liability risks, a number of products of the Company have been covered with a product liability insurance.	
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			(4) To promote industrial safety and health and prevent occupational accidents, The Company has obtained the certification of ISO 45001 and CNS 45001 occupational safety and health management system. 3. Corporate governance issues: (1) To guarantee that all personnel and operations of the Company conform to applicable laws and regulations, the Company has established a corporate governance organization and implemented an internal control mechanism. (2) The Company set up its Audit Committee, Remuneration Committee, and the post of chief corporate governance officer to monitor whether the Company complies with relevant laws and regulations, and to implement corporate governance.	
3. Environmental issues				
(1) Has the Company set up an appropriate environmental management system as per its industrial characteristics?	✓		(I) The Company conforms to the environmental protection regulations of the Environmental Protection Agency in terms of process management. As the production facility is situated in Huwei Park in Central Taiwan Science Park, the associated activities must also comply with the autonomous regulations of the Central Taiwan Science Park. Both the Company and Mosa Safety have been awarded ISO 14001 environmental management system certification and ISO 45001 verification. Adhering to the principle of continuous improvement, we invest heavily in the prevention of pollution, conservation of energy and resources, reduction of waste, management of health and safety, prevention of fires and explosions, among other risks, to reduce potential environmental, health, and safety risks.	No major deviation
(2) Is the Company committed to improving energy efficiency and to the use of renewable materials with low environmental impact?	✓		(II) The Company is committed to environmental protection and energy conservation and carbon reduction. The Company has directed its capital towards wastewater management, air pollution prevention and control, waste reduction, and energy conservation; the Company also strives to improve its manufacturing process. By means of energy-saving measures like improving manufacturing process and replacing equipment, the Company effectively reduce energy consumption and waste generation during the manufacturing process, thereby achieving the carbon reduction goal. In this sense, the Company is actively implementing a wide variety of energy management and conservation measures. The details of implementation are as follows: 1. In 2025, a portion of the lighting fixtures will continue to be	No major deviation

			replaced with LED tubes. It is estimated that this will achieve annual electricity savings of up to 250,000 kWh, helping to meet energy-saving targets and reduce dependence on electricity consumption. 2. The Company completed the construction of air pollution control equipment (flare) and obtained the operating permit, effectively reducing VOC emissions, environmental pollutants, and air pollution fees. 3. Roofs were leased to manufacturers to set up solar photovoltaic power generation systems. The total capacity of the solar panel installation is 4,523KW, which can generate 5.78 million kWh of electricity every year. In addition to increasing the Company's revenue, this has also achieved the cooling and insulating effect of buildings and reduced power consumption of indoor air conditioners. 4. The Company advocated for double-sided printing, electronic documents, and recycling and reuse to reduce paper consumption; it also called for garbage sorting, resource recycling, and use of various energy-saving products, such as LED lights, inverter-equipped equipment, sensor lights, to improve the utilization efficiency of various resources.	
(3) Has the Company assessed its current and future potential risks and opportunities of climate change and taken countermeasures against climate-related issues?	✓		(III) Major risks of climate change to the Company: 1. The more rigorous environmental policies and regulations will lead to higher operating costs. 2. Production efficiency is endangered by climate change, which creates an imbalance between power supply and demand that may cause a production halt or delays in delivery. The Company's opportunities and countermeasures: While climate change poses risks to company operations, it also prompts the Company to improve processes and upgrade equipment to enhance equipment utilization and reduce electricity consumption per unit of production, aiming to achieve energy-saving goals and decrease reliance on electricity. In terms of reducing greenhouse gas emissions, The Company plans to understand the carbon emission status and identify emission hotspots through greenhouse gas inventory, and use these as a basis for evaluating the carbon reduction action plan to gradually promote greenhouse gas reduction measures, reduce the impact on global climate change, and fulfill the environmental responsibility of the Company.	No major deviation
(4) Has the Company counted the greenhouse gas emissions, water consumption, and total weight of waste over the past two	✓		(IV) The Company has established a dedicated unit to take charge of the management of waste and wastewater discharge. To achieve	No major deviation

years and formulated policies on greenhouse gas reduction, water consumption reduction, or other waste management?			sustainability through resource utilization, the waste management policy will prioritize waste reduction in the manufacturing process over outsourcing for disposal and reuse. To accurately determine the whereabouts of waste, we judiciously select waste disposal vendors; we examine their license and documents and analyze their on-site operation conditions and track their driving route, to ensure the legal and proper disposal or reuse of all waste, to prevent secondary pollution of the environment; The wastewater, as well as other pollutants, which may be generated during the production process, has been treated in the wastewater treatment facility at the factory in accordance with the relevant regulations before being discharged to the treatment facility of HuWei Park. To fulfill the corporate social responsibilities, the Company is dedicated to promoting energy conservation and carbon reduction. Although the Company has yet to verify their GHG emissions, it achieved reduction in water consumption and waste generation in the past two years; the achievements are enumerated as follows: 1. Waste generation <table><tr><td>Item</td><td>2024</td><td>2025</td></tr><tr><td>General industrial waste (tons)</td><td>150.99</td><td>130.21</td></tr><tr><td>Hazardous industrial waste (tons)</td><td>4.97</td><td>5.02</td></tr></table> 2. Water consumption and wastewater discharge volume <table><tr><td>Item</td><td>2024</td><td>2025</td></tr><tr><td>Tap water - annual consumption (tons)</td><td>106,290</td><td>90,380</td></tr><tr><td>Wastewater - annual discharge (tons)</td><td>67,060</td><td>68,366</td></tr></table>	Item	2024	2025	General industrial waste (tons)	150.99	130.21	Hazardous industrial waste (tons)	4.97	5.02	Item	2024	2025	Tap water - annual consumption (tons)	106,290	90,380	Wastewater - annual discharge (tons)	67,060	68,366	
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Item	2024	2025																				
Tap water - annual consumption (tons)	106,290	90,380																				
Wastewater - annual discharge (tons)	67,060	68,366																				
4. Social issues																						
(1) Does the Company formulate relevant management policies and procedures in accordance with applicable laws and the International Bill of Human Rights?	✓		(I) The Company supports and recognizes the “Universal Declaration of Human Rights”, “UN Global Compact”, “United Nations: Guiding Principles on Business and Human Rights”, and “International Labor Organization (ILO) Conventions”; it also abides by Taiwan’s Labor Standards Act, by which it has formulated its management policy and procedures such as “Work Rules” and “Regulations for Prevention and Reporting of Sexual Harassment and Punishment Therefor”, aiming to ensure employees’ interests and benefits.	No major deviation																		
(2) Has the Company formulated and implemented reasonable employee benefit measures (including remuneration, leave, and other benefits) and reflected business performance or achievements in employee remuneration appropriately?	✓		(II) 1. The Company's factory compound boasts employee eateries, recreation centers, car parks, dormitories, and other amenities at the disposal of employees. 2. An Employee Welfare Committee has been established by the	No major deviation																		

(3) Does the Company provide employees with a safe and	✓	Company and a monthly budget is allocated to offer employees various welfare benefits, including employee travel subsidies, birthday monetary gifts, festival monetary gifts, marriage allowances, condolence money for funeral, maternity allowances, community activity subsidies, among others. 3. Article 20 of the Company's Articles of Incorporation stipulates that in the event of annual profits, 5% to 15% of such profits be allocated as employee remuneration (at least 30% of total employee remuneration shall be designated for the remuneration of entry-level employees). 4. The Company has established its "Regulations for Salary Management", to provide a reference basis for employees' salaries, bonuses, promotions, and transfers, and salary approval. 5. The Company adopts the new retirement scheme, by which the Company contributes an amount equal to 6% of employees’ monthly salary to their personal pension account every month. For those who opt to make additional appropriation, the Company additionally debits an amount equal to a percentage of monthly salary designated by an employee and deposit it in their personal pension account with the Bureau of Insurance. 6. The leave system complies with the provisions of the "Labor Standards Act", which stipulates a 7-day annual leave upon completion of one year of employment. Employees who need to take care of their child or encounter any material incident may apply for leave without pay; they will be reinstated after the expiration of the leave without pay period. 7. Performance bonuses for employees are established by the Company based on production goals in order to motivate them. 8. In terms of diversity and equality in the workplace, the Company emphasizes gender equality, equal pay, and equal opportunity for promotion. However, due to industrial characteristics and the job market, the ratio of male employees is relatively high. The gender structure of the employees at the end of 2024 and 2025 is as follows: <table><tr><td></td><td>2024</td><td>2025</td></tr><tr><td>Total female employees (%)</td><td>21%</td><td>20%</td></tr><tr><td>Female heads in percentage (%)</td><td>23%</td><td>25%</td></tr></table> To put it succinctly, the salary and benefits offered by the Company are still competitive in the market. (III) 1. The Company has passed ISO 45001 certification “Occupational		2024	2025	Total female employees (%)	21%	20%	Female heads in percentage (%)	23%	25%	No major deviation
	2024	2025										
Total female employees (%)	21%	20%										
Female heads in percentage (%)	23%	25%										

healthy work environment and offer safety and health education to employees regularly?			safety and health management systems” (certificate valid during 2024.3.13~2027.2.2) and CNS 45001 (certificate valid during 2024.3.13~2027.2.2). Moreover, the Company holds the safety and wellness of its employees in high regard. By regularly organizing trainings, the Company improves employees' "safety awareness" and their comprehension of regulations for "safe operation". In addition, the Company puts in place a self-management and inspection system, and pays attention to employees' working environment and personal safety protection measures, so as to prevent accidents and provide employees with a safe working environment. 2. The company has an Occupational Safety and Health Committee, which meets once a quarter. During the meeting, employee representatives and management discuss issues such as working environment monitoring, auditing, safety and health education and training, hazard prevention, health promotion, contractor management, etc., and address identified problems. Improvements were made and relevant occupational safety and health training and publicity courses were held in 2025, with a total of 1,519 participants. 3. In 2025, the Company recorded three occupational accidents (excluding traffic accidents): one incident involving a ruptured object, one collision incident, and one abrasion injury. To ensure employee safety during work and prevent similar incidents from recurring, the Company has conducted a renewed hazard identification and risk assessment, revised operating procedures and work instructions, implemented effective control measures, and strengthened relevant employee education and training programs. 4. In terms of caring for employees' health, (1)the Company hires occupational medicine physicians for on-site health consultation every month, and regularly outsources employee health examinations and tracks various health indexes every year.(2) To enhance employees' health awareness, the Employee Welfare Committee organizes a voluntary health walk and weight loss competition every year. In 2025, 56 individuals participated in these events, and 48 of them achieved the target and received a reward. (3) the Employee Welfare Committee organizes various club activities and provides travel subsidy to adjust employees' physical and mental health. 5. The Company has strengthened accident prevention education within the factory and enhanced the awareness of accident prevention among employees to prevent occurrence of accidents. In 2025, the Company	
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(4) Has the Company established an effective career development training program for employees?	✓		conducted two fire drills, and no fire incidents occurred that year. (IV) The Company places great emphasis on the training of employees' professional abilities and management capacities. Aiming to foster outstanding talents, the Company encourages employees to take various training courses, including the orientation training, professional training, superiors training. Aside from internal trainings, workers can also pursue external training to augment their capabilities and refine their career competencies.	No major deviation
(5) Does the Company comply with applicable laws and international standards regarding issues, such as customer health and safety, customer privacy, as well as marketing and labelling of products and services? Has it formulated relevant policies and complaint procedures to protect consumers' or customers' rights and interest?	✓		(V) The Company markets and labels its products in accordance with applicable laws and regulations, and has purchased a product liability insurance to safeguard the rights and interests of consumers. Customer opinions are highly valued by the Company. In addition to paying a visit to each individual customer, the Company, as a way to respond to customer complaints in an efficient and timely manner, often holds management meetings and production and sales meetings, so as to comprehend customers' requirements and guard their rights and privileges. An area dedicated to Stakeholders has been created to provide pathways for customers to voice their concerns, lodge grievance, or submit suggestions.	No major deviation
(6) Has the Company formulated a supplier management policy, required suppliers to follow applicable regulations on issues, such as environmental protection, occupational safety and health, or labor rights? The implementation thereof?	✓		(VI) The Company has established a "Operating Procedures for Supplier Management", by which it establishes a mechanism for selection, evaluation, evaluation, and management of suppliers based on their supply capacity. Suppliers are required to cooperate closely, in addition to being assessed quarterly. In doing so, the Company encourages suppliers to deliver quality goods on time to enhance the competitive synergy. In addition, the Company has also developed a "Code of Conduct for Suppliers", which requires suppliers to comply with the laws pertaining to labor rights, health, safety, environmental protection, and ethics, in order to fulfill their social responsibility.	No major deviation
5. Has the Company referred to the internationally accepted reporting standards or guidelines to prepare reports, such as ESG reports that discloses the Company's non-financial information? Has a third-party verification entity provided assurance or assurance opinion for said report?	✓		The Company's 2024 ESG Report has been prepared in accordance with the GRI Standards. Following the Company's "Procedures for Compilation and Verification of Sustainability Report," the Report was approved by the Board of Directors on August 8, 2025, and disclosed on the Company's website and the MOPS in August 2025. The said report has not yet been obtained an assurance or assurance opinion from a third-party verification entity.	No major deviation
6. Where the Company has formulated its own sustainable development code in accordance with the Sustainable Development Best Practice Principles, please specified the				

differences between the implementation and the principles:

On August 9, 2022, the Company's Board of Directors approved renaming the "Corporate Social Responsibility Best Practice Principles" to the "Sustainable Development Best Practice Principles" and amending the relevant provisions. The most recent revision was approved by the Board of Directors on November 7, 2025.

7. Other important information that facilitates the understanding of the promotion of sustainable development:

- (1) Environmental protection: The Company has successfully obtained the ISO 14001:2015 certification for environmental management systems and put into practice waste classification.
- (2) Involvement in communities: The Company participates in religious festivals of the communities and sponsors graduation ceremonies, sports meet and other events of local schools.
- (3) Social welfare: We make donation to Friends of the Police and Huwei Volunteer Fire Fighter Brigade of Yunlin County. In addition, in order to narrow the gap between industry and academia, increase students' practical work experienced, and stabilize technical talents, the Company actively cooperates with the neighboring National Formosa University to carry out industry-academia collaboration. Through close cooperation with the school, it can plan its courses accordingly in response to the development of the industry. The talent cultivation model of "learning by doing and doing by learning" has been established to prepare students for employment right after graduation. The number of participants in industry-university cooperation in 2025 was 22.
- (4) Social services: Engaged in the local community-led homeland-cleaning activities held yearly.
- (5) Consumer rights and interests: Purchased a product liability insurance.
- (6) Human rights: The Company purchased a Commercial General Liability Insurance and group insurance for employees, and has formulated its "Regulations for Prevention and Reporting of Sexual Harassment and Punishment Therefor", aiming to provide employees with an environment free of sexual harassment. In addition, it regularly employs occupational medical physicians to visit the factory and provide employees with advice on health issues, prevention of occupational diseases, and health check-up questions.
- (7) Safety and health: The Company has passed the certification of ISO 45001 (International Occupational Health and Safety Management System) and CNS45001 (Taiwan Occupational Safety and Health Management System). To promote employee health and build a healthy workforce, the Company has actively participated in workplace health promotion initiatives and was awarded the **"2025 Workplace Health Promotion Self-Assessment Certification"** by the Health Promotion Administration under the Ministry of Health and Welfare.

(V-1) Climate-related information of TWSE/TPEX-listed companies:

1 Climate-related information implementation

Item	Implementation						
1. Describe the supervision and governance of the Board or Directors and management over the climate-related risks and opportunities.	The Company set up a Sustainable Development Team headed by the President, assembled by the Vice President, and composed of three task forces, namely, Environmental Protection, Social Responsibility, and Corporate Governance. The team is responsible for devising a sustainable development plan, identifying the issues material to the Company's operations and concerning stakeholders, discussing for a plan and coordinating cross-departmental efforts, and continuing to track the implementation results. The President reports the results of implementation of the sustainable development plan and important execution plans to the board of directors every year, so that the board of directors can assess the progress and efficacy of the sustainable development strategy, and provide guidance or suggest changes in a timely fashion.						
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	Risk category		Risk factor	Risk description	Financial impact	Impact duration	Mosa's response strategies and goals
	Transition risks	Policy and regulatory risks	Greenhouse gas reduction and carbon pricing	In response to climate change, several countries or regions have implemented carbon pricing. The domestic competent authorities have promoted carbon pricing domestically, with the carbon fee being	Increase in operating costs	Short-term	· In response to the global carbon pricing mechanism, Mosa has begun implementing a greenhouse gas inventory.

3. Describe the impact of extreme climate events and transformation actions on finance. 4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.				the first to be adopted. This rate was announced to take effect on January 1, 2025. In the future, the carbon trading system under cap-and-trade will gradually develop. Corporations with excess carbon emissions will become the target of the carbon fee, and their operating costs will increase accordingly.			· Mosa will identify its emission hotspots and develop a carbon reduction plan.
		Market risks	Changes in customer preferences	In response to growing global or regional awareness of sustainability, the Company will face the customer needs for low-carbon and environmental friendly products in the future, and the expenses associated with developing such products will rise.	Increase in R&D expenses	Short-term	· To satisfy customer needs for environmental friendly products, Mosa has innovated its product packaging, adopting more eco-friendly clay-coated paper and water-based eco inks for the new packaging. · The cylinder of high-pressure chargers made by Mosa is made of reusable metals and is labeled with a recycling symbol on the packaging box to remind consumers to dispose of it according to the recycling system. · Mosa will continue to invest in the development of environmental friendly products.
			Increase in raw material costs	Due to climate change and energy shortages, suppliers will increase the prices of raw materials, leading to higher manufacturing costs.	Increase in operating costs	Medium-term	· The Company will provide guidance to suppliers and adopt a diversified procurement strategy. It will also closely monitor trends in raw material prices and make appropriate adjustments to product prices and raw material inventory in response.
	Physical risks	Immediacy	Typhoon and heavy rain	The increased frequency of typhoons and heavy rains causes flooding at plants and logistics disruptions, resulting in asset losses and affecting production progress and related trading activities.	Decrease in operating revenue Increase in operating costs	Short-term	· Fire insurance, explosion insurance, and earthquake insurance are purchased for buildings and goods to mitigate losses from accidents and disasters. · Strengthen disaster prevention drills and awareness campaigns to ensure personnel safety. · Implement supply chain management to reduce the risk of operational interruptions due to

						shortages or disruptions in the supply chain.
	Opportunity category	Opportunity factor	Mosa’s response strategies and goals	Financial impact	Impact duration	
	Resource efficiency	Development of technology and systems for recycling gases from the manufacturing process to increase gas efficiency.	R&D of technologies and systems related to net-zero carbon reduction, applied to the recovery and capture of effused gases, aims to increase gas efficiency while minimizing the impact of system implementation on production speed, ultimately enhancing corporate image and industrial competitiveness.	Introducing the gas recycling system may slow production and increase operating costs. However, if successfully implemented, the system will save gas expenses and reduce carbon emissions, helping to improve the company's competitiveness and expand both domestic and overseas markets.	Short-term	
	Market	Venture into new markets and implement diversified management.	Refrigerants used in air-conditioning and refrigeration systems are an important environmental issue. CO ₂ refrigerant is a natural refrigerant with significant environmental potential. Therefore, Yuan Ling has invested in the development of electronic expansion valves for CO ₂ refrigerant systems. In addition to creating new business opportunities for its products, the Company also contributes to environmental protection efforts.	The product development and testing process will increase R&D expenses, and the need to purchase relevant equipment will raise capital expenditures, while operating revenue will increase once the product is sold.	Medium-term	
	Resilience	Support renewable energy projects and adopt energy-saving measures.	In support of renewable energy generation, Mosa leased the rooftops of its administrative building, plants, and dormitory to third-party vendors for the installation of solar panels.	In addition to increasing the Company's rental income, this has also achieved the cooling and insulating effect of buildings and reduced power consumption of indoor air conditioners.	Short-term	
Impact duration definitions: Short-term refers to less than 3 years, mid-term refers to 3-5 years, and long-term refers to more than 5 years.						
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	None.					
6. If there is a transformation	None.					

plan in response to the management of climate-related risks, describe the content of the plan, including the indicators and goals for identifying and managing physical and transformation risks.	
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	None.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	None.
9. Greenhouse gas inventory and assurance status, as well as reduction targets, strategies, and concrete action plans (indicated in 1-1 and 1-2 separately)	Please refer to 1-1 and 1-2 for details.

1-1 The company's greenhouse gas inventory and assurance in the last two years

1-1-1 Information on greenhouse gas inventory

Item	Year	2024 Parent company	2025 Parent company
Scope 1: Total emissions (tons of CO ₂ e)		15,078.9152	9,373.9909
Scope 1: Intensity (tons of CO ₂ e/NT\$ million)		34.2548	26.1332
Scope 2: Total emissions (tons of CO ₂ e)		7,028.1644	5,723.7567
Scope 2: Intensity (tons of CO ₂ e/NT\$ million)		15.9659	15.9569

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

Note 2: The scope of direct emissions and energy indirect emissions data should follow the schedule stipulated in Paragraph 2, Article 10 of these Regulations. Other indirect emissions information may be disclosed voluntarily.

Note 3: Greenhouse gas inventory standards: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).

Note 4: The intensity of greenhouse gas emissions can be calculated by unit product/service or revenue, but at least the data calculated by revenue (NT\$ million) should be stated.

Note 5: Data scope covers the parent company, including the Company's administrative building plant, and other buildings located in the Huwei Science Park of the Central Taiwan Science Park.

1-1-2 Information on greenhouse gas assurance

Describe the assurance status for the last two year, including the scope of assurance, the assurance institution, assurance standards and assurance opinions.
Soma has completed the greenhouse gas inventory but not yet obtained third-party verification. However, in accordance with the "Sustainable Development Roadmap for TWSE/TPEX Listed Companies" established by the FSC, the Company plans to complete the assurance of greenhouse gas inventories of the parent company and its subsidiaries included in the consolidated financial statements by 2028.

Note 1: This information shall be disclosed in compliance with the schedule prescribed in the order issued under Paragraph 2, Article 10 of the Regulations. If the Company has not obtained a complete greenhouse gas assurance opinion by the publication date of the annual report, it shall note that "Complete assurance information will be disclosed in the sustainability report." If the Company does not prepare a sustainability report, it shall note that "Complete assurance information will be disclosed on the Market Observation Post System (MOPS)," and shall disclose the complete assurance information in the annual report of the following fiscal year.

Note 2: Assurance institutions shall comply with the relevant requirements for assurance institutions on sustainability reports stipulated by the Taiwan Stock Exchange Corporation and the Taipei Exchange.

Note 3: Please refer to the samples of disclosure content on the website of the TWSE Corporate Governance Center.

1-2 GHG reduction targets, strategies and specific action plans

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategies and specific action plans, and the status of achievement of the reduction targets.														
Reduction strategies Soma has identified climate change-related risks and opportunities that the Company may face, with reference to the guidelines of the Intergovernmental Panel on Climate Change (IPCC) and the ISO 14001 environmental management system. We have assessed the impact and likelihood of these risks, established short-, medium-, and long-term response goals based on their expected timeframes, and developed corresponding measures. Reduction targets <table> <tr> <th></th><th>Short-term targets</th><th>Medium- and long-term targets</th></tr> <tr> <td>Energy and greenhouse gas management</td><td> - Continuously improve the manufacturing process to reduce energy consumption. - Achieve a 1% reduction in carbon emissions in 2026. - Completed the greenhouse gas inventories for parent company and its subsidiaries included in the consolidated financial statements in 2024. - Complete the assurance of greenhouse gas inventories for parent company and its subsidiaries included in the consolidated financial statements by 2028. </td><td> - Continuously improve the manufacturing process to reduce energy consumption, aiming for a 1% energy saving. - Achieve a significant reduction in carbon emissions by 2030, targeting a 5% decrease. - Achieve net-zero emissions by 2050. </td></tr> <tr> <td>Water resources management</td><td> - Achieve a 1% reduction in water consumption in 2026 compared to the previous year. </td><td> - Achieve a 5% reduction in water consumption by 2030. </td></tr> <tr> <td>Waste management</td><td> - Achieve a 1% reduction in waste generation in 2026 compared to the previous year. </td><td> - Achieve a 5% reduction in waste generation by 2030. </td></tr> </table>				Short-term targets	Medium- and long-term targets	Energy and greenhouse gas management	- Continuously improve the manufacturing process to reduce energy consumption. - Achieve a 1% reduction in carbon emissions in 2026. - Completed the greenhouse gas inventories for parent company and its subsidiaries included in the consolidated financial statements in 2024. - Complete the assurance of greenhouse gas inventories for parent company and its subsidiaries included in the consolidated financial statements by 2028.	- Continuously improve the manufacturing process to reduce energy consumption, aiming for a 1% energy saving. - Achieve a significant reduction in carbon emissions by 2030, targeting a 5% decrease. - Achieve net-zero emissions by 2050.	Water resources management	Achieve a 1% reduction in water consumption in 2026 compared to the previous year.	Achieve a 5% reduction in water consumption by 2030.	Waste management	Achieve a 1% reduction in waste generation in 2026 compared to the previous year.	Achieve a 5% reduction in waste generation by 2030.
	Short-term targets	Medium- and long-term targets												
Energy and greenhouse gas management	- Continuously improve the manufacturing process to reduce energy consumption. - Achieve a 1% reduction in carbon emissions in 2026. - Completed the greenhouse gas inventories for parent company and its subsidiaries included in the consolidated financial statements in 2024. - Complete the assurance of greenhouse gas inventories for parent company and its subsidiaries included in the consolidated financial statements by 2028.	- Continuously improve the manufacturing process to reduce energy consumption, aiming for a 1% energy saving. - Achieve a significant reduction in carbon emissions by 2030, targeting a 5% decrease. - Achieve net-zero emissions by 2050.												
Water resources management	Achieve a 1% reduction in water consumption in 2026 compared to the previous year.	Achieve a 5% reduction in water consumption by 2030.												
Waste management	Achieve a 1% reduction in waste generation in 2026 compared to the previous year.	Achieve a 5% reduction in waste generation by 2030.												

Status of achievement of the reduction targets

Energy and greenhouse gas management	Concrete actions and performance: •In addition to obtaining environmental protection permits, preventing environmental pollution, conducting inspections and audits from time to time, and receiving supervision by senior management in accordance with regulations, the Company also adheres to a spirit of continuous improvement. It formulates effective recovery and improvement plans for fugitive gas emissions to reduce the greenhouse gas emission intensity of high-pressure charger products. •In 2025, purchased electricity consumption decreased by 2,752 thousand kWh, equivalent to a reduction of 1,304 tons of CO₂e emissions. •The greenhouse gas emissions (tons of CO₂e) in 2025 is as follows: Scope 1: 9,373.9909 tons of CO₂e. Scope 2: 5,723.7567 tons of CO₂e. Total emissions = Scope 1+ Scope 2: 15,097.7476 tons of CO₂e.
Water resources management	Concrete actions and performance: •Pollutants that may be generated during the production and manufacturing process, such as wastewater, are treated by the in-plant sewage treatment plant in accordance with relevant regulations, and then discharged to the sewage treatment plant of the Huwei Science Park for further processing. •Water consumption in 2025increased by 15.91 million liters, mainly due to the improvement in electroplating quality. In the future, the Company will continuously comply with water conservation policies.
Waste management	Concrete actions and performance: The waste management policy will prioritize waste reduction in the manufacturing process over outsourcing for disposal and reuse. To accurately determine the whereabouts of waste, we judiciously select waste disposal vendors; we examine their license and documents and analyze their on-site operation conditions and track their driving route, to ensure the legal and proper disposal or reuse of all waste, to prevent secondary pollution of the environment. •The total waste generated in 2025 decreased by 20.73 tons compared to 2024.

(VI) Ethical Corporate Management – Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons

Evaluation Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	
1. Formulation of ethical management policies and plans				
(1) Has the Company formulated an ethical management policy approved by the board of directors and disclosed the policy and practice of ethical management in its regulations and public documents? Are the board of directors and the senior management committed to actively implementing the policy?	✓		(1). The Company has formulated its "Ethical Corporate Management Best Practice Principles" and "Ethical Corporate Management Operating Procedures and Code of Conduct", and disclosed them on the Market Observation Post System and the Company's website. Upholding the Ethical Corporate Management Best Practice Principles, the Company explicitly promises that its Board of Directors and top management will proactively show the resolve to implement ethical corporate management.	No major deviation
(2) Has the Company established an assessment mechanism for the risk of unethical conduct to regularly analyze and evaluate the business activities with a higher risk of unethical conduct within the business scope and formulated a prevention plan accordingly, at least covering the prevention measures for the acts under each subparagraph under Article 7, paragraph 2 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies?	✓		(2) The Company's Board of Directors meeting dated August 6, 2020 resolved to revise the "Ethical Corporate Management Operating Procedures and Code of Conduct", which prohibits unethical conduct, including offering or accepting bribes, offering or promise any facilitation payment, provision of illegal political contributions, improper charity donation or sponsorships, engagement in unfair competition, and insider trading. Preventive measures and trainings have been provided to implement the ethical corporate management policy.	No major deviation
(3) Has the Company clearly specified operating procedures, guidelines for conduct, and a violation punishment and complaint system in the unethical conduct prevention plan and duly implemented them? Does the Company regularly review and revise said plan?	✓		(3) The Company's "Ethical Corporate Management Operating Procedures and Code of Conduct" clearly sets out unethical conduct prevention programs, including operating procedures, code of conduct, and training; In addition, the Company has also put in place its "Code of Conduct for Reporting Illegal, Unethical or Dishonest Cases", whereby it encourages external personnel to report any illegal conduct and violation of the Ethical Corporate Management Best Practice Principles. If after an investigation the accused is found to have violated relevant laws or the Company's Ethical Corporate Management Best Practice Principles or ethical management policy or regulations, the person shall be ordered to stop the conduct immediately, and shall be disciplined appropriately. If need be, the person shall be reported to the competent authority or transferred to judiciary branch for investigation; the Company may also filed for damages through legal proceedings to defend its reputation and interests.	No major deviation

Evaluation Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	
2. Implementation of ethical management				
(1) Does the Company evaluate each counterparty's records for ethics? Has the Company specified the terms of ethical conduct in each contract signed with each counterparty?	✓		(I) The Company has devised its "Regulations for Management of Credits to Customers", which stipulates assessment of the credit record of a transaction counterparty by referencing the content of the Customer Credit Investigation Checklist and the credit investigation data provided by The Dun & Bradstreet. In addition, it has devised its "Supplier Code of Conduct", which sets out ethical standards for suppliers to follow and enables them to fully understand the Company's principle of ethical corporate management. Moreover, the credit agreements between the Company and a financial institution have explicitly outlined the rights and obligations assigned to both parties and the transaction conditions therebetween.	No major deviation
(2) Has the Company established a dedicated (concurrent) unit under the board of directors to conduct ethical corporate management, regularly (at least once a year) report to the board of directors on its ethical management policies and prevention plans for unethical conduct, and supervise the implementation?	✓		(II) The Company has the Human Resources Department and the Legal Office jointly form the "Ethical Corporate Management Promotion Group", with Vice President Wang Yu-Ying as the convener. The "Ethical Corporate Management Promotion Group" is responsible for promoting the Company's ethical corporate management policy, revising, executing, and interpreting its Ethical Corporate Management Best Practice Principles and Code of Ethical Conduct, providing consultation, registering and archiving the reporting content, monitoring the implementation, and reporting to the Board of Directors once a year on the implementation progress. The implementation status of 2025 has been presented to the board meeting held on December 26, 2025. Implementation status of 2025: (1) The "Ethical Corporate Management Policy Awareness Session" was organized during the period from October 13, 2025 to October 17, 2025, with a total of 139 participants including the managerial officers and employees of the Company. (2) The "Insider Trading Prevention Session" was organized during the period from November 17, 2025 to November 21, 2025, with a total of 138 participants including the managerial officers and employees of the Company. (3) Once the fresh staff report to duty, they all get "Secrecy and Anti-bribery" awareness session. In 2025, 28 fresh hires took up the	No major deviation

Evaluation Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
(3) Has the Company formulated policies to prevent conflicts of interest, provided appropriate methods for stating one's conflicts of interest, and implemented them appropriately?	✓		awareness session. (III) The Company's "Ethical Corporate Management Best Practice Principles", "Ethical Corporate Management Operating Procedures and Code of Conduct", and "Code of Ethical Conduct" have outlined a policy to prevent conflict of interests, which each unit is required to implement. Both the Company and its official website offer hassle-free means to file complaints.	No major deviation
(4) Has the Company has established an effective accounting system and an internal control system for the implementation of ethical management and assigned the internal audit unit to formulate relevant audit plans based on the assessment results of the risk of unethical conduct and audit the compliance with the unethical conduct prevention plan accordingly or commissioned a CPA to perform such audits?	✓		(IV) The Company has established an effective accounting system and internal control system. The chief internal audit officer will include high-risk operations in the annual audit plan, submit an audit report regarding the audit outcomes to the audit committee for review, and report the findings to the board of directors in a non-voting capacity.	No major deviation
(5) Does the Company regularly hold internal and external education and training on ethical management?	✓		(V) The Company's "Ethical Corporate Management Best Practice Principles" and "Ethical Corporate Management Operating Procedures and Code of Conduct" have been published on the Company's official website. Relevant personnel of the Company take part in the ethical corporate management trainings held by the competent authority or external institutions as required. In addition, each year, the Company organizes internal training and awareness sessions to improve the awareness of the legal compliance of its employees and to reduce the risks of a violation of the ethical corporate management principle. Please consult the Company's official website for the awareness session.	No major deviation
3. Implementation of the Company's whistleblowing system				
(1) Has the Company formulated a specific whistleblowing and reward system, established a convenient whistleblowing method, and assigned appropriate personnel to handle the party accused?	✓		(I) The Company has formulated its Code of Conduct for Reporting Illegal, Unethical or Dishonest Cases, whereby it encourages external parties to report any illegal or violation of the Ethical Corporate Management Best Practice Principles or Code of Ethical Conduct to the Company's Legal Office or through independent whistle-blowing mailbox. After a case is accepted, the Company will have dedicated personnel take care of the case.	No major deviation
(2) Has the Company formulated standard operating procedures for	✓		(II) The Company has devised its "Code of Conduct for Reporting Illegal,	No major deviation

Evaluation Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
investigation of reported cases, the follow-up measures to be taken after the investigation is completed, and a confidentiality mechanism? (3) Does the Company take measures to protect whistleblowers from being mistreated due to their whistleblowing behavior?	✓		Unethical or Dishonest Cases” and the "Ethical Corporate Management Operating Procedures and Code of Conduct", where it outlines standards for the acceptance of reporting cases, investigation process, investigation results, and records and preservation of related documents. In addition, the identity of the informant and the content of the reporting shall be kept confidential. If the accused is a director or senior management member, the case shall be reported to the independent directors. (III) Article 23 of the Company's "Ethical Corporate Management Best Practice Principles", Article 21 of the "Ethical Corporate Management Operating Procedures and Code of Conduct" and Article 6 of the "Code of Conduct for Reporting Illegal, Unethical or Dishonest Cases” stipulate that the identity of the whistle-blower and the content of the whistle-blowing be kept confidential, and that the Company promise to protect the whistle-blower from being improperly dealt with due to the whistle-blowing.	No major deviation
4. Enhanced information disclosure Has the Company disclosed the content of its Corporate Governance Best Practice Principles and the effectiveness of the implementation of the principles on its website and the MOPS?	✓		The Company has disclosed relevant information on its ethical corporate management on its company website, annual report, and the Market Observation Post System.	No major deviation
5. If the Company has formulated its own Corporate Governance Best Practice Principles as per the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, please specify the difference between its operation and the principles: The Company has established its “Ethical Corporate Management Best Practice Principles” to establish a culture of ethical corporate management and have a sound development. The Company’s practices are consistent with its Ethical Corporate Management Best Practice Principles.				
6. Other important information to facilitate a better understanding of the status of operation of the company’s ethical corporate management policies (e.g., the company’s reviewing and amending of its ethical corporate management best practice principles) The Company will consistently observe the progression of applicable regulations of ethical corporate management both domestically and internationally, and will encourage directors, managers, and personnel to provide recommendations for improvement. The Company’s Board of Directors meeting dated August 6, 2020 revised the “Ethical Corporate Management Best Practice Principles” and the “Ethical Corporate Management Operating Procedures and Code of Conduct”, which have been disclosed on the Market Observation Post System and the Company’s website.				

- (VII) Other important information conducive to understanding the operation of corporate governance may be disclosed:

To reinforce corporate governance operation, the Company is investing resources and has established a Remuneration Committee and an Audit Committee. The Company's website also has a Corporate Governance zone to disclose relevant regulations and announce material information in real time, so as to safeguard the rights of the investing public and shareholders to know.

- (VIII) The section on the state of implementation of the company's internal control system shall furnish the following

1. Statement on Internal Control:

Please refer to the Market Observation Post System(<https://mops.twse.com.tw/mops/#/web/t06sg20>). Then, enter the company's stock code (or short name) and year to search.

2. Where a CPA has been hired to carry out a special audit of the internal control system, furnish the CPA audit report: None.

- (IX) Material resolutions of a shareholders meeting or a board of directors meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

1. Important resolutions of the shareholders' meeting and their implementation

Meeting Title	Meeting Date	Important Resolutions	Subsequent Implementation
Annual Shareholders' Meeting	2025/6/25	1. Passed and adopted the proposal on the Company's 2024 Business Report, Financial Statements, and deficit compensation.	The matter has been completed in accordance with the resolution.
		2. Passed the proposal to revise the Company's "Articles of Incorporation".	Registration was approved by the Central Taiwan Science Park Bureau, Ministry of Science and Technology on July 17, 2025 and announcement was made on the Company's website.
		3. Passed the Proposal for the private placement with issuance of common shares.	The Company did not issue any of the aforementioned privately placed common shares. As the validity period of the private placement proposal will expire on June 24, 2026, the Board of Directors resolved on March 6, 2026, not to proceed with the private placement during the remaining validity period and accordingly disclosed the matter through a material information announcement.

2. Important resolutions of the board of directors

Meeting Date Session	Important Resolutions
2025/3/7 12th term 10th meeting	1. Approved the fact that the Company's accounts receivable that were more than 3 months past the normal credit period and significant in terms of value as of December 31, 2024 were not loans to others. 2. Passed the proposal on the Company's 2024 Business Report and Financial Statements. 3. Passed the proposal on the Company's 2024 deficit compensation. 4. Passed the proposal on assessment of the effectiveness of the Company's 2024 Internal control system, and on the Statement on Internal Control.

	5. Proposal to evaluate the independence and competence of the Company's attesting CPAs. 6. Proposal on amendments to the Company's "Internal Control System". 7. Passed the proposal to revise the Company's "Articles of Incorporation". 8. The Proposal not to Proceed with the Private Placement of Common Shares approved by the 2024 Annual General Shareholders' Meeting. 9. Passed the proposal for the private placement with issuance of common shares of the Company. 10. Passed the proposal to convene the Company's 2025 Annual Shareholders' Meeting. 11. Passed the proposal to renew credit facilities with banks.
2025/5/9 12th term 11th meeting	1. Approved the fact that the Company's accounts receivable that were more than 3 months past the normal credit period and significant in terms of value as of March 31, 2025 were not loans to others. 2. Passed the proposal on the Company's 2025Q1 Consolidated Financial Statements. 3. Passed the proposal to revise the Company's "Articles of Incorporation". 4. Passed the proposal on the change of spokesperson and acting spokesperson of the Company. 5. Passed the proposal to renew credit facilities with banks.
2025/8/8 12th term 12th meeting	1. Approved the fact that the Company's accounts receivable that were more than 3 months past the normal credit period and significant in terms of value as of June 30, 2025 were not loans to others. 2. Passed the proposal on the Company's 2025 Q2 Consolidated Financial Statements. 3. Passed the proposal on the Company's 2024 ESG Report. 4. Passed the proposal to review and revise the Company's "Regulations for Payment of Remuneration to Directors and Managers", "Board of Directors Performance Evaluation Guidelines", "Regulations for Salary Management", and "Regulations for Performance Evaluation Management". 5. Passed the proposal to renew credit facilities with banks. 6. Passed the proposal on the Company's provision of endorsement and guarantee for a subsidiary's credit facility taken out from a bank.
2025/11/7 12th term 13th meeting	1. Approved the fact that the Company's accounts receivable that were more than 3 months past the normal credit period and significant in terms of value as of September 30, 2025 were not loans to others. 2. Passed the proposal on the Company's 2025Q3 Consolidated Financial Statements. 3. Passed the proposal on the Company's 2026 audit plan. 4. Passed the proposal to revise the Company's "Sustainable Development Best Practice Principles". 5. Passed the proposal to renew credit facilities with banks. 6. Passed the proposal on the Company's provision of endorsement and guarantee for a subsidiary's credit facility taken out from a bank.
2025/12/26 12th term 14th meeting	1. Passed the proposal on the year-end bonus to be distributed to the Company's managers of 2025. 2. Passed the proposal on the remuneration for the Company's chairman for 2026. 3. Passed the proposal on the remuneration for the Company's managers for 2026. 4. Passed the proposal on the Company's 2026 Business Plan and Budget. 5. Passed the proposal to renew credit facilities with banks.
2026/3/6 12th term 15th meeting	1. Approved the fact that the Company's accounts receivable that were more than 3 months past the normal credit period and significant in terms of value as of December 31, 2025 were not loans to others. 2. Passed the proposal on the Company's 2025 Business Report and Financial Statements. 3. Passed the proposal on the Company's 2025 deficit compensation.

	4. Passed the proposal on assessment of the effectiveness of the Company's 2025 Internal control system, and on the Statement on Internal Control. 5. Passed the the audit fees and the evaluation of the independence and competence of the Company's attesting CPAs. 6. Passed the proposal to evaluate the scope of the Company's rank-and-file employees. 7. Passed the proposal not to proceed with the private placement of common shares approved by the 2025 Annual General Shareholders' Meeting. 8. Passed the proposal for the private placement with issuance of common shares of the Company. 9. Passed the proposal to Overall re-election of the Company's directors and independent directors. 10. Passed the proposal to convent the Company's 2026 Annual Shareholders' Meeting. 11. Passed the proposal to renew credit facilities with banks.
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(X) Where, during the most recent year or during the current fiscal year up to the date of publication of the annual report, a director has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof: None.

IV. Audit fees paid to attesting CPAs

(I) Amounts of the audit fees and non-audit fees paid to the attesting certified public accountants and to the accounting firm to which they belong and to any affiliated enterprises as well as the details of non-audit services

Unit: NT\$ thousand

Name of accounting firm	Name of CPA	Audit period	Audit fees	Non-audit fees	Total	Remarks
Deloitte & Touche	Li-Tung Wu	2025/1/1~2025/12/31	2,700	-	2,700	
	Shu-Chin Chiang					

1. When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: None.

2. When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 15% or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor should be disclosed: None.

V. Information on replacement of CPAs:

(I) Regarding the predecessor CPA: Not applicable.

(II) About the successor CPA: Not applicable.

(III) Response letter from the predecessor CPA giving a response to matters listed in Article 10, Subparagraph 6, Item 1 and Item 2-3 of these Regulations: Not applicable.

VI. Where the company's chairperson, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent 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, shall be disclosed: None.

VII. Any transfer of equity interests and/or pledge of or change in equity interests by a director, supervisor, managerial officer, or shareholder with a stake of more than 10% during the most recent fiscal year or during the current fiscal

year up to the date of publication of the annual report.

- (I) Any transfer of equity interests and/or pledge of or change in equity interests by a director, supervisor, managerial officer, or shareholder with a stake of more than 10% stake

Transfer of equity interests:

Please refer to the Market Observation Post System(https://mops.twse.com.tw/mops/#/web/query6_1) then, enter the company's stock code (or short name) and data time to search.

Changes in equity pledge:

Please refer to the Market Observation Post System(https://mopsov.twse.com.tw/mops/web/STAMAK03_1) then, enter the company's stock code (or short name) and data time to search.

- (II) Where the counterparty in any such transfer or pledge of equity interests is a related party, disclose the counter party's name, its relationship between that party and the company as well as the company's directors, supervisors, managerial officers, and shareholders with a stake of more than 10%, and the number of shares transferred or pledged: Not applicable, because the transaction counterparty was not a related party.

VIII. Information on the relationship among the 10 largest shareholders who are a related party, spouse, or a relative within the second degree of kinship of one another

Unit: shares May 1, 2026

Name	Shares held by him/her/itself		Shares held by the spouse or underage children		Shareholding by nominee arrangement		Name and relationship between the Company's top ten shareholders, or spouses or relatives within the second degree of kinship		Remark
	No. of shares	Ratio (%)	No. of shares	Ratio (%)	No. of shares	Ratio (%)	Name	Relations	
The-Hsin Wang	15,371,913	6.60%	6,270,882	2.69%	-	-	Wen-Hui Lin	Spouse	
							Yong Xin International Investment Co., Ltd.	Supervisor, Yong Xin	
Yong Xin International Investment Co., Ltd. Representative: Wen-Hui Lin	14,131,735	6.07%	-	-	-	-	Wen-Hui Lin	Chairman, Yong Xin	
							The-Hsin Wang	Supervisor, Yong Xin	
Wen-Hui Lin	6,270,882	2.69%	15,371,913	6.60%	-	-	The-Hsin Wang	Spouse	
							Yong Xin International Investment Co., Ltd.	Chairman, Yong Xin	
Wen-Yi Cheng(Note)	4,290,000	1.84%	-	-	-	-	-	-	
Ci-Yin Xiao(Note)	3,270,000	1.41%	-	-	-	-	-	-	
Mega International Commercial Bank Co., Ltd. Representative: Rui-bin Dong	2,910,676	1.25%	-	-	-	-	-	-	
Yue-Da Li(Note)	2,703,000	1.16%	-	-	-	-	-	-	
Yong-Feng Lin(Note)	2,700,000	1.16%	-	-	-	-	-	-	
Chun-Hsiang Chen(Note)	2,447,400	1.05%	-	-	-	-	-	-	

Name	Shares held by him/her/itself		Shares held by the spouse or underage children		Shareholding by nominee arrangement		Name and relationship between the Company's top ten shareholders, or spouses or relatives within the second degree of kinship		Remark
	No. of shares	Ratio (%)	No. of shares	Ratio (%)	No. of shares	Ratio (%)	Name	Relations	
Hui-Mei Yang	2,411,630	1.04%	2,078,000	0.89%	-	-	-	-	

Note: The shareholder was not an insider of the Company, and did not provide the information on the number of shares held by himself/herself, his/her spouse and minor children and in other person's name.

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

Unit: Shares; April 30, 2026

Investee	Ownership by the Company		Investment by directors, supervisors, managers, or any companies controlled either directly or indirectly by the Company		Total Ownership	
	Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding
Mosa Safety System Corporation	72,500,000	100%	-	-	72,500,000	100%
Yuan Lin Investment Co., Ltd.	-	-	1,500,000	100%	1,500,000	100%
Yuan Lin Shanghai Co., Ltd	-	-	-(Note 1)	100%	-(Note 1)	100%
Maoqiang Technology Co., Ltd.	250,000	25%	120,000	12%	370,000	37%

Note 1: The company is a limited company.

Three. Fund Raising Status

I. Capital and shares

(I) Source of share capital

1. Shares outstanding in 2025 and as of the publication date of the annual report

Unit: NT\$1; shares

Year and Month	Issue price	Authorized capital		Paid-in capital		Remark		
		Number of shares	amount	Number of shares	amount	Source of share capital	Capital increased by assets other than cash	Others
2025/4	20	500,000,000	5,000,000,000	232,788,303	2,327,883,030	30,000,000 shares from cash capital increase.	None	None

2.Share type

Unit: Shares; April 30, 2026

Share type	Authorized capital			Remark
	Number of shares issued	Number of shares unissued	Total	
Common stock	232,788,303	267,211,697	500,000,000	TWSE listed shares

3. Information Relating to the Shelf Registration System: None.

(II)Name of major shareholder

The names, number of shares held, and shareholding percentages of shareholders who hold 5% or more of the Company's equity or are among the 10 largest shareholders:

May 1, 2026

Name of major shareholders	Share	Number of shares held	Shareholding ratio (%)
The-Hsin Wang		15,371,913	6.60%
Yong Xin International Investment Co., Ltd.		14,131,735	6.07%
Wen-Hui Lin		6,270,882	2.69%
Wen-Yi Cheng		4,290,000	1.84%
Ci-Yin Xiao		3,270,000	1.41%
Mega International Commercial Bank Co., Ltd.		2,910,676	1.25%
Yue-Da Li		2,703,000	1.16%
Yong-Feng Lin		2,700,000	1.16%
Chun-Hsiang Chen		2,447,400	1.05%
Hui-Mei Yang		2,411,630	1.04%

(III) Company's dividend policy and implementation thereof

1. Dividend policy adopted in the company's articles of incorporation

If the Company has profits at the end of year, it shall distribute 5%~15% of such profits as employee compensation (at least 30% of total employee remuneration shall be designated for the remuneration of entry-level employees), which may be paid in the form of stock or cash subject to resolution made by the Board of Directors. Employees eligible for such distribution may include employees of a controlled or subordinate company who meet certain criteria. Meanwhile, the Company may distribute no more than 3% of said profits as the compensation to directors subject to the resolution by the Board of Directors. Employees' and directors' remuneration distribution proposals shall be submitted to the shareholders' meeting for reporting. If, however, the Company has accumulated losses, profit shall first be used to offset accumulated losses and then to set aside employees' and directors' remuneration according to the aforementioned percentages.

In the event of surplus earnings after the closing of annual accounts, due taxes shall be paid in accordance with the law, and losses incurred in previous years shall be compensated for. Upon completion of the preceding actions, 10% of the remainder surplus shall be allocated as legal reserves. However, in the event that the accumulated legal reserves are equivalent to or exceed the Company's total paid-in capital, such allocation may be exempted. The remainder may be set aside or reversed as special surplus reserve in accordance with laws and regulations. If there are remainder earnings, the Board of Directors shall draft a earnings distribution proposal regarding the remainder of the earnings plus accumulated undistributed earnings. If such distribution involves issuance of new shares, such distribution may be made after being approved by the shareholders' meeting.

When the Company intends to distribute dividends, bonus, or part or all of legal reserves and capital reserves in cash, an approval must be obtained from the Board of Directors by a majority vote at a Board of Directors meeting attended by two thirds or more of all directors, and a report must be made at a shareholders' meeting.

The Company's dividend policy considers future capital needs, financial structure, and earnings, and stipulates that no less than 50% of the distributable earnings for the current year be allocated as shareholder dividends. However, if the accumulated distributable earnings are lower than 20% of the paid-in capital, such distribution may be exempted. Dividends to shareholders may be distributed in cash or shares, but the amount of cash dividends shall not be less than 10% of total dividends distributed in the current year. However, if the cash dividend is less than NT\$1 per share, dividends may be distributed solely in shares.

2. Dividend distribution proposed at this shareholders' meeting:

The Company settled with a loss in 2025, so it is proposed that no dividend be distributed in this year. The proposal on the Company's 2025 deficit compensation was approved by the Board of Directors meeting dated March 6, 2026 and will be discussed at the Annual Shareholders' Meeting on June 29, 2026.

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

Not applicable, because no proposal to distribute stock dividends was made at this shareholders' meeting.

(V) Remuneration of employees, directors, and supervisors

1. The percentages or ranges with respect to employee, and director profit-sharing compensation, as set forth in the company's articles of incorporation

Article 20 of the Company's Articles of Incorporation: If the Company has profits at the end of year, it shall distribute 5%~15% of such profits as employee compensation (at least 30% of total employee remuneration shall be designated for the remuneration of entry-level employees), which may be paid in the form of stock or cash subject to resolution made by the Board of Directors. Employees eligible for such distribution may include employees of a controlled or subordinate company who meet certain criteria. Meanwhile, the Company may distribute no more than 3% of said profits as the compensation to directors subject to the resolution by the Board of Directors. Employees' and directors' remuneration distribution proposals shall be submitted to the shareholders' meeting for reporting. If, however, the Company has accumulated losses, profit shall first be used to offset accumulated losses and then to set aside employees' and directors' remuneration according to the aforementioned percentages.

2. The basis for estimating the amount of employee, director, and supervisor compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period.

- (1) The Company has no profit after tax for the year of 2025, it is not required to appropriate the remuneration for employees and directors in accordance with the Articles of Incorporation.
 - (2) If there is any discrepancy between the amount resolved by the board of directors and the amount estimated in the financial statements, the discrepancy will be regarded as a change in accounting treatment and recognized in profit or loss of the current period.
3. Amount of remuneration approved by the Board of Directors
- (1) Amount of remuneration for employees and directors payable in cash or shares. If there is any discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the status of treatment shall be disclosed: Not applicable.
 - (2) The amount of any employee remuneration distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee remuneration: Not applicable.
4. The actual distribution of employee, director, and supervisor 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, director, or supervisor remuneration, additionally the discrepancy, cause, and how the discrepancy is treated

The Company has no profit after tax for the year of 2023, it is not required to appropriate the remuneration for employees and directors in accordance with the Articles of Incorporation.

(VI) Status of a company repurchasing its own shares:: None.

II. Issuance of corporate bonds:

Type of bonds		First domestic unsecured convertible bonds
Issuance (process) date		September 26, 2023
Face value		NT\$100,000 per certificate
Location of issuance and trading		Not applicable
Issue price		100 (issued at full face value)
Total amount		NT\$550,000 thousand only
Interest rate		Coupon rate at 0% per annum
Term		3 years Maturity date: September 26, 2026
Guarantee agency		None
Trustee		Bank Sinopac Co., Ltd.
Underwriter		SinoPac Securities Corporation
Lawyer		Lawyer Chiu Ya-Wen, Handsome Attorneys-at-Law
CPA		Deloitte Touche CPA Tseng Tung-Yun, CPA Su Ting-Chien
Terms of repayment		Except for those converted by the bondholders into common shares of the Company in accordance with Article 10 of the Regulations, or those redeemed earlier by the Company in accordance with Article 18 of the Regulations and repurchased from the securities firm's business office for cancellation, the Company will make repayment in cash in one lump sum at the face value plus interest compensation, which is 101.5075% of the face value (annual rate of return is 0.5%), within ten business days after the maturity date of the convertible corporate bonds.
Outstanding principal		NT\$550,000 thousand
Terms of redemption or early settlement		Pursuant to Article 18 of the Regulations
Restrictive covenants		None
Name of credit rating agency, date of rating, and result of corporate bond rating		None
Other attached equities	Amount of converted (exchanged or subscribed) common shares, global depositary receipts or other securities up to the publication date of the annual report	As of April 30, 2026, no convertible corporate bonds have been executed for conversion into common shares.

	Regulations for Issuance and Conversion (Exchange or Subscription)	The Regulations have been announced on the Market Observation Post System.
Possible equity dilution due to the Regulations for Issuance and Conversion (Exchange or Subscription) and the issuance terms and conditions, and the impact on the equity of the existing shareholders		The convertible corporate bonds have no equity dilution effect on the Company before the bondholders request the exercise of their conversion rights. The bondholders can choose to convert at a more favorable time point during the convertible period, and thus there is a deferred effect on the dilution of equity. In addition, the convertible corporate bonds are entitled to a conversion premium, so the impact on equity dilution is low, and there is no significant adverse impact on the equity of the shareholders.
Name of custodian institution for exchange objects		None

Information on convertible corporate bonds

Type of Corporate Bonds		First domestic unsecured convertible bonds	
Item	Year	2025	The current year up to April 30, 2026
Market price of the convertible corporate bonds	Highest	106.50	102
	Lowest	91.800	97.35
	Average	99.63	98.54
Conversion price		27.0	26.4
Issue date and conversion price at issuance		Issue date : 112 年 9 月 26 日 Conversion price at issuance : 27.0 元	
Fulfilling the conversion obligation		Issuing new shares	

III. Issuance of preferred shares: None.

IV. Issuance of global depository receipts: None.

V. Issuance of employee share subscription warrants: None.

VI. Issuance of new restricted employee shares: None.

VII. Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies: None.

VIII. Implementation of the company's capital allocation plans: None.

Four. Operational Highlights

I. Scope of business

(I) Business scope

1. Major lines of business

Research, design, development, manufacture, and sales of the following:

- (1) All kinds of mini high-pressure inflatable steel-made chargers.
- (2) Various high-pressure containers (made of a mixture of aluminum, steel cylinders, and plastics)
- (3) Automobile airbag inflators.
- (4) Wearable protective inflators.
- (5) Other Metal Products Manufacturing

2. Proportion of operating revenue

Unit: In NT\$ thousand; %

Line of business	Year	2024		2025	
		Operating revenue	%	Operating revenue	%
High-pressure gas charger		415,686	36.32	336,448	30.53
Inflators		694,096	60.64	704,407	63.92
Others		34,772	3.04	61,161	5.55
Total		1,144,554	100.00	1,102,016	100.00

3. Current product (service) items

- (1) High-pressure gas charger; cream whipper; & soda syphon.
 - A. High-pressure gas chargers of various gases, capacities, and specifications
 - B. Cream whippers and soda syphons of various capacities and specifications (Cream Whipper & Soda maker)
- (2) Inflators
 - A. Airbags for both the driver's seat and front passenger seat.
 - B. Side Impact Airbag Inflator: It is an inflator module installed on the side of the passenger seat of the car.
 - C. Side Curtain Airbags Inflator: When the car is struck from the side, the airbag can inflate to the point of encompassing the entire driver's compartment. It can not only protect the driver and passenger's head from the side, but also prevent the driver and passengers from being thrown out of the car in the event of a car rollover.
 - D. Knee Airbag Inflator: It is an inflator module fitted to the bottom of the driver's steering wheel base to provide protection for the driver's knees.
 - E. Wearable Inflator: The is a product developed by combining hybrid or cold gas inflator and personal wearable protective device. The inflator can deploy airbags to protect them from serious injury.
- (3) Electronic expansion valves and electronic regulating valves corresponding to various refrigeration systems.

4. New products (services) to be developed

- (1) Next-Gen inflator s.
- (2) Fall protection gas generator and module development.
- (3) Valves and actuators for various cooling and heat dissipation systems.

(II) Industry overview

1. Industry status and development

(1) Catering Industry

It's a part of daily life in Europe and the United States to use small high-pressure charger fitted into high-pressure containers, like cream whipper and soda maker, to make whipped cream, which can go with coffee, drinks, and desserts or used in cooking soup or sauces or make homemade soda water

(that is, sparkling water. Therefore, ordinary families and small restaurants therein have greater demand for small high-pressure chargers than any other regions. In recent years, international freshly-brewed coffee chains like Starbucks, Peet's Coffee, and 85°C have established a culture of freshly-brewed coffee worldwide; they further innovate on beverages by applying whipped cream and gases (N₂ and CO₂) to coffee, tea, and other beverages, which may be served onsite along with the sale of deserts of food. Such business model has been gradually accepted by the Asian markets like China, Korea, Thailand, and Indonesia, driving up the demand of Asian developing countries for small high-pressure chargers, cream whippers, and soda maker. The food and beverage industry arose to satisfy basic physiological needs, and any slight change in the economic climate will affect its operation. Here is an overview of the global catering industry, its market environment, and the Company's predominant sales areas.

A. Global market

The global economy in 2025 demonstrated unexpected resilience amidst high uncertainty and structural transformation. Since the beginning of the year, factors such as adjustments to US trade policy, geopolitical risks, and tightening financial conditions initially impacted market confidence, and the global economic outlook faced numerous challenges. However, as some policy risks gradually became clearer, and major economies stabilized growth momentum through coordinated fiscal and monetary policies, the global economy did not experience systemic disorder and maintained a moderate growth trajectory overall. The IMF announced in January 2026 that the global economic growth rate for 2025 is 3.3%, the same as in 2024, reflecting that despite the headwinds from US tariff policies, the global economy maintained overall stability thanks to technological investment and corporate adaptability.

B. U.S. market

With a total population of 340 million, the United States ranks third globally and is one of the high-income economies. Its aging population, increasing number of single-person households, changing dietary and lifestyle patterns, and the increasing application of technological advancements in the supply chain are all contributing to the continuous transformation of the food supply and demand structure. According to the "2025 Food Industry Yearbook" report by the Food Industry Research Institute, the US food market sales reached \$595.6 billion in 2024, a 4.8% increase; the beverage market sales reached \$197.7 billion, a 3.2% increase, with concentrated beverages and coffee among the categories showing growth exceeding 6%. The growth of the US coffee market is primarily driven by the functional appeal of high-caffeine drinks and the need to meet consumers' stress-relief demands.

C. European market

According to the "2025 Food Industry Yearbook" report by the Food Industry Research Institute, Europe has a population of 750 million, advanced technology, abundant natural resources, and a mature economy and environment. War and geopolitical events have impacted European politics and economics, leading to increased global environmental uncertainty and changes in trade order. Internal structural problems in Europe and changes in the international situation have slowed economic growth. Climate factors and policy changes are important factors influencing the European food supply chain in recent years. In 2024, the European food and beverage market rebounded, with a market size exceeding US\$1.8 trillion, a 4.9% increase from the previous year; of which food accounted for US\$945.85 billion and beverages for US\$449.41 billion.

D. Southeast Asia market

According to the "2025 Food Industry Yearbook" report by the Food Industry Research Institute, ASEAN, with its 690 million population, boasts a large demographic dividend, and most countries are in a growth phase, resulting in clear and considerable demand and development potential for food products. Furthermore, with a vibrant global regional economic and trade chain, Southeast Asia's role in the global value chain is rising, and its food market growth is relatively strong compared to other regions, making it a key area for international investment and trade. In 2024, Southeast Asia returned to a growth trajectory, with most countries experiencing stable performance in the food and beverage market. Strong economic growth, the explosion of the digital economy, the gradual recovery of domestic demand, the return of tourism, and the potential for purchasing power and spending power from a large young population are driving the consumer market. However, in 2025, uncertainties such as changes in US tariff policies will impact exports, the domestic economy, and international investment, leading to a slowdown in economic growth. The Southeast Asian food and beverage market is projected to reach US\$160.99 billion in 2025, with a growth rate of 6.9%.

E. Mainland China market

According to the "2025 Food Industry Yearbook" report by the Food Industry Research Institute, China, with its 1.4 billion population, is increasingly shifting its industrial environment towards health, nutrition, and sustainability due to external influences and policies. Driven by

policies promoting domestic demand, the food and beverage industry is experiencing a recovery, particularly in the beverage sector. The overall market size of food and beverages in China has seen stable growth over the past five years. In 2024, total food consumption in China reached approximately US\$1.6 trillion, with per capita consumption of approximately US\$1,177 (a 5.0% increase). It is projected to reach US\$2 trillion by 2030.

(2) Automobile Industry

A. The automobile industry overview

According to the “STANDARD INDUSTRIAL CLASSIFICATION SYSTEM OF THE REPUBLIC OF CHINA” of the Directorate-General of Budget, Accounting and Statistics, The Executive Yuan, the automobile industry can be broken down into “Automobile Body Manufacturing” and “Automobile Parts Manufacturing”. According to the classification standards of the Taiwan Industry Economics Services, “Automobile Parts Manufacturing” can be further broken down into engine parts, transmission system, steering system, in-vehicle appliance parts, braking system, and other automobile parts. When being classified by sale of automobile parts, the automobile industry consists of the Original Equipment Manufacturing (OEM) market, Own Designing & Manufacturing (ODM) market, and the After Market and Original Equipment Service Market aiming to provide after-sale services. Since original manufactured parts demand high quality and stringent control, it’s not easy to tap into the international automobile supply chain. Therefore, Taiwanese manufacturers still focus on collision parts for the AM market. The Airbag Inflator made by the company is one of the passive safety components in other groups of auto parts, and it is primarily supplied to the OEM level 1 factory of airbag systems.

The latest market research shows that the global electric vehicle (EV) market continues its rapid growth, with a market size of approximately US\$130.4 billion in 2025, and is projected to expand to US\$492.5 billion by 2032, representing a compound annual growth rate (CAGR) of 20.9%. Driven by breakthroughs in battery technology, improved charging infrastructure, and supportive policies, electric vehicles are rapidly reshaping the global transportation industry.

Furthermore, according to TrendForce's 2026 survey of the electric vehicle market, global sales of new energy vehicles, including battery electric vehicles (BEVs), plug-in hybrid electric vehicles (PHEVs), and hydrogen fuel cell vehicles, totaled 20.53 million units in 2025, representing a 26% year-on-year increase. However, due to uncertainties such as the slowdown in the Chinese market, global sales are projected to reach 23.4 million units in 2026, with the growth rate narrowing to 14%. In this market reshuffle, China's BYD Auto officially dethroned Tesla to become the world's top-selling battery electric vehicle manufacturer. Further analyzing the 2025 battery electric vehicle (BEV) market rankings, BYD, with its strong product line, achieved approximately 25% annual growth, successfully replacing Tesla as the global sales champion. In the plug-in hybrid electric vehicle (PHEV) sector, while BYD maintained its dominant position with a 31.5% market share (the group's total market share is approximately 36%), it faced its first warning of declining sales and market share.

Looking ahead to 2026, the global new energy vehicle market will experience significant policy upheavals. TrendForce points out that China's purchase subsidies will change from a fixed amount to a percentage of the vehicle's price, which will significantly weaken the competitiveness of low-priced models; the US is expected to completely eliminate federal subsidies; while Germany is bucking the trend by restarting purchase subsidies regardless of the country of origin, which is expected to unexpectedly benefit Chinese-made electric vehicles.

Overall, with technological advancements and policy support, the global electric vehicle market is entering a period of rapid growth. Future competition will shift from single products to a comprehensive layout of the entire ecosystem and infrastructure.

B. Automobile safety equipment is becoming more widely used.

The completeness of the safety system is a major consideration for the consumer when purchasing the vehicle, particularly the configuration of airbags. The National Highway Traffic Safety Administration of the United States has confirmed the effectiveness of the airbag in the reduction of the fatal injury to the body in a collision at high speed. The airbag will still be highly efficient even if the passenger does not use a seat belt. The airbag is a passive safety system. When a crash occurs, it acts as buffer for the absorption of energy between the body and the external hard objects, thus reducing damage caused to the body by the crash. The vehicle airbag system is mainly composed of an impact sensor, a central processing unit, a gas inflator, and a bag; an inflator has two types, namely, a disk type and a tube type. The inflator manufacturing techniques can be divided into three categories: pyrotechnic, hybrid and stored gas. The Company produces disk-type

and tube-type hybrid inflators. The disk-type is mainly used as driver's seat and front passenger seat airbags, and the tube-type is mainly used as side bags and curtain bags.

According to the New Car Buyer Survey (NCBS), consumers are more concerned about the security of the vehicle than other aspects such as the interior space and the efficiency of the fuel economy. Since 2008, the advanced countries of Europe and America have listed the six air bags as standard equipment. Growing safety awareness among consumers and tougher safety standards implemented by government departments are driving the rapid advancement of automotive safety systems. According to the statistics on global airbag market size published by the Fortune Business Insights, the global automotive airbag market size was valued at USD 47.96 billion in 2021 and is projected to grow from USD 50.12 billion in 2022 to USD 81.81 billion in 2029, at a CAGR of 7.3% during the forecast period.

In addition, China released a new version of the China's New Car Assessment Program (C-NCAP) in July 2018, emphasizing occupant protection, child protection, and active safety. The inclusion of side airbags for occupant protection is expected to drive the car airbag inflator market in China. According to the forecast of Mordor Intelligence, the market size of China's automotive airbag system will be US\$12.58 billion in 2021, and is expected to grow at a compound annual growth rate of 7.5%, reaching US\$19.41 billion by 2027.

2. Association between the upstream, midstream, and downstream of the industry.

(1) High-pressure charger

Upstream	Midstream	Downstream
Steel coil, gas, paint, metal parts	high-pressure charger	Indirect or direct sales through agents and traders, including: Chain coffee beverage industry, catering industry, leisure sports industry, safety and lifesaving industry, beauty care industry, health care industry and other special designs and applications that require gas power.

(2) Inflator

Upstream	Midstream	Mid-downstream	Downstream
Case, base, and other metal processing parts, igniter, chemical raw materials, gas	 Inflators Impact sensor CPU Bag	Airbag system factory Wearable personnel protection equipment (PPE) factories, including: anti-fall belts, protective clothing for heavy motorcyclist and skiing.	Car assembly plant

3. Various developments of products trend and competition

(1) High-pressure charger

A. Development trend

With the increase in income, the change of life style, and the advancement of science and technology, high-pressure chargers have wider applications.

- (A) As for the food industry, with the increase in income and changes in consumption patterns, the use of N₂O high-pressure chargers in the coffee and beverage industry or the pastry industry has grown steadily year by year. Self-produced carbonated drinks, which emphasize the protection of health and the environment, are also becoming more popular in the light of the increasing awareness of health among consumers, thereby helping the growth of the market for high-pressure CO₂ chargers.
- (B) In terms of sports, such as air rifles, bikes and inflatable guns, the application is continuing to increase and the demand on the market is steadily increasing.
- (C) Other special applications for the medical and health industry and emergency life-saving industry are gradually being designed and developed.

B. Marketplace

Small high-pressure chargers are a niche industry with a limited market scale. Market growth in Western countries such as Europe and the United States is relatively stable. The existing major suppliers include the Company, iSi, KAYSER, and Liss. There are also manufacturers in China, which are gaining market share, resulting in fierce market competition.

(2) Inflator

A. Development trend

Inflators are mainly used in automobile airbags. Due to the safety requirements of various countries, the higher requirements of the consumers for safety equipment and the competition on the market among the manufacturers of automobiles, the number of each vehicle's average airbag has increased, resulting in a global increase in the demand for airbags. The following five factors hold considerable sway over the growth of market size:

- (A) Global automobile production volume
- (B) Government regulatory requirements
- (C) Consumers are increasingly cognizant of car safety equipment.
- (D) Automobile safety systems are receiving more attention from car makers, resulting in an increase in the average number of airbags fitted in each car.
- (E) Development and application of new technology

As sensors have progressed and electronic control technology has been refined, airbags are becoming smarter. After detecting occupant positions in the seats with sensors and data collection, the processor uses electronic calculation to process the inflation and control of airbag inflation, to ensure optimal performance, to prevent unnecessary deployment and then to improve the safety effect of the system. In addition, to prevent users' contact with potentially dangerous substances or toxins, airbags will be designed in a safe and harmless way, thereby further enhancing their safety and effectiveness.

B. Marketplace

The inflator is a critical component of the airbag system. The design and production of inflators involves a wide range of advanced and complex technologies, including pharmaceutical formulations, high pressure gas-filling technologies, and metal-case material technology. The airbag can only be used once, and can't be tested after installation. Even after installation the function might remain unused for the rest of the life of the vehicle. Therefore, the research and development, the design, and the production of inflators must be conducted under strict supervision, which means that the product must have a very high level of creditability and stability.

A professional inflator designer and manufacturer must possess the design and technical strength capable of meeting customers' demand for innovative function, rigorous quality control capability, and highly automated production and inspection capability, and is therefore an industry with an extremely high entry barrier. In addition to jointly developing products with customers, the Company continues to research and develop advanced technologies, and actively constructs a variety of products to cope with international competition and meet market demand.

The gas generating agent plays the major role in determining the performance and price of inflators. The Company's airbag inflator uses a mixture of gas, which consists of high pressure gas and small amounts of explosive agents (exclusion of ammonia nitrogen). The inflator has an inner and outer explosion-proof design. The metallic external components are hermetically sealed, thus greatly reducing the risk of the agent becoming wet. In addition, there are less chemicals used and the explosions are less hot, so the damages to passengers are reduced to minimum levels. The regulatory framework and consumers' increasing demand for safety make the Company's hybrid inflators more competitive.

(III) Overview of Technology and R&D

1. The technical level and research and development of the business

(1) Technical level

High-pressure chargers are widely employed, in particular in food, leisure and sports industries, and in the safety and medical industry, making safety an indispensable part. The Company is not only the first and largest producer of high-pressure chargers domestically, but also a leader in the production of high-pressure chargers in the world. It is a holder of multiple patents, especially in high-pressure charger mouth valve sealing device, method, and structure.

The Company's R & D team has successfully developed a series of inflators and obtained several

patents by leveraging the excellent basis of the manufacture of chargers and high pressure gas fillers along with gas-producing agent technology. The Company's airbag inflators adopt a hybrid design, i.e., containing a mixture of high-pressure gas and a small amount of gas-generating agent. All of the external metal components are totally sealed and filled with pressurized gas to protect the gas-producing agent from external environmental moisture. Consequently, there is no danger of a chemical being exposed to moisture. since the chemicals used are of small amount, the temperature generated during inflation is low, and the amount of dust is also small, the damage to passengers can be minimized. The design features double-layer protection with high-strength steel, and is therefore safer than traditional pyrotechnic gas inflators.

(2) Research and Development

The Company actively recruits R&D talents, broadens the technical field and gets closer to customers, strengthens the feasibility of new product development, improves production and delivery efficiency, creates product differentiation, and improves product safety reliability to strengthen market competitiveness. Therefore, the R&D work in the future will focus on advanced production management and development of high value-added products.

2. Research and development personnel and their education and experience

Unit: person; %

Year		2024		2025		The current year up to April 30, 2026	
		Number of persons	%	Number of persons	%	Number of persons	%
Educational background dispersion	Doctoral Degree	3	11	2	7	1	4
	Master	7	25	7	26	7	29
	University (including junior college)	18	64	18	67	16	67
	High school and vocational school	0	0	0	0	0	0
	Below high school	0	0	0	0	0	0
	Total	28	100	27	100	24	100

3.R&D expenses invested in the most recent year and in the current year up to publication date of this annual report

The Company's R&D expenses for 2025 and the fiscal years ended April 30, 2026 were NT\$42,470,000 and NT\$13,246,000, respectively, accounting for 3.85% and 5.13% of operating revenue, respectively.

4. Technology or product successfully developed

The company and its subsidiaries continue to optimize production management, improve product quality and develop high value-added products to enhance the core competitiveness. Projects that were accomplished in 2025 are as follows:

- (1) Design and development of 1.65mm refrigerant valve components for general household or small commercial applications.
- (2) Development and design of 3.0mm refrigerant valve components for medium-sized commercial and server cooling-related heat exchange systems.
- (3) Wearable small diameter inflator, applied to cycling safety protection, lighter, thinner, and easier to integrate.
- (4) Object pusher gas generator, applied to drones, search, rescue, firefighting, etc.

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

1. Short term business development plan

- (1) High-pressure charger

- A. Use the core technology of gas filling to develop products for high value-added applications, to reduce the operational risk that comes from excessive concentration on customers and industry.
- B. Elevate the quality of high-pressure chargers and customers' satisfaction; foster current customers and acquire new customers.

(2) Inflator

- A. The company develops and produces a full range of airbag inflators, and has been deeply involved in the Chinese market for several years. With its high quality products and relevant certificates, it is able to produce products of specifications tailored to customers' needs swiftly. In this sense, it will keep on taking in safety airbag system customers.
- B. Personal protective devices have a wide range of applications, such as sports protection, motorcyclist airbag clothing, and elderly fall protection, among others. The Company will provide safe and reliable inflators for different systems and devices to protect the safety of personnel by virtue of the rapid and flexible design and service niche, in order to increase the shipment and market visibility of the product.

2.Long-term business development plan

(1) High-pressure charger

- A. The Company will strengthen the relationship with partners in different channels. Through the annual communication and sales feedback with distributors and traders, the Company aims to consolidate and continue to expand the business of customers and traders, thereby creating a stable and win-win collaboration model and maintaining steady growth and increasing market share. The Company will persist in bringing in first-rate, safe products as the bedrock of sustainable operations.
- B. Boost the familiarity of the "mosa" brand and enhance the product image to keep away from price competition.

(2) Inflators

- A. Continue to cooperate closely with the manufacturers of airbag systems in the development of hybrid generators for large volume airbags and long-pressure airbags inflator in the pursuit of new business.
- B. Develop strategic alliance partners to increase overall competitiveness: including strategic partnerships on both sides of the market and the supply of resources. By leveraging a wide variety of resources and capabilities and a core competitive advantage, the two parties can pursue their common interests.

II. Markets, production, and marketing

(I) Market Analysis

1. Sales area of main products

Unit: In NT\$ thousand; %

Region		2024		2025	
		amount	%	amount	%
Export	Asia	839,207	73.33	849,729	77.11
	Europe	97,519	8.52	71,659	6.50
	America	36,091	3.15	17,354	1.57
	Other areas	21,542	1.88	21,786	1.98
Subtotal		994,359	86.88	960,528	87.16
Domestic sales		150,195	13.12	141,488	12.84
Total		1,144,554	100.00	1,102,016	100.00

2.Market share

(1) High-pressure charger

Due to the lack of a comprehensive and impartial market share data, it is not possible to measure the Company's market share compared to its competitors. In addition to the large-scale competitors, iSi and Kayser in Austria and Liss in Hungary, Chinese manufacturers have also invested in the high-pressure charger market in recent years, leading to increased pressure of market competition.

(2) Inflator

The flagship products of the Company's subsidiaries are inflators, which are suitable for use in automobile airbags and wearable protective items. Because such products remain in development and expansion stages, the market share potential is huge, judging from the global market scale.

3. The future supply and demand situation and growth of the market

(1) High-pressure charger

The Company is mainly engaged in the manufacture and sale of cream whippers, soda maker, high-pressure chargers and their spare parts. Our products are used in many industries, such as food, leisure sports, and medical beauty industries. The Company's high-pressure chargers are mainly used with high-pressure containers, including cream whippers and soda maker, to make whipped cream, culinary soup and sauces, nitrogen coffee drinks and soda water (that is, sparkling water). Through a distribution network such as distributors and traders in various regions, we fulfill the demand of coffee and beverage shops, restaurants and home catering around the world. Therefore, the future development of the market is closely linked to the growth of global demand for catering. The following is hereby asserted:

A. The population of the world is growing and average income is on the rise.

According to the "World Urbanization Prospects 2022" compiled by the United Nations Population Division of the Department of Economic and Social Affairs, 56% of the world's population currently lives in cities, and this proportion is expected to increase to 68% by 2050. The report pointed to the fact that the epidemic of COVID-19 in 2020 has only temporarily stalled the rapid urbanization process, and that the global population of urban areas has resumed its growth trajectory. As a consequence, the population of urban dwellers in different countries is projected to increase by 2.2 billion by 2050. North America is currently the most urbanized region in the world, with 82.60% of the population living in cities in 2020. The urbanization rate in Asia is relatively low, only about 51.10%; however, urban population in Asia accounts for 53.92% of the global urban population. By 2030, the world will have 43 super large cities with more than 10 million people, most of which are in the developing world. Therefore, with rapid development in emerging countries over the last few years, their citizen's consumption power continues to grow. The expansion of the world's population into urban areas will benefit the Company, leading to increased business growth for the Company.

B. The global economy is exhibiting a slowing rate of growth and higher degree of uncertainty.

Because the food and beverage industry, including restaurants and beverages, is closely related to the daily lives of ordinary consumers, the future development of the food and beverage market will be affected by economic changes in various regions of the world. Although the global economy showed resilience in the first half of 2025, it has turned to a moderate slowdown since the second half. The growth in the first half of the year was mainly driven by temporary factors such as advance trade arrangements and inventory adjustments, rather than an improvement in fundamentals. As the related effects fade, economic data weakens, the labor market cools, and tariffs push up US prices, leading international institutions to generally expect global growth in 2026 to be slower than in 2025.

Furthermore, the outbreak of the Iraq War between the US, Israel, and Iran at the end of February 2026 led to increased global inflation and a slowdown in economic growth. According to the International Monetary Fund's (IMF) April 2026 World Economic Outlook report, global economic growth for 2026 was revised down from 3.1% to 3.3%. Amidst the disruption of commodity markets and price increases caused by the Middle East war, the IMF lowered its 2026 global economic growth forecast and warned that the Middle East war could "deviate" the global economy from its trajectory. If the conflict drags on, energy prices, inflation, and financial market volatility will continue to disrupt the global economy and drag down consumer spending.

In summary, the US tariffs imposed in 2025 had a significant impact on the global economy. Looking ahead to 2026, international institutions generally expect the global economy to continue its moderate growth pattern, with consumer spending expected to be supported. In addition, the accelerated urbanization in emerging countries will help the Group continue to develop the market for high-pressure gas cylinders.

(2) Automobile airbag inflators

The Company's primary auto components consist of airbag inflators. The growth and decline of the automotive industry is mainly related to the overall market for new cars. Since vehicles are a durable consumer product, the decision to buy a car will depend on the level of income of the consumer and expectations of the future job market or the economic climate. Looking at the global auto market, the

three major sales markets are concentrated in China, North America, and Europe, accounting for 20% to 30%, respectively. The sales of these three almost form the outline of the entire auto market. According to the forecast made by S&P Global on December 2024, Global car sales are projected to reach 89.6 million units in 2025, up 1.7% year-on-year; electric vehicle sales are expected to grow by 30% to 15.1 million units, accounting for 16.7% of global light vehicle sales.

The vehicle airbag system is mainly composed of an impact sensor, a central processing unit, a gas inflator, and a bag; the inflator manufacturing techniques can be divided into three categories: pyrotechnic, hybrid, and stored gas. The Company produces disk-type and tube-type hybrid inflators. The disk-type is mainly used as driver's seat and front passenger seat airbags, and the tube-type is mainly used as side bags and curtain bags. According to the New Car Buyer Survey (NCBS), consumers are more concerned about the security of the vehicle than other aspects such as the interior space and the efficiency of the fuel economy. As the safety of cars is increasingly taken into account, consumers are increasingly demanding new air bags, which make the airbag number an important factor in the development and design of new models of cars. Medium- to high-priced cars are increasingly equipped with more than 6 airbags, including 2 front airbags for the driver/front passenger seat, 2 side curtain airbags capable of spanning across the length of the vehicle, 2 front side airbags, driver's knee airbags, and 2 rear side airbags. In addition, there will be a gradual introduction of front and side airbags outside of the vehicle.

Growing safety awareness among consumers and tougher safety standards implemented by government departments are driving the rapid advancement of automotive safety systems. According to the 2023 Global Automotive Airbag Market Report, the global automotive airbag market is expected to grow from US\$318.75 billion in 2022 to US\$374.53 billion in 2023, with a compound annual growth rate of 17.50%, and further to US\$724.06 billion by 2027, with a compound annual growth rate of 17.92%.

In addition, China released a new version of the China's New Car Assessment Program (C-NCAP) in July 2018, emphasizing occupant protection, child protection, and active safety. The inclusion of side airbags for occupant protection is expected to drive the car airbag inflator market in China. According to the forecast of Mordor Intelligence, the market size of China's automotive airbag system will be US\$12.58 billion in 2021, and is expected to grow at a compound annual growth rate of 7.5%, reaching US\$19.41 billion by 2027.

The automotive airbag module industry is highly concentrated and has high entry barriers. The top three manufacturers of airbag systems in the world, namely, Autoliv & KSS & TRW, account for over 80 % of market share. In addition, market participants also include Tier 2 multinational companies such as Daicel and ARC, rendering a special oligopoly appearance to the market. The Company's tube-type hybrid inflator has entered the supply chain of well-known car manufacturers in China. The increasing awareness of the safety of consumers will likely increase the number of new airbags. Furthermore, the number of new cars being sold keeps going up. Therefore, five years down the road, hybrid and stored-gas inflators will have a higher growth rate and gradually increase their market share, mainly due to the increase in the use of side bags, curtain bags, and knee bags.

4. Competitive Niche

- (1) Got certified in quality systems and product quality, plus a lot of technical know-how.

The Company has obtained the AEO safety and high-quality enterprise certificate and passed the ISO 45001 occupational safety and health management system certification and CNS 45001 certification. To ensure that the high-pressure chargers, cream whippers, soda makers; and automotive airbag inflators are safe and compliant with the safety regulations of the Europe and the US, the Company had its quality system pass a variety of international certification, e.g., ISO9001, ISO22000, HACCP, Halal for high-pressure chargers; TUV for high-pressure chargers/cream whippers/soda makers; NSF for cream whippers /soda makers/ high-pressure chargers; ANFOR (NF D 21-901), REACH, RoHS, LFGB. Food additives (gases): Passed testing and certification for compliance with relevant food additive laws and regulations of the TFDA and the EU. IATF 16949:2016, INERIS-MODULE D (2013/29/EU), and EU CE (2013/29/EU) for inflators, plus a series of product certification, e.g., DOT, BAM, National Chung Shan Institute of Science and Technology, REACH, and ELV. In addition to passing various quality system certifications and product quality certifications, the Company continues to improve product quality and production efficiency to provide customers best possible products.

- (2) Most products are self-produced, with a quality firmly established in the market.

Most of the high-pressure chargers, inflators, and their spare parts of the Company are produced in-house by sending raw materials purchased from domestic or foreign suppliers through tens of processing processes. Since the establishment of the Company, it has maintained good relations with the major suppliers in order to ensure a stable supply of quality raw materials. By leveraging the Company's

excellent production technology, high quality and precision, good after-sales service, quality inspection, and technological advancement, along with a firm grasp of product delivery dates, the professional production management team is able to coordinate production and sales with clear standard operating procedures and precise execution, so as to reduce costs. Therefore, the Company has a stable customer base, making business development smooth and earning recognition from many customers at home and abroad. In addition, the Company sells products under its own brand name "mosa" or on an ODM basis to customers in Europe, America, Asia, Oceania, Africa, and other parts of the world. In doing so, the Company has polished its product image and enhanced its international competitiveness, and is therefore deeply trusted by customers.

(3) Equipment automation and factory intelligence will reduce the time-to-market and improve production efficiency

Taiwan's industry is having difficulty hiring workers. To meet customers' requirements on product types, quantity, delivery date, and quality, making factories more automated and smarter is a must for the Taiwanese manufacturing when it comes to investment in equipment and capacity. The Company continues to purchase machinery and equipment that can optimize or improve stability and precision by referring to the varied requirements on the function and attribute of process equipment; in addition, to ensure the stability and precision of product quality, operating systems and standards, in addition to purchase of production lines equipped with precision equipment and inspection instrument, throughout the new factories will be established, to provide more premium service to customers.

(4) Stable and mutually beneficial channel partnership model

The high-pressure charger produced by the Company is intended for an oligarchy market. Despite so, as market competitors cut in, a sound network of distributors, traders, and distribution channels becomes even more important. Only by establishing effective marketing channels for products and expanding the scope of sales can business growth be maintained. The Company sells mainly through a distribution network consisting of restaurants and shops all over the world. This bond with every distribution channel gives the Company the advantage over its peer competitors. The distributors' loyalty to the firm is improved by the annual communications and sales feedback with the distributor and the trader.

5. Positive and negative factors for future development, and the company's response to such factors

(1) Positive factors

A. High-pressure charger

(A) The market demand is steadily rising.

Due to the continued growth of global population in the past few years, the enormous domestic demand market in major economies will be a driving force for the future development of a consumer market. With the increase in the national incomes, the capacity for consumption will increase. so will the urbanization rate. In addition, globalization and diversification of the idea of diet and the increase in the urban migrant population has increased the proportion of people eating out. As competition in the catering market intensifies and globalization and diversified diet concepts weigh in, catering companies will continue to introduce innovative catering applications to cater to a wide range of customers in the food market. Expansion and growth in the catering industry and the introduction of new products will be beneficial to the business development of the Company.

(B) A professional manufacturing facility that has perfected the manufacturing of key processes

The Company's main products, including high-pressure chargers, cream whippers, soda maker, and their spare parts, need to be sheered and cut, stamped, necked, and cleaned, and then filled and electroplated before being combined with other spare parts. The Company has achieved mastery of the production technology and capability of the critical process; it monitors the progression of the process and the functioning of the production line via the system, so as to ensure product quality and delivery date.

(C) Broad spectrum of product uses

High-pressure chargers have a wide range of applications. They can be used as a power source for the food industry, recreational sports industry, beauty and maintenance industry, and health care industries. Therefore, the Company actively develops new application products to avoid being affected by fluctuations of a single industry and thus affecting the operations of the Company. In the future, with the decentralization of industrial applications and global economic growth, the demand for high-pressure chargers will increase as a result.

(D) Safety regulations are tightening.

The laws and rules of developed countries in the Europe and United States place great

importance on the security of high pressure chargers and are increasingly stringent, most of such laws and rules have set out relevant standards. In this way, the entry barrier for those that desire to enter the product industry has been raised. The Company has a strong technical team, strict manufacturing processes, and strict quality control procedures, and it has been involved in this industry for a long time. It is a brand leader in the market for high pressure chargers, and will maintain its position in the future.

B. Inflators

- (A) The automotive industry is experiencing an expansion in demand for passive safety.

The automobile airbag is a passive safety protection device that can effectively protect the driver and passengers in the car, and its performance is a key factor in the vehicle passing the crash test. The global automobile sales volume is increasing and consumers' heightened focus on safety will result in an upsurge in the demand for airbags, which will likewise bring up the demand for inflators, the core parts of airbags.

- (B) Car safety laws are becoming more stringent.

Major regions of the world - Europe, USA, Japan, and countries in the emerging markets - are increasingly concerned about the safety of vehicles. Therefore, the majority of them put in writing that the system of airbags must be included in the standard equipment of vehicles, and they have formulated more strict safety regulations. Nations have dedicated a great deal of resources to exploring and creating more sophisticated airbags. This shows that automobile airbags have become a necessity for the global passive protection of automobiles, and that they will help to develop and grow the market for airbags.

- (C) Introducing a range of advanced airbags will facilitate a boost in assembly rate.

Consumers are becoming more aware of the safety systems in cars. Moreover, car makers will be directing their attention to new technology development and product design in the foreseeable future. In addition to front airbags that have become standard equipment for consumers, other new applications have successively been put on the market, including side airbags, curtain airbags, head and chest airbags, and knee airbags; furthermore, other new solutions such as far-side airbags, bumper airbags, baby safety seat airbags, rear impact airbag systems, and induction airbags are all expanding the market size of airbags. This trend will pave the way for future development of the Company's inflators.

- (D) Has become a part of the Chinese auto parts supply chain

The automotive industry requires suppliers' components to meet stringent quality certifications. The cooperative relationship between automakers and suppliers, once secured, will be hard to alter. Such industry characteristics have erected an entry barrier to some extent. The Company has been engaged in the Chinese market for a number of years. With its high quality products and its certification, it has successfully integrated into the supply chains of Chinese manufacturers of airbags. Being close to the Chinese market which uses the same language and feature the same ethnicity groups, and being able to tailor service to customers' needs in a wink of time, the Company will have more advantages than European and American manufacturers when it comes to serving Chinese customers.

(2) Unfavorable factors

A. High-pressure charger

- (A) Likelihood of raw material cost instability

The company's high-pressure chargers are metal products made from raw materials, including steel coils and gases such as N_2O and CO_2 . Fluctuations in international metal raw material prices, shifts in international politics, and alterations in the global economy can all have an effect on the cost of steel coils. As a result, these costs directly affect the production costs of the product.

Countermeasures:

The Company has forged long-term cooperative ties with various vendors for the procurement of raw materials, and inked agreements with key gas providers to regulate costs and guarantee an uninterrupted supply. To cope with steel prices fluctuating with the world's macro economic environment, the Company's full-time procurement personnel track the quotations for import of raw material and adjust product prices in a timely fashion to minimize the impact of raw material price changes on the company's profits.

- (B) The scarcity of talented individuals and the rising cost of labor have become more and more pronounced over time.

The Company's high-pressure charger are part of the traditional metalworking manufacturing sector, which requires recruitment of skilled technical personnel with certain

production experience to facilitate enterprise development. However, the Company locates in a region of labor drain, and new employees are likely to go somewhere instead due to work environment, the shifting work schedule, salary, and benefits, causing unstable labor supply and indirectly impacting the stability of quality of production and products. On the other side, the wages of labor and the level of welfare in Taiwan have gradually increased in the light of the government's policy, increasing the manufacturing costs and squeezing the profit margin.

Countermeasures:

The company has recruited professional talent through industry-academia collaboration with relevant departments of colleges and universities, and will continue to mitigate the impact of talent shortages through internal training and experience transfer. On the other hand, the company is actively increasing the automation level of its production equipment and entering the field of Industry 4.0 smart manufacturing to reduce reliance on manual labor and improve production efficiency.

(C) Exchange rate fluctuation risk

Most of the Company's products are for export to Europe, America, Asia, and the Oceania. Most of the foreign currency sales are mainly denominated in US dollars, Euros and CNY, while the Company's purchase payment is mostly denominated in TWD. Therefore, changes in the exchange rate of TWD against USD or EUR will have impact the Company's profit and loss to a certain degree.

Countermeasures:

The accounting department of the Company closely monitors the exchange rate movements constantly and is in regular contact with the bank. Banks provide exchange rate change analysis and consulting services, enabling the department to fully grasp exchange rate trends and changes at home and abroad. At the same moment, the department continues to monitor the global macro economic situation, and promptly adjusts foreign current position to meet the Company's capital needs. In addition, sales personnel will consider the trends in exchange rates when offering a quotation, and will evaluate whether the product price should be adjusted in order to reduce risk of fluctuations in exchange rates on the profits of the Company.

B. Inflators

(A) The auto parts require extremely high input costs, with a lengthy payback period.

The automobile industry is a capital-intensive and technology-intensive industry. Since the market is maturing and international manufacturers of automobile safety systems and automakers have established cooperation, new manufacturers are generally unable to enter the market. New manufacturers can rely only on long-term investment of cost and technology in developing equipment and products and having them certified, and, without a solid financial backing, can produce only low-end products. In addition, the automotive industry's supply chain is relatively close and requires a long term certification, which means that the payback period will be longer than that in other sectors.

Countermeasures:

Because the automobile industry is a closed supply chain, it often takes new competitors at least 5 to 10 years to undergo certification and testing of product development before they have the opportunity to enter the market. By leveraging its R & D technological strength and experience, the Company strictly controls quality and advances production process, thereby being included as an approved vendor of customers. In the future, we will continue to satisfy our existing customers and develop new ones, increasing sales volumes to achieve economies of scale thus reducing the average cost and improving the overall profitability of the Company.

(B) The competitor is sizeable and holds a dominant position in the market.

The main contenders are usually major system development producers who have been the forerunners in Europe, America, and Japan. Over the past decades of development, the automobile industry has established a mature supporting industrial system, which features auto parts manufacturers clustering around car makers. Therefore, existing competitors are mostly sizeable system development manufacturers who have already occupied a dominant position in markets such as Europe, America and Japan.

Countermeasures:

The Company is an expert manufacturer of airbag inflators. It mainly cooperates, instead of competing, with various airbag system manufacturers in the market. In addition, the

Company's airbag inflators adopt a hybrid design, i.e., containing a mixture of high-pressure gas and a small amount of gas-generating agent. All of the external metal components are totally sealed and filled with pressurized gas to protect the gas-producing agent from external environmental moisture. Consequently, there is no danger of a chemical being exposed to moisture. In addition, there are less chemicals used and the reaction generates less heat, so the damages to passengers are reduced to minimum levels. By leveraging regulatory requirements and consumers' increasing awareness of safety, the Company produces hybrid inflators and offers swift tailored service to customers, thereby gaining market share, enhancing its position on the market, and increasing the penetration rate of products.

- (C) The scarcity of talented individuals and the rising cost of labor have become more and more pronounced over time.

The Company needs professional R&D personnel and technical engineers to produce its critical parts of the automobile system. However, it would be difficult for the Company to recruit, given the competition for talents from manufacturers elsewhere and the labor drain in the area in which the Company sits. As a result, the Company is exposed to the disadvantage of shortage of personnel. In addition, the rising labor costs in recent years have increased the related production costs and reduced the Company's profit margins.

Countermeasures:

Implementing a sound welfare and reward system will enhance cohesion and stability among employees, thereby reducing the turnover rate. In addition, by becoming a publicly traded company, we can significantly boost our visibility and draw in talented individuals. The Company has introduced an industry-university cooperative program with universities and junior colleges to source professional personnel. To enhance employees' skills and cohesion among them, the Company will persist in utilizing internal training and pass on experience, improve automation level to improve production yield, and hold employee activities. This helps reduce the risk of talent turnover, thus associated unnecessary costs.

- (D) The Chinese auto market could face the possibility of a price decrease.

Owing to China's rapid economic growth in the last few years, a rapid expansion of the automobile market has taken place. However, fierce competition among automakers of the brand has put the automakers under pressure to reduce car prices in order to keep sales; so often they require related auto parts suppliers to cut price to maintain their competitiveness, arousing the risk of squeezing parts suppliers' profits.

Countermeasures:

The Company continues to improve the production process, process efficiency, technical level, and automation level to reduce production costs and meet market demand. In the future, the Company will be actively expanding its customer base and developing other products of high value to increase the volume of sales and the gross profit, and to reduce the risk that the market is concentrated in China.

(II) Usage and manufacturing processes for the Company's main products

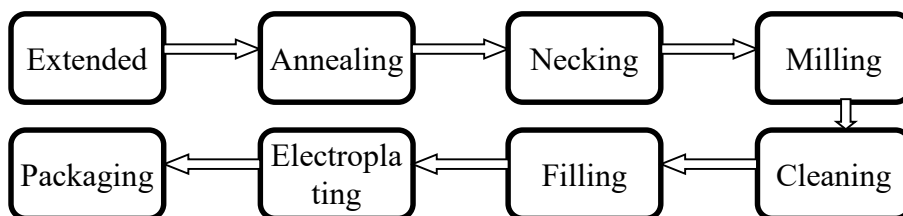
1. Important uses of main products

Main product	Important uses
A variety of high-pressure chargers	Food industry: -Emulsion for preservation, carbonated water/beer, sparkling drinks, restaurant conditioning, instant cooling Leisure Sports Industry -Air guns, cleaning guns, distress signal guns, tire inflation device Health-aesthetic industry - Inflatable stretchers, medical and aesthetic spray devices
Inflators	Automobile and motor vehicle industry - Airbag Wearable Protective Products - Airbag anti-fall clothing for heavy-duty motorcycle riders, anti-fall devices for seniors, fall protection for high-altitude operations, sports protection, and fire-fighting and lifesaving.

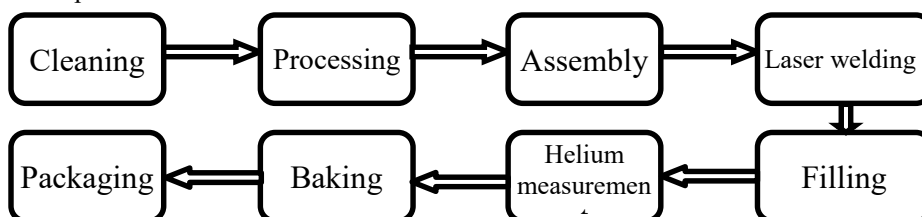
Main product	Important uses

2. Main product production process

A. Charger production flow chart



B. Inflator production flow chart



(III) Availability of main raw materials

Main raw materials	Source	Availability
Steel coil	China Steel Corporation	Readily available
N ₂ O gas	Companies S1 and S2	Readily available
Ignition	Companies S3	Readily available
Seamless steel pipe	Companies S5	Readily available

(IV). A list of any suppliers (customers) accounting for 10% or more of the company's total procurement (sales) amount in either of the 2 most recent fiscal years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each, and an explanation of the reason for increases or decreases in the above figures.

1. Major suppliers in the last two years

Unit: In NT\$ thousand; %

Year	2024				2025				First Quarter of 2026			
Item	Name	Amount	Percent	Relation with Issuer	Name	Amount	Percent	Relation with Issuer	Name	Amount	Percent	Relation with Issuer
1	DSSA	94,828	20.91	None	DSSA	94,252	17.86	None	S2	17,370	17.30	None
2	Steel Corporation	82,387	18.17	None	S5	75,321	14.27	None	DSSA	15,639	15.58	None
3	S5	60,665	13.38	None	Steel Corporation	71,964	13.63	None	Steel Corporation	12,952	12.91	None
4	S2	51,085	11.26	No	S2	45,549	8.62	None	S5	10,379	10.34	Non

				ne								e
	Others	164,568	36.28		Others	240,771	45.62		Others	44,012	43.87	
	Net purchase s	453,533	100.00		Net purcha ses	527,857	100.00		Net purcha ses	100,352	100.00	

Reason for increase or decrease: Changes in primary suppliers are influenced by raw material inventory stocking demands, supplier quotations, and considerations for supplier diversification.

2.Main customers in the last two years

Unit: In NT\$ thousand; %

Ye ar	2024				2025				First Quarter of 2026			
Item	Name	Amount	Percent	Relation with Issu er	Name	Amount	Percent	Relation with Issu er	Name	Amount	Percent	Re lati on wit h Iss uer
1	C2	595,003	51.99	Non e	C2	618,281	56.10	Non e	C2	77,407	39.97	No ne
2	C5	122,204	10.68	Non e	C4	117,494	10.66	Non e	C5	22,441	11.59	No ne
3	C4	121,183	10.59	Non e	C5	77,536	7.04	Non e	C4	6,140	3.17	No ne
	Other s	296,628	25.91		Others	288,705	26.20		Others	87,654	45.27	
	Net Sales	1,144,554	100.00		Net Sales	1,102,016	100.00		Net Sales	193,642	100.00	

Reason for increase and decrease: There have been no significant changes in major customers; fluctuations in sales amounts are primarily due to product application promotions, end-product sales conditions, and individual customer business demands.

III. The number of employees employed for the 2 most recent fiscal years, and during the current fiscal year up to the date of publication of the annual report, their average years of service, average age, and education levels (including the percentage of employees at each level)

Unit: person; years old; year

Year		2024	2025	As of April 30, 2026
Number of employees	Research and Development	28	27	24
	Manage	31	29	29
	Manufacturing	272	257	260
	Sales	9	9	8
	Total	340	322	321
Average age		36	37	38
Average years of service		7.1	7.6	8.6
Distribution of education attainment	PhD	1.18%	0.93%	0.62%
	Master	7.05%	7.45%	7.48%
	Junior college	39.12%	39.13%	37.69%
	Senior high school	45.00%	44.73%	46.42%
	Below senior high school	7.65%	7.76%	7.79%

IV. Environmental protection expenditure

Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid), the amount of penalties, and disclosing response measures to be taken (including improvement measures) and an estimate of possible expenses that could be incurred (including the would-be loss had no response measured were taken, an estimate of the amount of penalties and compensation; if a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided) :None.

V. Labor relations

- (I) List any employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests

1. Employee welfare measures

(1) Employee Welfare Committee

The Company has set up its Employee Welfare Committee according to law to carry out the various welfare measures; allocates a certain percentage of operating revenue, employee salary, and scraps sales income as employee welfare fund; provides employees with childbirth congratulation money, marriage monetary gift, condolence money, comfort money for hospitalization, monetary gift for birthdays, monetary gifts for Dragon Boat's Day, Mid-autumn Festival, and Labor Day, and travel subsidies; and organizes club and competition activities to reinvigorate the connection between employees.

(2) Insurance

In addition to covering employees with a labor insurance and a national health insurance according to law, the Company also purchases them a group medical insurance against accidental injury and provides them with a regular free employee health check-up, so as to ensure greater safety in both life and work for employees.

(3) Other welfare measures

To enhance employees' health awareness, the Employee Welfare Committee organizes a voluntary health walk and weight loss competition every year. The Company provides free parking at the factory, has an employee restaurant and recreation center and provides dormitories to workers in need of a rental.

2. Staff continuing education and training

In order to forge the knowledge and skills requisite for performance of duties of employees and thereby further enhance their work quality, occupational safety, and food safety awareness, the Company has established the "Human Resources Operating Procedures". New recruits will receive general and professional training within a specified period of time after they report to duties; each department develops a annual training plan in accordance with the requirements of its staff and its business conditions, and implements the plan after approval of the plan. The annual educational and training program consists of internal training, external training and professional ability training. Each year, a report on the results of the training is produced, which then is submitted to approval and used as the basis for future improvements. In 2025, the Company held 268 training courses, participated by 2,499 persons for a total of 3,448.5 hours for approximately NT\$77,000. Here are the training courses for this year:

- (1) Orientation for new recruits: This allows new employees to understand the history of the Company, its present advantages and the future challenges and accelerates the adaption of new employees to the workplace. What's more, training sessions concerning environmental safety are also provided, such as basic fire safety awareness, hazard literacy, and general labor safety and health training, in an effort to make a secure and safe workplace.
- (2) Internal training: In addition to basic theories, learning through doing is a key source of capability improvement. Therefore, each unit arranges a guided reading of maintenance specifications set forth on the instruction manual, and teaches equipment use, maintenance, anomaly exclusion, risk identification, and prevention of environmental safety and health hazards.
- (3) External training: Arrange for relevant officers or special operators to attend external training courses according to laws and regulations.
- (4) General-purpose training: Company-wide general-purpose training courses planned in accordance with government regulations and company policies, Including environmental safety and health courses,

emergency response training in the factory area, quality management courses, and occupational disaster awareness session.

The Company's managers took part in the following corporate governance courses:

Title	Name	Organizer	Course title	Number of training hours
Assistant Vice President of the Financial Operations Office	Hui-Ping Chuang	Taiwan Stock Exchange	2025 Cathay Sustainable Financial and Climate Change Summit.	6
		Chinese National Association of Industry and Commerce	2025 Taishin Taishin Shin Kong Net-Zero Summit.	3
		Securities & Futures Institute	2025 Insider Trading Prevention Conference.	3
Chief Accounting Officer	Chun-Hsiang Hsieh	Accounting Research and Development Foundation	Workshop on Sustainable Information Compilation and Reporting Practices.	6
		Accounting Research and Development Foundation	The latest revision of the "Guidelines for Establishing Internal Control Systems" and the practical compliance with internal audit and internal control laws and regulations related to financial report preparation.	6
Acting accounting officer	Chao-Yuan Cheng	Accounting Research and Development Foundation	Issuers, Securities Dealers, Stock Exchanges, Accounting Supervisors Continuing Education Course, Professional Training Course.	12
The chief internal audit officer	Ya-Ling Tai	The Institute of Internal Auditors	Production Cycle Practices and Auditing Focus.	6
		The Institute of Internal Auditors	How to leverage big data to enhance auditing operations.	6
Acting chief internal audit officer	Shu-E Hsiao	The Institute of Internal Auditors	Analysis of Sustainability Reports and Auditing of Sustainability Information.	6
		The Institute of Internal Auditors	Audit Ethics and Professional Choices in the AI Era: Technological Risks, Ethical Dilemmas, and New Governance Challenges.	6

3. Personnel related to financial information transparency have obtained relevant certificates and licenses designated by the competent authority:

Certified Internal Auditor: 1.

4. Retirement system and its implementation

The Company applies the new retirement scheme to all employees, meaning that the Company makes a monthly pension contribution equal to 6% of an employee's monthly salary to the employee's personal account with the Bureau of Labor Insurance, so that the employee can withdraw the pension after certain years of service, after reaching certain age, or after satisfying other requirements set forth in the Labor Standards Act.

5. Labor-management agreements and measures for preserving employees' rights and interests

The relationship between the Company's labor and management has always been amicable. The labor and management act by the employment contract, Work Rules and various management regulations, the content of which clearly stipulates the rights and obligations of, and welfare items for, employees to protect their interests. By holding regular meetings between workers and managers, the two parties can find common ground, which will lead to a smooth promotion of the work.

(II) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor disputes, and disclosing an estimate of possible expenses that could be incurred currently in

the future, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

VI. Cyber security management

(I) Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management.

1. Cyber security risk management framework

Acting by Articles 8 and 9 of the Governing Regulations for Public Company's Establishment of Internal Control System, the Company has put in place regulations for personal data protection and for control of computerized information system. The IT Office has the responsibility of promoting the management of information security to ensure the security of data, systems, equipment, and networks, and the protection of users' rights and interests and interests, and regularly reporting to the board of directors on the Company's information security governance situation.

The Company's Audit Office is the department responsible for auditing information security. If the audit finds any deficiencies, the auditee will be required to immediately propose the appropriate improvement plan and specific action and the results of the improvement will be monitored regularly in order to reduce the internal security risks of information security.

2. Cyber-security policy

The information security policy is based on three elements: regulation of the system, application of information technology, and training and education of personnel. Information security risk incidents are actively reported by using information technology according to the internal information security management system. In addition, education and training are carried out to comprehensively improve the information security awareness of colleagues.

3. Specific management plan and resources invested in information security management

(1) Access management

- A. Administration and auditing of personnel account access.
- B. An annual review of personnel account access is conducted.

(2) Access control

- A. To prevent internal access to the system and the leakage of data, and to establish a stricter control of the account authority, the passwords must be changed at least once every 90 days in line with the complexity principle.
- B. User behavior trajectory record and analysis
- C. Implement a supplementary firewall system to prevent malicious access.

(3) External threats

- A. Develops an AI-based endpoint security solution for the server.
- B. The RDP function is disabled on important servers and the connection method that requires authentication is used..

(4) Application system

- A. Construct the server in a virtualized backup configuration.
- B. Data backup and system backup mechanism
- C. Tape off-site backup
- D. A Disk to Disk to Tape backup method is used to safeguard data.
- E. Annually scheduled disaster recovery drills

(5) Mail system

- A. Update email software and anti-phishing mechanism.
- B. Establish a web-based email multi-factor authentication method.
- C. Establishment of the POP3 authentication mechanism.

(6) Employees publicity and check

- A. Regular monthly information security report and concept dissemination
- B. Control the installation and use of personal computers software and create a legal software list to prevent the use of unauthorized software
- C. Conduct a company-wide vulnerability scan to identify risky computers

To sum up, in view of the new type of information security threats such as ransom-ware, social network attacks, e-mail fraud, etc. are increasing day by day, the Company establishes "Information Security Management Regulations", installs information security management equipment, and

implements backups; it also provides training in information security in order to improve the awareness of information security of all employees, and to significantly improve the protection of information security. To improve information security, the Company expects itself to spend NT\$833,000 for new installation/update of related protection software in 2024.

(II) List any losses suffered by the company in the most recent year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken.

1. At present, the Company does not have any major information security incident that has caused business damage.
2. Continue to implement information security management policy goals, and regularly implement recovery drills to protect the security of the Company's important systems and data.

VII. Important contract

Nature of contracts	Parties involved	Contract start and end date	Main contents	Restrictive covenants
Land lease	Central Taiwan Science Park Bureau, National Science Council, the Executive Yuan	2026/01/01~2030/12/31	Lease of the factory land in Huwei Park from others	-
Building lease	Mosa Safety System Corp.	2026/01/01~2030/12/31	Lease of factory buildings and offices in Huwei Park to others	-
Credit contract	Taiwan Cooperative Bank Nankan Branch	2018/11/12~2032/11/12	Long-term secured line of credit	-
Credit contract	Taiwan Cooperative Bank Nankan Branch	2023/03/15~2029/03/15	Medium-term secured line of credit	-
Procurement contract	A domestic gas company	2024/11/21~2026/11/20	Purchase of liquid nitrous oxide gas	Supply adequacy agreement

Five. Review and Analysis of the Financial Position and Financial Performance, and Risks

I. Financial position

Unit: NT\$ Thousand

Item \ Year	2024	2025	Difference	
			amount	%
Current asset	1,765,077	1,596,302	-168,775	-9.56
Property, plant and equipment	4,255,468	3,908,423	-347,045	-8.16
right-of-use asset	1,023,920	1,000,095	-23,825	-2.33
Intangible assets	3,201	2,740	-461	-14.40
Other assets	125,560	123,404	-2,156	-1.72
Total assets	7,173,226	6,630,964	-542,262	-7.56
Current liabilities	716,012	1,031,640	315,628	44.08
non-current liabilities	2,497,593	1,481,824	-1,015,769	-40.67
Total liabilities	3,213,605	2,513,464	-700,141	-21.79
Share capital	2,027,883	2,327,883	300,000	14.79
Additional paid-in capital	2,086,402	2,210,846	124,444	5.96
Retained earnings	-150,296	-416,538	-266,242	177.15
Other equity	-4,368	-4,691	-323	7.39
Total equity	3,959,621	4,117,500	157,879	3.99
Reason for the change: (for the change that is more than 20% and more than NT\$10 million):				
Increase in current liabilities: Due to the bonds payable will be transferred from non-current liabilities to current liabilities in 2025.				
Decrease in non-current liabilities: Due to the cash capital increase in 2025 to repay long-term bank loans and the transfer of bonds payable to current liabilities.				
Decrease in Total liabilities: Due to a decrease in bank loans in 2025.				
Decrease in retained earnings: Due to the legal reserves decreased and net loss after tax increased in 2025.				

II. Financial Performance

(I) Comparative profit and loss statement for the last two years

Unit: NT\$ Thousand

Item \ Year	2024	2025	Increase (Decrease)	Percentage Change (%)
Operating revenue	1,144,554	1,102,016	-42,538	-3.72
Operating cost	1,338,328	1,325,707	-12,621	-0.94
Gross loss	-193,774	-223,691	-29,917	15.44
Operating expenses	154,981	153,335	-1,646	-1.06
Net operating loss	-348,755	-377,026	-28,271	8.11
Non-operating income and expenses	-14,475	-43,604	-29,129	201.24
Net loss before tax	-363,230	-420,630	-57,400	15.80
Income tax expense(profit)	-10,180	547	10,727	-105.37
Net loss of the current period	-353,050	-421,177	-68,127	19.30
Total other comprehensive income for the period	271	-323	-594	-219.19
Total comprehensive income for this period	-352,779	-421,500	-68,721	19.48
Reason for the change: (for the change that is more than 20% and more than NT\$10 million):				
1. Increase in non-operating income and expenses: Due to the increase in net foreign exchange losses in 2025.				
2. Decrease in income tax gains: Due to the recognition of income tax benefits from prior year income tax adjustments in 2024 and the increase in unrecognized loss deductions in 2025.				

(II) a sales volume forecast and the basis therefor, and describe the effect upon the company's financial operations as well as measures to be taken in response.

The expected volume of sales of the Company is estimated on the basis of its business plan and forecast of the market demand, the competition situation in the industry, and the assessment of business prospects of major clients. The Company will invest in the improvement of technology, improve the quality of its products, increase the coverage of its customers, and expand its share of the market.

III. Cash flow

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

Unit: NT\$ Thousand

Item \ Year	2025	Analysis
Net cash inflows from operating activities	98,867	Mainly due to the increase in cash inflows generated by the net changes in notes receivable and accounts receivable in 2025, which led to cash inflows from operating activities.
Net cash outflows from investing activities	-24,935	Mainly due to increase in guarantee deposits paid and the cash outflow for purchasing equipment in 2025.
Net cash outflows from financing activities	-106,021	Mainly due to the repayment of bank loans in 2025.

(II) Improvement plan for insufficient liquidity: The Company has not had a lack of cash flow in recent years.

(III) Cash liquidity analysis for the next year (2026)

Unit: NT\$ Thousand

Cash, opening balance (1)	Estimated net cash flows from operating activities (2)	Estimated net cash flows from investing activities (3)	Estimated net cash flows from financing activities (4)	Cash surplus (deficiency) amount (1)+(2)+(3)+(4)	Remedy for estimated cash shortfalls	
					Investment plan	Financial plan
739,833	-82,168	-9,495	-75,338	572,832	—	—
1. Analysis of cash flow changes for the coming year: Operating activities: Mainly due to cash outflows from operating activities. Investing activities: Mainly due to expenses on replacement of equipment. Financing activities: Mainly due to repayment of bank loans. 2. Remedy measures for expected insufficient cash flows, and liquidity analysis: Not applicable.						

IV. Effect of major capital expenditures on finance and business matters in the most recent year: None.

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

(I) The Company's reinvestment policy

The Company's management team makes indirect investment based on factors such as operational growth needs or diversified operations. It carries out an detailed assessment of investees for organization type, investment purpose, location, market conditions, business development, shareholding ratio, reference price, and financial status. The assessment results are incorporated into recommendations for investment analysis to provide a basis for decision-makers make investment decisions. In addition, it keeps a close eye on the operation of investees and evaluates its performance in the investees. This is to provide the management team and decision-makers with the opportunity to evaluate post-investment management.

(II). The main reasons for profit or loss in the most recent year, improvement plan, and investment plan for the coming year

Unit: NT\$1,000 and thousands of foreign currencies

Investees	Percentage of shares held	Investment profit or loss in 2025	Main reasons for profit or loss	Remedial plan	Investment plans for the coming year
Mosa Safety System Corp.	100%	-33,098	The loss due to a decline in product unit price and exchange losses.	Continuously develop new products and new customers.	None

YUAN LIN INVESTMENT CO.,LTD	100%	-11,225	Due to recognizing losses from investments in affiliated companies.	The same improvement plan of the investee company.	None
Yuan Lin Precision Metal Products (Shanghai) Co., Ltd.	100%	-10,800 (US -326)	Due to decline in average unit sale price arising from market competition.	Continuously develop new products and new customers.	None
Maoqiang Technology Co., Ltd.	25%	(128)	Still in the developmental stage, operations have not reached scale.	Develop corporate expansion tactics to optimize operations.	None

VI. Analysis and assessment of risks in the most recent year and in the current year up to the publication date of the annual report

- (I) The effect upon the company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future

1. Interest rate

Unit: In NT\$ thousand; %		
Item\Year	2024	2025
Interest Income	7,082	4,773
Interest expenses	58,549	47,374
Net operating revenue	1,144,554	1,102,016
(Interest Expenses - Interest Income)/Net Operating Income (%)	4.50%	3.87%

Source: Financial report audited and certified by CPAs

In 2024 and 2025, the Company's net interest income and expense accounted for 4.50% and 3.87% of the net operating income, respectively. The decrease in interest expense in 2025 was mainly due to the repayment of bank loans, which led to a decrease in the ratio of net interest income and expense to net operating income. Although market interest rates fluctuated, the financing interest incurred by the Company from borrowing from financial institutions for operational needs did not have a significant impact. Based on a sound and conservative financial foundation, the Company maintains close contact with its banks and continuously monitors changes in market interest rates to reduce the impact of interest rate changes on the Company's profit and loss.

2. Exchange rate

Unit: In NT\$ thousand; %		
Item\Year	2024	2025
Net exchange (loss) gain	24,773	(9,455)
Net operating revenue	1,144,554	1,102,016
Net exchange (loss) loss/net operating income (%)	2.16%	(0.86%)

Source: Financial report audited and certified by CPAs

The Company had an exchange gain of NT\$24,773 thousand in 2024 and an exchange loss of NT\$9,455 thousand in 2025, accounting for 2.16% and (0.86%), respectively, of the net operating income of the respective period. The Company's purchases are mainly denominated in TWD and sales in CNY, USD, or EUR. Therefore, changes in the exchange rate of TWD against CNY, USD, or EUR will have certain impact. The Company maintain a foreign currency asset in a amount sufficient to satisfy foreign currency demand, and continuously monitors the global macro economic situation and exchange rates, in order to take appropriate hedging measures to reduce the risks of the fluctuations in exchange rates.

3. Inflation

Over the past few years, inflation has been an issue in both domestic and international markets. Inflationary pressures resulted in a relative change in the cost of the product, the price of the product, and the demand of the market. To counterbalance the adverse consequences of high inflation, the company is ceaselessly working to slash multiple expenses to bolster its competitive edge; it also strives to improve

product quality and value, closely attends to changes in market demand and raw materials price, and, when necessary, appropriate planning for the timing of procurement and safety stock levels to cushion the impact of inflation on operations.

- (II) The company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future.
1. In the most recent year and in the current year up to the publication date of the annual report, the Company has focused on its business operations, and has not engaged in high-risk, high-leverage investments, or derivative trading.
 2. In the most recent year and in the current year up to the publication date of the annual report, the Company provided endorsement and guarantee for a credit line taken out by a subsidiary from a bank; in addition, subsidiaries loaned of funds to one another for purpose of obtaining working capital. Except for that, the Company and subsidiaries did not provide or receive endorsement or guarantee or loaning of funds to/from other companies. The Company and its subsidiaries loan funds and provide endorsements by the "Procedures for Making Endorsements and Guarantees" and "Procedures for Extending Loans to Others", and therefore did not cause any significant impact on the profit or loss of the financial statements.

- (III) Research and development work to be carried out in the future, and further expenditures expected for research and development work

1. Future R&D plans

The Company is actively seeking and recruiting top-tier R&D talent. The Company is committed not only to improving product quality to meet the requirements of international laws and regulations and obtaining certification, but also enhancing product design and development capabilities and improving process and quality. The future development plans include the design and production of various gas generators for high-pressure gas cylinders, temperature-controlled products, airbags, and wearable protective devices, tailored for industries such as food service, firefighting, and healthcare. These innovations aim to meet customer demands, enhance product value, and strengthen the company's competitiveness.

2. Estimated research and development expenses

The research and development expenses invested in 2025 totaled NT\$42,470 thousand, accounting for 3.85% of operating income. The estimated research and development expenses in 2026 were about NT\$58,287 thousand.

- (IV) Effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response

The Company and its subsidiaries conduct business by law. As of the publication date of the annual report, the Company and subsidiaries did not experience any important domestic and foreign policy and legal changes that affect their finances and business. In the future the Company will always attend to the developments in domestic and international policy and the changes in the regulatory system, consult the relevant professionals, and collect the relevant information in order to make a decision at the level of the management. This allows the Company to adapt to the changing market environment and to adapt its relevant operational strategies in time.

- (V) Effect on the company's financial operations of developments in science and technology (including cyber security risks) as well as industrial change, and measures to be taken in response:

The Company and its subsidiaries continue their efforts to keep an eye on the technological developments and the evolution of the industry where we are situated, and to understand the trends in the industry. By continuously upgrading our research and development capacities, capitalizing on market openings, and proactively introducing new products and customers, we are able to secure our market competitiveness. In addition, in the light of the frequent cyber-attacks and the recent ransomware incidents, we are particularly concerned about the protection and control of the risks associated with information security. In addition to purchasing new information security equipment every year to enhance the Company's information security, we also regular review our information security policy. By holding awareness sessions for employees, we are able to improve their awareness of information security. Therefore, as of the publication date of the annual report, there have been no major technological and industrial changes that have a major impact on the Company's financial or business affairs.

- (VI) Effect of changes in corporate image on corporate crisis management, and measures to be taken in response

Since its inception, the Company has adhered to a sustainable management concept; it actively improves the internal management, continuously enhances the management of the operation and the quality of the product service, and ensures that the best customer service is provided in time. Every worker puts in their utmost effort in order to achieve the planned profits, thereby meeting their obligations to all investors. In the future, the Company and its subsidiaries will continue to work with its subsidiaries to improve the quality of its products and services, maintain the consistent good image of the company, and strengthen our position within the industry. The Company takes proactive steps to manage crises and address different irregularities to reduce potential hazards. As of the publication date of the annual report, the Company did not experience any change in corporate image that has resulted in a corporate crisis.

- (VII) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken:

In the most recent year and in the current year up to the publication date of this annual report, the Company did not have any plan of merger and acquisition of other companies. Should needs arise in the future, we will carefully evaluate the merger benefits to ensure the interests of shareholders.

- (VIII) Expected benefits and possible risks associated with any expansion of plants, and mitigation measures being or to be taken:

In the most recent year and in the current year up to the publication date of this annual report, the Company did not expand its plant.

- (IX) Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken.

1. Concentrated purchase

The main raw material procurement items of the Company and its subsidiaries are cold-rolled steel coils, N₂O gas, igniters and seamless steel pipes. The cold rolled steel sheets required for production are purchased from China Steel Corporation centrally; this is due in part to the nature of the sector and the market demand and supply conditions of the market. The Company keeps an appropriate safety stock of cold-rolled steel sheets to cope with rainy days. Except for cold-rolled steel coils, the Company has multiple suppliers for its other key materials. The majority of the key vendors are long-term, mutually beneficial, and interdependent alliances. We build mutual trust and reap mutual benefits to ensure a steady stream of product supply. Therefore, although the Company is exposed to the risk of excessively concentrated purchase, it has formulated appropriate and feasible measures, which would be effective in reducing the risk associated with the concentration of material supplies.

2. Concentration of sales

The sales amount of the Company and its subsidiaries to the largest sales customer accounted for 51.99% and 56.10% of the net revenue in 2024 and 2025 respectively, so the Company was exposed to the risk of excessive concentration of sales. The Company maintains a good interaction with the largest sales customer; besides, by leveraging its stable product quality, accurate and flexible delivery, and comprehensive services, it helps the customer in expanding the market, in the hope of further stabilizing the cooperation between the parties and the development of new products and services. With the Company gaining market share in the future, its dependence on a single customer should be effectively reduced, and the risk of sales concentration can be avoided.

- (X). Effect upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10% stake in the company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken.

The Company does not have a major shareholder holding more than 10% of the shares. In the most recent year and in the current year up to the publication date of the annual report, there has been no substantial transfer or replacement of shares by the Company's directors.

- (XI) Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken

The Company's managerial level is secure. In the most recent year and in the current year up to the publication date of the annual report, there has been no change in management rights.

(XII) Litigious and non-litigious matters.

1. In 2025 and as of the date of publication of the annual report, disputes of the company 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 as of the date of publication of the annual report: None.
2. In 2025 and as of the date of publication of the annual report, disputes of any company director, any company supervisor, the general manager, 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, 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 as of the date of publication of the annual report: None.

(XIII) Other important risks, and mitigation measures being or to be taken: None.

VII. Other important matters: None.

Six. Special notes

I. Information on affiliates:

Please refer to the Market Observation Post System (https://mopsov.twse.com.tw/mops/web/t57sb01_q10). Then, enter the company's stock code (or short name) to search.

II. Private placement of marketable securities in the most recent year and the current year up till the publication date of this annual report:

Please refer to the Market Observation Post System (<https://mops.twse.com.tw/mops/#/web/t116sb01>). Then, enter the company's stock code (or short name) to search.

III. Other matters that require additional explanation: None.

Seven. Whether any of the situations listed in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, have occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.

Mosa Industrial Corporation

Chairman: The-Hsin Wang