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# **KENMEC MECHANICAL ENGINEERING CO., LTD.**

## **2024 Annual Report**

**Printed on April 18, 2025**

*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.*

## I. Information of spokesperson and deputy spokesperson

	Spokesperson	Deputy Spokesperson
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Title	President	Director
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## II. Headquarters, Branches & Plants

### 1. Headquarters

Registered Address : No. 69, Ting Ping Road, Juifang Industrial Zone, Juifang Township, Taipei County 224, Taiwan

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### 2. Branches : None

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## III. Common Share Transfer Agent and Registrar

President Securities Corporation

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## IV. Auditors

Deloitte & Touche

Auditors : Meng-Kuei Yu, CPA 、Li-Huang Li, CPA

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## V. Overseas Securities Exchange : None

## VI. Corporate Website : <https://www.kenmec.com>

# KENMEC MECHANICAL ENGINEERING CO., LTD.

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# I. Letter to Shareholders

## 1. 2024 business results

It has been 48 years since the founding of the Company in 1976. Last year, despite drastic changes in the global economy, all employees of the Company managed to keep up their hard work. In 2024, the consolidated operating revenue was NTD 2,697,025 thousand, a decrease of NTD (2,854,465) thousand from 2023. The consolidated net loss before tax was NTD (615,067) thousand, a significant decrease of NTD (1,369,411) from 2023, which was mainly due to operating losses from profits of a subsidiary. The operating performance of 2024 is summarized as follows:

### (1) Business plan and implementation

Unit: NTD thousand

Item	2024		2023		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Operating income	2,697,025	100.0	5,551,490	100.0	(2,854,465)	(51.4)
Gross profit from operations	476,638	17.7	1,149,322	20.7	(672,684)	(58.5)
Operating loss	(710,897)	(26.4)	(94,096)	(1.7)	(616,801)	655.5
Net profit before tax	(615,067)	(22.8)	754,344	13.6	(1,369,411)	(181.5)

### (2) Status of budget implementation

The Company was not required to disclose its financial forecast in 2024.

### (3) Revenues, expenses, and profitability analysis

Unit: NTD thousand

		2024	2023	% of increase (decrease)
Revenues and expenses	Operating revenue	2,697,025	5,551,490	(51.4)
	Operating gross profit	476,638	1,149,322	(58.5)
	Net profit before tax	(615,067)	754,344	(181.5)
Profitability	Return on assets	(4.89)	6.07	(180.6)
	Return on equity (%)	(11.09)	11.46	(196.8)
	Ratio to paid-up capital (%)	Operating profit	(3.78)	626.3
		Net income before tax	30.29	(178.4)
	Net profit margin (%)		11.65	(304.9)
	EPS (NTD)		3.20	(117.5)

### (4) Performance in research and development

As one of the few professional companies in Taiwan with turnkey integration of automated logistics systems, the Company possesses over 40 years of rich experience and has nearly 100 expert technical engineers. Our great R&D team has continued to put efforts into R&D and innovation to keep maximizing benefits for the Company and shareholders.

In light of the rapidly changing market demands and the increasing quality needs of customers, the Company must specifically focus on R&D in response to changes in market demands.

Our future R&D projects include the following:

- A. Continuing research on and improvement of the current product quality to keep the Company ahead of its competitors.
- B. Enhancing process automation to increase productivity and reduce costs.

To sum up, the Company has gained recognition by its peers and trust from its customers in terms of industry, profitability, production and R&D technologies. In the future, the Company and its staff will

strive to use every business opportunity to maximize profits for shareholders amid an environment of constantly changing market competition.

## **2. Summary of the business plan for 2025**

### **(1) Operational guidelines**

- A. To continue to achieve the purpose of the Company's business philosophy "prosperous company, happy employees", and to combine the existing technology area "protect the earth, benefit people, develop green products", we make every effort to increase product competitiveness while creating social and economic prosperity.
- B. Implement international quality certifications to achieve a win-win situation for both the Company and the customer.
- C. Integrate ERP (Enterprise Resource Planning) system into MES (Manufacturing Execution System) and DIS (Decision Information System) to automatically send important information by email on a periodic basis, strengthen the Company's intranet site in the hope to achieve the Company's overall management information, transparency, and allow costs to be more precise and real-time. The Company's intranet site will also serve as an analysis management tool for decision makers.

### **(2) Expected sales volume and its basis**

The Company's expected business goals for major products for 2025 include: semiconductor (especially third-generation semiconductor) automation equipment, logistics automation equipment, public construction, liquid cooling and heat dissipation system equipment and smart automation equipment. As the integration of automation systems is designed according to the customer's demand, each system will require different parts; hence, there is no point in calculating the quantity.

### **(3) Key marketing policies**

- A. Our products are manufactured once we receive orders, and we plan the operating procedures of the automation system for logistics according to the industry that the customer operates in as well as the product's characteristics.
- B. We continue to carry out our quality management policy and personnel autonomy inspection, while strengthening the quality inspection and quality statistics analysis of all stages which will serve as the quality reference for similar projects.
- C. Implement the analysis and review of production completion, hoping that, by doing so, the design planning and manufacturing skills of our employees will be enhanced.
- D. Develop potential customers, while at the same time continuing to expand our international marketing base and overseas distributors to form an international distribution network to increase market share.
- E. Strengthen KENMEC's own quality, cultivate its unique design and manufacturing capabilities to increase competitiveness and expand into the international market.
- F. Adhere to our ongoing effort to develop integrated computer management system and decision support analysis system.

## **3. Future development strategy**

- Expand our overseas market with determination.
- Dedicate ourselves to developing in the market of smart automation equipment and automatic equipment for logistics.
- A. Costs are effectively controlled, analyzed and reviewed in a timely manner to insist on reducing manufacturing costs.
- B. Continue to keep up with international standards and quality. By doing this, not only are total solutions provided to customers, but we can also meet the market trends.

#### **4. The impact among the environments of external competition, legal ambiance, and overall business operations**

Automation system vendors in Taiwan have their own areas of expertise, and to address the demand for improving the production performance and stabilizing product quality, the demand for automated logistics systems in many industries continues to increase. The Company's customer base lies in the automation with its customers in electronics, information, electrical and mechanical, automotive, petrochemical, textile, food, agricultural and public works industries. Over the years, we have accumulated extensive experience in various professional projects and excellent project performance and have delivered excellent results with our high degree of productivity and competitiveness. Given that we have an extensive range of customers, we are therefore not affected by the recession of certain industries.

**KENMEC MECHANICAL ENGINEERING CO., LTD.**

**Chairman  
CHING-FU HSIEH**

## II. Corporate Governance Report

### 1. Information concerning directors, the president, vice presidents, assistant vice presidents, and department and branch managers

#### (1) Information on directors

March 31, 2025

March 31, 2022

Title	Nationality or Record of Birth	Name	Gender Age	Date elected	Term (years)	Date first elected	Shareholding when elected		Current shareholding		Shareholdings of spouse and underage children		Shares held by proxy		Main career (academic) achievements	Concurrent position in the Company and in other companies	Spouse or second-degree relative acting as directors, supervisors, or department heads			
							Share	%	Share	%	Share	%	Share	%			Title	Name	Relationship	
Chairman	Taiwan	CHING-FU HSIEH	Male 73 years old	2022.06.24	3	2002.01.23	24,079,707	9.67	14,267,707	5.51	10,130,345	3.91	20,242,541	7.82	EMBA, National Chengchi University Graduated from the Department of Drawing, Taipei Municipal Da-An Vocational High School; designer, Combined Logistics Command depot Salesman of Ye Niu Industrial Co., Ltd.	1. Chairman of Long-Zi Industrial Co., Ltd. 2. Chairman of Shun-Cheng Investment Co., Ltd. 3. Chairman of Shun-Zhong Investment Co., Ltd. 4. Chairman of Tainergy Tech. Co., Ltd. 5. Chairman and president of Tainergy Technology (Kunshan) Co., Ltd. 6. Chairman of KENMEC MECHA-TRONICS (SUZHOU) CO., LTD. 7. Chairman of KENMEC TECHNOLOGY (SUZHOU) CO., LTD. 8. Chairman of KENMEC International Holding (BVI) Co., Ltd. 9. Chairman of KENMEC Communication Holding (BVI) Co., Ltd. 10. Chairman of TAINERGY TECH HOLDING (SAMOA) CO., LTD. 11. Director of KENMEC VIETNAM COMPANY LIMITED 12. Chairman of Shun-Zhong Assets Management Co., Ltd. 13. Chairman of Ming-Xuan Development Co., Ltd. 14. Chairman of Cheng-Feng Assets Management Co., Ltd. 15. Chairman and president of Kentec Inc. 16. Chairman of Wei Shin Investment CO., LTD. 17. Chairman of KENMEC AUTOMATION ENGINEERING (KUNSHAN) 18. Chairman and president of Kunshan SENSIC Electronic Materials Co., Ltd. 19. Chairman of Ming-Xuan Investment Co., Ltd. 20. Chairman and president of Suzhou KENMEC Property Development Ltd. 21. Director of TAISIC MATERIALS CO. 22. Director of VIETNERGY COMPANY LIMITED	Director and Special assistant at the Chairman Office/CEO of Automation Business Group/Vice President of Automation Business Group		YUEH-CHEN LIN/MING-KAI HSIEH/MING-CHIH HSIEH	Spouse/ Father-son/ Father-son



Title	Nationality or Record of Birth	Name	Gender Age	Date elected	Term (years)	Date first elected	Shareholding when elected		Current shareholding		Shareholdings of spouse and underage children		Shares held by proxy		Main career (academic) achievements	Concurrent position in the Company and in other companies	Spouse or second-degree relative acting as directors, supervisors, or department heads		
							Share	%	Share	%	Share	%	Share	%			Title	Name	Relation
Director	Taiwan	YUEH-CHEN LIN	Female 69 years old	2022.06.24	3	2004.06.10	18,181,345	7.30	10,130,345	3.91	14,267,707	5.51	0	0	Graduated from Hujiang Senior High School  Accountant, Manager, Deputy GM, GM Special Assistant, and GM of Operations Center at Kenmec Mechanical Engineering Co., Ltd.	1. Chairman of Chieh Yi Co., Ltd. 2. Director of Shun-Cheng Investment Co., Ltd. 3. Director of Shun-Zhong Investment Co., Ltd. 4. Supervisor of Chung Shih Consulting Co., Ltd. 5. Director of Samoan Rui Shi Co., Ltd. 6. Director of KENMEC MECHA-TRONICS (SUZHOU) CO., LTD. 7. Director of KENMEC TECHNOLOGY (SUZHOU) CO., LTD. 8. Special assistant at the Chairman Office of KENMEC Mechanical Engineering Co., Ltd. 9. Supervisor of Tainergy Technology (Kunshan) Co., Ltd. 10. Director of Ming-Xuan Investment Co., Ltd. 11. Director of Cheng-Feng Assets Management Co., Ltd. 12. Director of Ming-Xuan Development Co., Ltd. 13. Director of Shun-Zhong Assets Management Co., Ltd. 14. Supervisor of Chairman of Wei Shin Investment CO., LTD.	Chairman/CEO of Automation Business Group/Vice President of Automation Business Group	CHING-FU HSIEH/MING-KAI HSIEH/MING-CHIH HSIEH	Spouse/Mother-son/Mother-son
Corporate director	Taiwan	Shun-Zhong Investment Co., Ltd.	-	2022.06.24	3	2016.06.30	193,084	0.08	366,491	0.14	-	-	-	-	None	None	None	None	None
Corporate director representative	Taiwan	MING-KAI HSIEH	Male 48 years old	2022.06.24	3	2019.06.25	-	-	2,196,346	0.85	8,032	0.00	0	0	Master, Business Administration, National Chengchi University Master, Nankai Institute Of Economics, China	1. Corporate director representative Tainergy Technology (Kunshan) Co., LTD. 2. Director of Kentec Inc. 3. CEO of the Automation Business Group at KENMEC MECHANICAL ENGINEERING CO., LTD. 4. Corporate director representative of Star Solar New Energy Co., Ltd. 5. Supervisor of TKT CORPORATION 6. Remuneration Committee member of Visual Photonics Epitaxy Co., Ltd. 7. Chairman of TAISIC MATERIALS CO. 8. Chairman of Jui Hsuan Investment Co., Ltd. 9. Chairman of Chief Global Logistics Co., Ltd. 10. Chairman of Kenmec Construction Co., Ltd. 11. Chairman of TAI VISION CO., LTD.	Chairman/Director and Special assistant at the Chairman Office/Vice President of Automation Business Group	CHING-FU HSIEH/YUEH-CHEN LIN/MING-CHIH HSIEH	Father-son Mother-son Brothers

Title	Nationality or Record of Birth	Name	Gender Age	Date elected	Term (years)	Date first elected	Shareholding when elected		Current shareholding		Shareholdings of spouse and underage children		Shares held by proxy		Main career (academic) achievements	Concurrent position in the Company and in other companies	Spouse or second-degree relative acting as directors, supervisors, or department heads		
							Share	%	Share	%	Share	%	Share	%			Title	Name	Relation
Independent director	Taiwan	YI-YU LI	Male 69 years old	2022.06.24	3	2022.06.24	-	-	-	-	-	-	-	-	Doctorate, Kansas State University, USA Retired Associate Professor, Business Administration Department, National Chengchi University (2021/8/1) Independent director/Risk Committee member of South China Insurance Independent director/Remuneration Committee convener of Celxpert Energy Corporation Independent director/Remuneration Committee convener of Eversol Corporation	1. Independent Director, Concord Corporation 2. Independent Director, Ruentex Energy Co., Ltd. 3. Independent Director, Songchuan Precision Co., Ltd.	None	None	None
Independent director	Taiwan	CHU-JU PENG	Female 60 years old	2022.06.24	3	2022.06.24	-	-	-	-	-	-	-	-	Doctor of Business Administration, National Chengchi University Professor, Business Administration Department, National Chengchi University Director, College of Business Administration, National Chengchi University Chair, Business Administration Department, National Chengchi University Associate Dean, College of Commerce, National Chengchi University Director, PERDO Office, College of Commerce, National Chengchi University Member and Convener, Financial Supervisory Committee, National Chengchi University Center for Business Performance, Cranfield University, UK, Visiting Professor	Professor, Business Administration Department, National Chengchi University	None	None	None

Title	Nationality or Record of Birth	Name	Gender Age	Date elected	Term (years)	Date first elected	Shareholding when elected		Current shareholding		Shareholdings of spouse and underage children		Shares held by proxy		Main career (academic) achievements	Concurrent position in the Company and in other companies	Spouse or second-degree relative acting as directors, supervisors, or department heads		
							Share	%	Share	%	Share	%	Share	%			Title	Name	Relation
Independent director	Taiwan	CHIEN-CHOU CHU	Male 51 years old	2022.06.24	3	2008.6.19	-	-	-	-	-	-	-	-	The Department and Graduate Institute of Accounting Department of Shipping and Transportation Management, Ocean University Passed the Taiwan's CPA examination Passed the internal auditor examination; accountant of Chen-Hsin Accounting Firm Accountant of Da-Ding Accounting Firm Financial manager of Biotop Technology Co., Ltd. Head of the Audit Department, Deloitte & Touche	1. Accountant of ITrust Certified Public Accounting firm 2. Independent Director of Lungtech, Co., Ltd. 3. Independent Director of Taiwan Shin Kong Security Co., Ltd. 4. Independent Director, Her-Jen Technology Co., Ltd.	None	None	None

Note: Where the chairperson of the Board of Directors and the president or person of an equivalent post (the highest level managerial officer) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason, reasonableness, necessity thereof, and the measures adopted in response thereto (for example: method of increasing the number of independent directors with a majority of the directors not serving as an employee or managerial officer).

#### Major shareholders of corporate shareholders:

Names of corporate shareholders	Major shareholders of corporate shareholders	Shareholding ratio
Shun-Zhong Investment Co., Ltd.	Ming-Xuan Investment Co., Ltd.	100%

Note 1: If the Director or Supervisor is the representative of a corporate shareholder, please fill in the name of the corporate shareholder.

Note 2: Please fill in the name of the major shareholder of the corporate shareholder (top 10 in shareholding) and the shareholding ratio. If the major shareholder is a corporate entity, please complete the table below.

Note 3: If a corporate shareholder is not a corporate organization, the name of the shareholder and the shareholding ratio disclosed in the preceding paragraph shall be the name of the contributor or donor and the ratio of contribution or contribution.

#### If a major shareholder of corporate shareholders is the representative of corporate shareholders:

Names of corporate shareholders	Major shareholders of corporate shareholders	Shareholding ratio
Ming-Xuan Investment Co., Ltd.	CHOU-HUANG PAI	29.98%
	TUNG-HSUEH HUNG	10.02%
	Ming-Kai Investment Co., Ltd.	60.00%

Names of corporate shareholders	Major shareholders of corporate shareholders	Shareholding ratio
Ming-Kai Investment Co., Ltd.	Kai-Xuan Investment Co., Ltd.	100%

Names of Corporate entities	Major shareholders of corporate entities	Shareholding ratio
Kai-Xuan Investment Co., Ltd.	MING-KAI HSIEH	33.33%
	MING-CHIH HSIEH	33.33%
	CHIAO-AN HSIEH	33.33%

#### A. Information on professional qualifications of directors and independence of independent directors

The Company promotes and respects a policy of the diversity for directors. As a means to strengthen corporate governance while promoting the sound development of the Board's composition and structure, we believe diversity guidelines help improve the Company's overall performance. The principle for the selection of the Board members is based on their professionalism and dedication, including the basic composition (e.g., age, gender, nationality) and their respective industrial experience and related skills (e.g., mechanical, engineering, financial accounting), as well as their ability in business judgment, management, leadership in decision-making, and crisis management.

Qualifications  Name	Basic composition								Industrial experience			Professional competence		State of independence (Note)	Number of public companies in which concurrently serves as an independent director		
	Nationality	Gender	With employee status	Age				Years of service of independent directors		Business and supply	Mechanical and engineering	Financial affairs and finance	Financial affairs			Risk management	
				40-50 years old	51-60 years old	61-70 years old	71-80 years old	0-3 years	Over 9 years								
CHING-FU HSIEH	Taiwan	Male	V				V			V	V			V	The Company has 6 directors, including 4 male directors and 2 female director. All directors are Taiwanese, with an average age of 62 years. Of these directors, 3 are independent directors, accounting for 50.00% of the Board of Directors. There were no circumstances specified in Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act (a spouse or second-degree relative between directors)	0	
YUEH-CHEN LIN		Female	V			V						V	V			0	
Legal representative of Shun-Zhong Investment Co., Ltd. – MING-KAI HSIEH		Male	V	V							V					V	1
YI-YU LI		Male				V		V		V		V	V	V		V	3
CHU-JU PENG		Female			V			V		V		V	V	V		V	0
CHIEN-CHOU CHU		Male			V					V			V	V		V	3

#### B. Diversity and Independence of the Board

The composition of the Board of Directors of the company should consider diversity and possess the knowledge, skills, and qualities necessary to fulfill their duties. To achieve the ideal goal of corporate governance, the overall capabilities that the Board should possess are as follows:

- Operational judgment ability.
- Accounting and financial analysis ability.
- Business management ability.
- Crisis handling ability.
- Industry knowledge.
- International market perspective.
- Leadership ability.
- Decision-making ability.

In the spirit of diversity, the Board of Directors of the company is composed of industry elites and experts from various fields. The Board consists of 6 members, including 3 independent directors (50%), of which no more than two consecutive terms (67%) are allowed.

Among the directors, 4 are aged 60 or above, 1 is aged between 50-59, and 1 are aged below 50. To promote gender equality and enhance the participation of women in decision-making and the soundness of the board structure, the company emphasizes gender equality in the composition of board members, with the goal of maintaining at least one female director. Currently, there are 2 female directors (33.33%), meeting the target.

Considering the 6 directors of the company (including 3 independent directors), they all possess abilities such as business judgment, leadership decision-making, business management, international market perspective, and crisis handling, as well as industry experience and professional capabilities. Chairman Ching-Fu Hsieh, Director Chou-Huang Pai, and Director Ming-Kai Hsieh have experience in mechanical and engineering; Director Yueh-Chen Lin excels in finance ; Independent Directors Yi-Yu Li and Chu-Ju Peng are professors in the Department of Business Administration at National Chengchi University; Independent Director Chien-Chou Chu possesses professional accounting and financial capabilities and practical experience in practice and management.

Note 1 : For the professional qualifications and experience of directors, please refer to the "Part . I.1. Director Information" of this annual report, and all directors have no circumstances stipulated in Article 30 of the Company Law.

Note 2 : All independent directors meet the following conditions:

- (1) Compliance with the provisions of Article 14-2 of the Securities Exchange Act and the "Regulations Governing the Establishment and Compliance Matters for Independent Directors of Public Issuers" promulgated by the Financial Supervisory Commission, subparagraphs 5 to 8 of Article 3, Section 1.
- (2) Neither the individual (or using another person's name), spouse, nor minor children hold company shares.
- (3) No compensation has been received in the past two years for business, legal, financial, or accounting services provided to the company or its affiliates.

**(2) Information concerning the Presidents, Vice Presidents, Assistant Vice Presidents, and department and branch managers:**

March 31, 2025

Title	Nationality	Name	Gender	Date elected	Shareholding		Shareholdings of spouse and underage children		Shares held by proxy		Main career (academic) achievements	Concurrent positions in other companies	Spouse or second-degree relative acting as managers		
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship
Chairman and Chief Strategy Officer	Taiwan	CHING-FU HSIEH	Male	1976.06.01	14,267,707	5.51	10,130,345	3.91	20,242,541	7.82	EMBA, National Chengchi University Graduated from the Department of Drawing, Taipei Municipal Da-An Vocational High School; designer, Combined Logistics Command depot Salesman of Ye Niu Industrial Co., Ltd.	1. Chairman of Long-Zi Industrial Co., Ltd. 2. Chairman of Shun-Cheng Investment Co., Ltd. 3. Chairman of Shun-Zhong Investment Co., Ltd. 4. Chairman of Tainergy Tech. Co., Ltd. 5. Chairman and president of Tainergy Technology (Kunshan) Co., Ltd. 6. Chairman of KENMEC MECHA-TRONICS (SUZHOU) CO., LTD. 7. Chairman of KENMEC TECHNOLOGY (SUZHOU) CO., LTD. 8. Chairman of KENMEC International Holding (BVI) Co., Ltd. 9. Chairman of KENMEC Communication Holding (BVI) Co., Ltd. 10. Chairman of TAINERGY TECH HOLDING (SAMOA) CO., LTD. 11. Director of KENMEC VIETNAM COMPANY LIMITED 12. Chairman of Shun-Zhong Assets Management Co., Ltd. 13. Chairman of Ming-Xuan Development Co., Ltd. 14. Chairman of Cheng-Feng Assets Management Co., Ltd. 15. Chairman and president of Kentec Inc. 16. Chairman of Wei Shin Investment CO., LTD. 17. Chairman of KENMEC AUTOMATION ENGINEERING (KUNSHAN) 18. Chairman and president of Kunshan SENSIC Electronic Materials Co., Ltd. 19. Chairman of Ming-Xuan Investment Co., Ltd. 20. Chairman and president of Suzhou KENMEC Property Development Ltd. 21. Director of TAISIC MATERIALS CO. 22. Director of VIETNERGY COMPANY LIMITED	Director and Special assistant in the Chairman Office /CEO of Automation Business Group/Vice President of Automation Business Group	YUEH-CHEN LIN/MING-KAI HSIEH/MING-CHIH HSIEH	Spouse/ Father-son/ Father-son
CEO, Automation Business Group	Taiwan	MING-KAI HSIEH	Male	2019.03.01	2,196,346	0.85	8,032	0.00	-	-	Master, Business Administration, National Chengchi University Master, Nankai Institute Of Economics, China	1. Corporate director representative Tainergy Technology (Kunshan) Co., LTD. 2. Director of Kentec Inc. 3. Corporate director representative of KENMEC MECHANICAL ENGINEERING CO., LTD. 4. Corporate director representative of Star Solar New Energy Co., Ltd. 5. Supervisor of TKT CORPORATION 6. Remuneration Committee member of Visual Photonics Epitaxy Co., Ltd. 7. Chairman of TAISIC MATERIALS CO. 8. Chairman of Jui Hsuan Investment Co., Ltd. 9. Chairman of Chief Global Logistics Co., Ltd. 10. Chairman of Kenmec Construction Co., Ltd. 11. Chairman of TAI VISION CO., LTD.	Chairman /Director and Special assistant in the Chairman Office /Vice President of Automation Business Group	CHING-FU HSIEH YUEH-CHEN LIN MING-CHIH HSIEH	Father-son Mother-son Brothers

Title	Nationality	Name	Gender	Date elected	Shareholding		Shareholdings of spouse and underage children		Shares held by proxy		Main career (academic) achievements	Concurrent positions in other companies	Spouse or second-degree relative acting as managers		
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship
President	Taiwan	CHIH-CHUN KO	Male	2023.05.05	326,486	0.13	3,502	0.00	-	-	Master of Business Administration, Royal Roads University, Canada Graduated from China University of Science and Technology Engineer, executive, deputy manager, manager, assistant vice president, vice president of Business Department, President of Automation Business Group of KENMEC MECHANICAL ENGINEERING CO., LTD. Salesman, Pai-Hung Industrial Co., Ltd. Engineer of R&D Department, Up-safe Industrial Corporation.	1. Director of eCATCH Automation Co., LTD. (Legal Representative) 2. Director of Chief Global Logistics Co., Ltd. (Legal Representative)	None	None	None
Special assistant in the Chairman Office	Taiwan	YUEH-CHEN LIN	Female	1986.05.15	10,130,345	3.91	14,267,707	5.51	-	-	Graduated from Huijiang Senior High School Accountant, President, Assistant Vice President, Special Assistant of President Office, President of the Operation and Management Center of KENMEC MECHANICAL ENGINEERING CO., LTD.	1. Chairman of Chieh Yi Co., Ltd. 2. Director of Shun-Cheng Investment Co., Ltd. 3. Director of Shun-Zhong Investment Co., Ltd. (Legal Representative) 4. Supervisor of Chung Shih Consulting Co., Ltd. 5. Director of Samoan Rui Shi Co., Ltd. 6. Director of KENMEC MECHA-TRONICS (SUZHOU) CO., LTD. 7. Director of KENMEC TECHNOLOGY (SUZHOU) CO., LTD. 8. Special assistant at the Chairman Office of KENMEC Mechanical Engineering Co., Ltd. 9. Supervisor of Tainergy Technology (Kunshan) Co., Ltd. 10. Director of Ming-Xuan Investment Co., Ltd. 11. Director of Cheng-Feng Assets Management Co., Ltd. 12. Director of Ming-Xuan Development Co., Ltd. 13. Director of Shun-Zhong Assets Management Co., Ltd. 14. Supervisor of Chairman of Wei Shin Investment CO., LTD.	Chairman /CEO of Automation Business Group/Vice President of Automation Business Group	CHING-FU HSIEH MING-KAI HSIEH MING-CHIH HSIEH	Spouse/Mother-son/Mother-son
President, Operation and Management Center	Taiwan	LI-CHUAN SHEN	Female	2023.05.05	215,779	0.08	-	-	-	-	Graduated from Department of Business Administration, National Taipei University of Business Graduated from National Taipei University EMBA Department of Business Administration (Master) Accountant, secretary, section chief, assistant manager of management department, manager, Vice President, the Operation and Management Center of KENMEC MECHANICAL ENGINEERING CO., LTD.	1. Director (Legal Representative), United Information System Service Co., Ltd. 2. Supervisor of T Chairman of TAI VISION CO., LTD. 3. Director of Tao Garden Hotel Co., Ltd. (Legal Representative) 4. Supervisor of Chief Global Logistics Co., Ltd. (Legal Representative) 5. Director of Tainergy Tech. Co., Ltd. (Legal Representative)	None	None	None
Vice President, Automation Business Group	Taiwan	MING-CHIH HSIEH	Male	2016.01.01	537,262	0.21	133,883	0.05	-	-	Graduated from the Department of Information of Christchurch Polytechnic Institute of Technology Administrator, executive, deputy manager, manager, assistant vice president of Business Department of KENMEC MECHANICAL ENGINEERING CO., LTD. Deputy manager, assistant vice president, vice president of KENMEC MECHA-TRONICS (SUZHOU) CO., LTD.	1. Director of Ming-Kai Investment Co., Ltd. 2. Director of Kai-Xuan Investment Co., Ltd. 3. Director of Suzhou KENMEC Property Development Ltd. 4. Director of Tainergy Tech. Co., Ltd. 5. Director of TKT CORPORATION 6. Vice Chairman of Anhui Rongyun Real Estate Development Co., Ltd.	Chairman /Director and Special assistant in the Chairman Office / CEO, Automation Business Group	CHING-FU HSIEH YUEH-CHEN LIN MING-KAI HSIEH	Father-son Mother-son Brothers

Title	Nationality	Name	Gender	Date elected	Shareholding		Shareholdings of spouse and underage children		Shares held by proxy		Main career (academic) achievements	Concurrent positions in other companies	Spouse or second-degree relative acting as managers		
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship
Vice President, Automation Business Group	Taiwan	LIEN-YUAN WENG	Male	2014.07.01	36,000	0.01	-	-	-	-	Graduate from National Kaohsiung University of Applied Sciences, Department of Mechanical Engineering Deputy chief, chief, manager of Manufacturing Department, manager of Sales Department, director and vice president of KENMEC MECHANICAL ENGINEERING CO., LTD. Draftsman of Ching Fu Enterprise Co., Ltd.	1. President of Chief Global Logistics Co., Ltd. 2. Director of Chief Global Logistics Co., Ltd. (Legal Representative)	None	None	None
Finance Division Assistant vice president	Taiwan	CHIN-I LAI	Male	1998.03.23	5,011	0.00	-	-	-	-	Graduated from Department of Accounting, National Chung Hsing University Senior auditor of KMPG Deputy manager, Writing Off Department of Taiyu Securities Co., Ltd. Manager of Finance Department, Wei-Hong Information Co., Ltd. Manager of Audit Office, Happy Mountain Corporation	None	None	None	None
Assistant vice president Automation Business Group	Taiwan	CHIH-MAO CHANG	Male	2023.06.01	-	-	-	-	-	-	Graduated from Ruifang High School of Mechanical Engineering. Assistant Section Chief of Production Control Team, Deputy Manager of Procurement Department, Deputy Manager of Manufacturing Department, Manager, Ruifang Factory Director, Engineering Department Director, Integration Department Director of KENMEC MECHANICAL ENGINEERING CO., LTD.	None	None	None	None
Finance Division Director	Taiwan	CHU YA-LING	Female	2024.05.31	11,598	0.00	258	0.00	-	-	Fu Jen Univ. / M.Fin. Kenmec / Finance Dept.: Accountant → Manager	None	None	None	None

Note: Where the president or person of an equivalent post (the highest level managerial officer) and the chairman of a company are the same person, spouses, or relatives within the first degree of kinship, the reason, reasonableness, necessity thereof, and the measures adopted in response thereto (for example: method of increasing the number of independent directors with a majority of the directors not serving as an employee or managerial officer) shall be disclosed.



## 2. Remuneration to general directors, independent directors, President and Vice President in the most recent year

### (1) Remuneration to general directors and independent directors

December 31, 2024; Unit: NTD thousand

Title	Name (Note 1)	Remuneration to directors								Sum of A, B, C, and D as Percentage of Net Income (Note 10)	Remuneration to Employees Holding Concurrent Positions								Sum of A, B, C, D, E, F and G as Percentage of Net Income (Note 10)	Remuneration from parent company or invested businesses other than subsidiaries (Note 11)		
		Remuneration (A) (Note 2)		Retirement pension (B)		Remuneration to directors (C) (Note 3)		Business execution expenses (D) (Note 4)			Salaries, bonuses, special allowances, etc. (E) (Note 5)		Retirement pension (F)		Remuneration to employees (G) (Note 6)							
		The Company	All the companies included in the financial reports (Note 7)	The Company	All the companies included in the financial reports (Note 7)	The Company	All the companies included in the financial reports (Note 7)	The Company	All the companies included in the financial reports (Note 7)		The Company	All the companies included in the financial reports (Note 7)	The Company	All the companies included in the financial reports (Note 7)	The Company		All the companies included in the financial reports (Note 7)				The Company	All the companies included in the consolidated financial reports (Note 8)
Director	CHING-FU HSIEH	600	1,530	0	0	0	0	30	95	630 (0.4399%)	1,625 (1.346%)	10,057	19,838	0	0	0	0	0	0	10,687 (7.4616%)	21,463 (14.9852%)	0
	CHOU-HUANG PAI	180	180	0	0	0	0	15	25	195 (0.1361%)	205 (0.1431%)	0	0	0	0	0	0	0	0	195 (0.1361%)	205 (0.1431%)	0
	YUEH-CHEN LIN	360	360	0	0	0	0	30	30	390 (0.2723%)	390 (0.2723%)	6,125	6,125	108	108	0	0	0	0	6,623 (4.6242%)	6,623 (4.6242%)	0
	Shun-Zhong Investment Co., Ltd.	360	1,244	0	0	0	0	25	60	385 (0.2688%)	1,304 (0.9103%)	3,988	7,250	108	211	0	0	0	0	4,481 (3.1284%)	8,765 (6.1195%)	0
Independent Director	YI-YU LI	600	600	0	0	0	0	35	35	635 (0.4434%)	635 (0.4434%)	0	0	0	0	0	0	0	0	635 (0.4434%)	635 (0.4434%)	0
	CHU-JU PENG	600	600	0	0	0	0	35	35	635 (0.4434%)	635 (0.4434%)	0	0	0	0	0	0	0	0	635 (0.4434%)	635 (0.4434%)	0
	CHIEN-CHOU CHU	600	600	0	0	0	0	35	35	635 (0.4434%)	635 (0.4434%)	0	0	0	0	0	0	0	0	635 (0.4434%)	635 (0.4434%)	0
a) Please describe in detail the policy, system, standards and structure of remuneration to independent directors, and describe the association of the amount of remuneration to the responsibilities, risks, time invested and other factors: The Company’s remuneration to independent directors includes reimbursement for carrying out work duties, travel allowances and remuneration distributed to directors. The Company must pay remuneration regardless of earnings or losses in accordance with the Charter. The remuneration is handled according to the Company’s “Regulations for Remuneration to Directors”. The remuneration distribution of the Company’s annual profit is determined by reference to the number of times directors attend board meetings or his/her contribution to the Company (including, but not limited to, the number of the Company’s shares held and providing endorsement/guarantee for the Company) during his/her term. Therefore, the policy and determination of remuneration to independent directors is positively linked to operating performance and risk exposure. The Company has purchased liability insurance for all directors and supervisors to minimize the risk of them being charged for their due execution of duties by shareholders or other related parties.																						
b) In addition to the disclosure in the above table, remuneration received by directors in the most recent fiscal year (e.g., for serving as a consultant for a non-employee of the parent company/companies included in the financial reports/investment businesses): None.																						

Note: 1. If any of the following applies to the company, it shall disclose the remuneration paid to each individual director and supervisor: The company may opt either to disclose aggregate remuneration information, with the name(s) indicated for each remuneration range, or to disclose the name of each individual and the corresponding remuneration amount (for individuals, please fill in the title, name and amount separately; filling in the remuneration range table is not required):

- A company that has posted after-tax deficits in the parent company only financial reports or individual financial reports within the three most recent fiscal years shall disclose the remuneration paid to "individual" directors. This requirement, however, shall not apply if the company has posted net income after tax in the parent company only financial report or individual financial report for the most recent fiscal year and such net income after tax is sufficient to offset the accumulated deficits.
- A company that has had an insufficient director shareholding percentage for three consecutive months or longer during the most recent fiscal year shall disclose the remuneration of individual directors.
- A company that has had an average ratio of share pledging by directors in excess of 50 percent in any three months during the most recent fiscal year shall disclose the remuneration paid to each individual director having a ratio of pledged shares in excess of 50 percent for each such month.
- If the total amount of remuneration received by all of the directors in their capacity as directors of all of the companies listed in the financial reports exceeds 2 percent of the net income after tax, and the remuneration received by any individual director or supervisor exceeds NTD 15 million, the company shall disclose the remuneration paid to that individual director. (Note: The remuneration to directors and supervisors is calculated based on "remuneration of supervisors" adding "remuneration of directors" in the table above, excluding remuneration received by part-time employees.)
- A company listed on the Taiwan Stock Exchange (TWSE) or the Taipei Exchange (TPEX) is ranked in the last tier in the corporate governance evaluation for the most recent fiscal year, or in the most recent fiscal year or up to the date of publication of the annual report for that year, the company's securities have been placed under an altered trading method, suspended from trading, delisted from the TWSE or the TPEX, or the Corporate Governance Evaluation Committee has resolved that the company shall be excluded from evaluation.
- The average annual salary of the full-time non-supervisory employees in a TWSE or TPEX Listed company is less than NTD 500,000 for the most recent fiscal year.
- For listed and over-the-counter (OTC) companies, if the net profit after tax for the most recent fiscal year has increased by more than ten percent, but the average annual salary of full-time employees not in managerial positions has not increased compared to the previous year.

- (8) For listed and over-the-counter (OTC) companies, if the net profit after tax has declined by more than ten percent and exceeded NT\$5 million in the most recent fiscal year, and if the average remuneration per director (excluding remuneration for concurrent employee roles) has increased by more than ten percent and exceeded NT\$100,000.
- 2. If the circumstance in sub-item “(1)” or in sub-item “(5)” of the preceding item applies to a company listed on the TWSE or the TPEX, it shall disclose the individual remuneration paid to each of its top five management personnel (e.g., the president, vice president, chief executive officer or finance manager).
- 3. Whether director retirement benefits were paid in the most recent fiscal year: The Company did not actually pay any retirement benefits to directors in FY2024.
- 4. Provision for retirement pension expenses in the most recent fiscal year: In FY2024, the Company recognized NT\$20,718 thousand as retirement pension expenses.
- 5. Only Chairman Hsieh, Ching-Fu was provided with a company car for official use, and the depreciation expense for the period was included in his compensation.
- 6. The FY2024 earnings distribution and compensation proposals were approved by the Board on March 7, 2025, but are pending shareholder approval. Amounts are set per the Articles of Incorporation.

### Range of Remuneration

Range of remuneration to each director	Director name			
	Total remuneration (A+B+C+D)		Total remuneration (A+B+C+D+E+F+G)	
	The Company (Note 8)	All the companies included in the financial reports (Note 9) (H)	The Company (Note 8)	All the companies included in the financial reports (Note 9) (I)
Below NTD 1,000,000	None	None	None	None
NTD 1,000,000 (inclusive) – NTD 2,000,000 (exclusive)	CHING-FU HSIEH, CHOU-HUANG PAI, YUEH-CHEN LIN, Legal representative of Shun-Zhong Investment Co., Ltd. – MING-KAI HSIEH, YI-YU LI, CHU-JU PENG CHIEN-CHOU CHU	CHOU-HUANG PAI, YUEH-CHEN LIN, YI-YU LI, CHU-JU PENG CHIEN-CHOU CHU	CHOU-HUANG PAI, YI-YU LI, CHU-JU PENG CHIEN-CHOU CHU	Y CHOU-HUANG PAI, YI-YU LI, CHU-JU PENG CHIEN-CHOU CHU
NTD 2,000,000 (inclusive) – NTD 3,500,000 (exclusive)	None	CHING-FU HSIEH, Legal representative of Shun-Zhong Investment Co., Ltd. – MING-KAI HSIEH	None	None
NTD 3,500,000 (inclusive) – NTD 5,000,000 (exclusive)	None	None	Legal representative of Shun-Zhong Investment Co., Ltd. – MING-KAI HSIEH	None
NTD 5,000,000 (inclusive) – NTD 10,000,000 (exclusive)	None	None	YUEH-CHEN LIN	YUEH-CHEN LIN Legal representative of Shun-Zhong Investment Co., Ltd. – MING-KAI HSIEH
NTD 10,000,000 (inclusive) – NTD 15,000,000 (exclusive)	None	None	CHING-FU HSIEH	None
NTD 15,000,000 (inclusive) – NTD 30,000,000 (exclusive)	None	None	None	CHING-FU HSIEH
NTD 30,000,000 (inclusive) – NTD 50,000,000 (exclusive)	None	None	None	None
NTD 50,000,000 (inclusive) – NTD 100,000,000 (exclusive)	None	None	None	None
NTD 100,000,000 and above	None	None	None	None
Total (Note)	7	7	7	7

Note 1: Directors' names are presented separately (for corporate shareholders, the name of the corporate shareholder and its representatives are stated separately), and the general directors and independent directors shall be presented separately in aggregate sums.

Note 2: Refers to remuneration to directors in the last year (including salaries, allowances, severance pay, various bonuses and incentives, etc.)

Note 3: Refers to the amount of directors' remuneration that the Board has proposed as part of the latest earnings appropriation.

Note 4: Refers to remuneration to directors for services rendered (including travel, special allowances, various subsidies, accommodation, corporate vehicle and other in-kind benefits). Where housing, cars, vehicles, or personal allowances were granted, the nature and cost of assets, the rental rates (calculated based on actual or fair value), cost of petrol and other subsidies are also disclosed. Where personal drivers were allocated, please make a footnote disclosure explaining the amount of salaries made to drivers, but do not count them as part of the remuneration paid to the above benefits.

Note 5: Refers to any salaries, allowances, severance pay, bonuses, incentives, travel allowances, special allowances, subsidies, accommodation, vehicles and in-kind benefits that the director received in the last year for assuming the role of a company employee (such as a president or vice president, other managerial officers or employees). Where housing, cars, vehicles, or personal allowances were granted, the nature and cost of assets, the rental rates (calculated based on actual or fair value), cost of petrol and other subsidies are also disclosed. Where personal drivers were allocated, please make a footnote disclosure explaining the amount of salaries made to drivers, but do not count them as part of the remuneration paid to the above benefits. Part of the salary expense was recognized according to IFRS2 – "Share-based Payment". Amounts including employee stock options, restricted employee shares and subscription to cash issues are treated as remuneration.

Note 6: Refers to any remuneration that the director has received (in cash or in shares) in the last year for assuming the role of an employee (such as president or vice president, managerial officer or other employees). The amount of employee remuneration proposed by the Board of Directors in the last year has been disclosed (where the amount could not be estimated, the actual amount paid in the last year was presented instead). Table 1-3 has also been completed for reference.

Note 7: The disclosure includes all companies covered by the consolidated financial report (including the Company), and represents the total amount of remuneration paid by all companies above to the Company's directors.

Note 8: The amount of remuneration paid by the Company to each director has been disclosed in ranges. The name of the director must also be disclosed.

Note 9: The details represent the range of remuneration paid by all companies in the consolidated report (including the Company) to each director. The name of the director must also be disclosed.

Note 10: The net income after tax refers to the net income after tax of the most recent fiscal year; if IFRSs have been adopted, the net income after tax refers to the net income after tax of the most recent year for parent company only or individual financial reports.

Note 11:

- This field represents all forms of remuneration that the presidents and vice presidents received from the Company's invested businesses other than subsidiaries (if none, please fill in "none").
- For directors who received remuneration from invested businesses other than subsidiaries or the parent company, amounts received from these invested businesses or the parent company have been added to columns I and J of the remuneration brackets table. In which case, columns I and J will be renamed "all invested businesses".
- Remuneration refers to any returns, remuneration (including remuneration received as an employee, director and supervisor) and professional service fees which the director received for serving as directors, supervisors or managerial officers in invested businesses or the parent company other than subsidiaries.

\* The basis of remuneration disclosed above is different according to the basis of the Income Tax Act; hence, the above table has been prepared solely for information disclosure, and not for tax purposes.

## (2) Remuneration to the President and Vice President

December 31, 2024; Unit: NTD thousand

December 31, 2024, Unit: NTD thousand														
Title	Name (Note 1)	Salary (A) (Note 2)		Retirement pension (B)		Bonuses, special allowances, etc. (C) (Note 3)		Employee remuneration amount (D) (Note 4)				Sum of A, B, C, and D as Percentage of Net Income (%) (Note 8)		Remuneration from invested businesses other than subsidiaries or the parent company (Note 9)
		The Company	All the companies included in the financial reports (Note 5)	The Company	All the companies included in the financial reports (Note 5)	The Company		All the companies included in the financial reports (Note 5)		The Company	All the companies included in the financial reports (Note 5)			
						Amount paid in cash	Amount paid in shares	Amount paid in cash	Amount paid in shares					
Chairman and Chief Strategy Officer (Note 1)	CHING- FU HSIEH	25,076	40,266	648	772	13,765	15,791	0	0	0	0	39,489 (27.57%)	56,930 (39.68%)	None
Special Assistant, Chairman Office (President Level)	YUEH- CHEN LIN													
President (Note 1)	CHIH- CHUN KO													
President, Management Center	LI- CHUAN SHEN													
CEO, Automation Business Group (Note 1)	MING- KAI HSIEH													
Vice President, Automation Business Group (Note 1)	LIEN- YUAN WENG													
Vice President, Automation Business Group	MING- CHIH HSIEH													

Note 1: An official car is provided and depreciation expense is included in remuneration for the current period.

### Range of Remuneration

Range of remuneration to the President and Vice President	Names of the president and vice president	
	The Company (Note 7)	All the companies included in the financial statements (Note 8) (E)
Below NTD 1,000,000	None	None
NTD 1,000,000 (inclusive) – NTD 2,000,000 (exclusive)	None	None
NTD 2,000,000 (inclusive) – NTD 3,500,000 (exclusive)	MING-KAI HSIEH, MING-CHIH HSIEH	None
NTD 3,500,000 (inclusive) – NTD 5,000,000 (exclusive)	None	None
NTD 5,000,000 (inclusive) – NTD 10,000,000 (exclusive)	YUEH-CHEN LIN, CHIH-CHUN KO, LI- CHUAN SHEN, LIEN-YUAN WENG	MING-KAI HSIEH, MING-CHIH HSIEH, LIEN-YUAN WENG, LIEN- YUAN WENG, CHIH-CHUN KO
NTD 10,000,000 (inclusive) – NTD 15,000,000 (exclusive)	CHING-FU HSIEH	None
NTD 15,000,000 (inclusive) – NTD 30,000,000 (exclusive)	None	CHING-FU HSIEH
NTD 30,000,000 (inclusive) – NTD 50,000,000 (exclusive)	None	None
NTD 50,000,000 (inclusive) – NTD 100,000,000 (exclusive)	None	None
NTD 100,000,000 and above	None	None
Total	7	7

Note 1: The names of the Presidents and Vice Presidents are required to be presented separately; the amount of payments made may be presented in aggregate sums. If a director is also a president or vice president, this table and table 1. above shall be filled in.

Note 2: Refers to salaries, allowances, and severance pay made to the Presidents and vice Presidents in the last year.

Note 3: Refers to other remuneration such as bonuses, incentives, travel allowances, special allowances, subsidies, accommodation, corporate vehicle or other in-kind benefits made to the Presidents and Vice Presidents. Where housing, cars, vehicles, or personal allowances were granted, the nature and cost of assets, the rental rates (calculated based on actual or fair value), cost of petrol and other subsidies are also disclosed. Where personal drivers were allocated, please make a footnote disclosure explaining the amount of salaries made to drivers, but do not count them as part of the remuneration paid to the above benefits. Part of the salary expense was recognized according to IFRS2 – “Share-based Payment”. Amounts including employee stock options, restricted employee shares and subscription to cash issues are treated as remuneration.

Note 4: Represents the amount of employee remuneration provided for the president and vice president (in cash or in shares), which the Board of Directors has proposed as part of the most recent earnings appropriation (where the amount could not be estimated, a calculation was made based on last year’s payout ratio). Table 1-3 has been prepared in addition to the above details. Net income refers to the amount of profit shown in the latest financial reports of the consolidated/standalone entity.

Note 5: The disclosure includes all companies covered by the consolidated financial report (including the Company), and represents the total amount of remuneration paid by all companies above to the Company’s president and vice president.

- Note 6: The amount of remuneration made by the Company to its Presidents and Vice Presidents; the names of Presidents and Vice Presidents have been disclosed separately in ranges.
- Note 7: The disclosure includes the sum of amounts paid by the consolidated entity (including the Company) to the Company's president and president; the names of president and vice president have been disclosed separately in ranges.
- Note 8: The net income after tax refers to the net income after tax of the most recent fiscal year; if IFRSs have been adopted, the net income after tax refers to the net income after tax of the most recent year for parent company only or individual financial reports.
- Note 9: a. This field represents all forms of remuneration that the presidents and vice presidents received from the Company's invested businesses other than subsidiaries.  
b. For presidents and vice presidents who receive remuneration from invested businesses other than subsidiaries, the amount of remuneration from these invested businesses or the parent company have been added to column E of the remuneration brackets table. In which case, Column E will be renamed "all invested businesses".  
c. Remuneration refers to any returns, remuneration (including remunerations received as an employee, director and supervisor) and professional service fees which the Company's presidents and vice presidents received for serving as directors, supervisors, or managerial officers in invested businesses or the parent company other than subsidiaries.
- \* The basis of remuneration disclosed above is different according to the basis of the Income Tax Act; hence, the above table has been prepared solely for information disclosure, and not for tax purposes.

### A.Top 5 executives with the highest remuneration: (names and remuneration method are disclosed individually)

December 31, 2024; Unit: NTD thousand

December 31, 2024, Unit: NTD thousand														
Title	Name	Salary (A) (Note 2)		Retirement pension (B)		Bonuses, special allowances, etc. (C) (Note 3)		Employee remuneration amount (D) (Note 4)				Sum of A, B, C, and D as Percentage of Net Income (Note 6)		Remuneration from parent company or invested businesses other than subsidiaries (Note 7)
		The Company	All the companies included in the financial reports (Note 5)	The Company	All the companies included in the financial reports (Note 5)	The Company	All the companies included in the financial reports (Note 5)	The Company		All the companies included in the financial reports (Note 5)		The Company	All the companies included in the financial reports	
								Amount paid in cash	Amount paid in shares	Amount paid in cash	Amount paid in shares			
Chairman and Chief Strategy Officer (Note)	CHING-FU HSIEH	5,910	14,717	0	0	4,147	5,121	0	0	0	0	10,057	19,838	0
President (Note )	CHIH-CHUN KO	4,186	4,186	108	108	2,544	2,544	0	0	0	0	6,838	6,838	0
CEO, Automation Business Group (Note )	MING-KAI HSIEH	2,465	5,045	108	211	885	1,568	0	0	0	0	3,458	6,824	0
Special Assistant, Chairman Office (President Level)	YUEH-CHEN LIN	4,044	4,044	108	108	2,081	2,081	0	0	0	0	6,233	6,233	0
Vice President, Automation Business Group	MING-CHIH HSIEH	1,727	5,170	108	108	555	844	0	0	0	0	2,390	6,122	0

Note: An official car is provided and depreciation expense is included in remuneration for the current period.

Note 1: The "executives" in the so-called "top 5 executives with the highest remuneration" refer to managers of the Company. The criteria for the determination of managers are in accordance with the scope of "managers" as stipulated in the Order Letter Tai-Cai-Zheng-(3)-Zi 0920001301 dated March 27, 2003, issued by the former Securities and Futures Commission, Ministry of Finance. The determination for the calculation of the "top 5 executives with the highest remuneration" is based on the total amount of salaries, pensions, bonuses and special allowances received by the managers from all companies included in the consolidated financial reports, as well as the amount of remuneration to employees (the total of A+B+C+D), and then ranked by the highest paid executives. If a director is also a supervisor listed above, this table and the table (1-1) above shall be filled in.

Note 2: Refers to salaries, allowances, and severance pay made to the top 5 executives with the highest remuneration in the last year.

Note 3: Refers to other remuneration such as bonuses, incentives, travel allowances, special allowances, subsidies, accommodation, corporate vehicles or other in-kind benefits paid to the top 5 executives. Where housing, cars, vehicles, or personal allowances were granted, the nature and cost of assets, the rental rates (calculated based on actual or fair value), cost of petrol and other subsidies are also disclosed. Where personal drivers were allocated, please make a footnote disclosure explaining the amount of salaries made to drivers, but do not count them as part of the remuneration paid to the above benefits. Part of the salary expense was recognized according to IFRS2 – "Share-based Payment". Amounts including employee stock options, restricted employee shares and subscription to cash issues are treated as remuneration.

Note 4: Represents the amount of employee remuneration provided for the top 5 executives with the highest remuneration (in cash or in shares) which the Board of Directors has proposed as part of the most recent earnings appropriation. Where the amount cannot be estimated, a calculation can be made based on last year's payout ratio. Table 1-3 shall also be prepared in addition to the above details.

Note 5: The disclosure shall include all companies covered by the consolidated financial statements (including the Company), and represents the total amount of remuneration paid by all companies above to the Company's top 5 executives with the highest remuneration.

Note 6: Net income after tax refers to the net income after tax of the most recent year in the separate or individual financial reports.

Note 7: a. This field represents all forms of remuneration that the company's top 5 executives with the highest remuneration received from invested businesses other than subsidiaries or the parent company (if none, please fill in "none").

b. Remuneration refers to any returns, remuneration (including remuneration received as an employee, director and supervisor or manager) and professional service fees which the Company's top 5 executives with the highest remuneration received for serving as directors, supervisors, or managers in invested businesses other than subsidiaries or the parent company.

\* The basis of remuneration disclosed above is different according to the basis of the Income Tax Act; hence, the above table has been prepared solely for information disclosure, and not for tax purposes.

## B. Names of the managers receiving employee remuneration and the distribution thereof

December 31, 2024; Unit: NTD thousand

	Job title (Note 1)	Name (Note 1)	Amount paid in shares	Amount paid in cash	Total	Ratio of total amount to profit after tax (%)
Manager	Chairman and Chief Strategy Officer	CHING-FU HSIEH	0	0	0	0
	Special Assistant of the Chairman(President Level)	YUEH-CHEN LIN				
	CEO, Automation Business Group	MING-KAI HSIEH				
	President, the Operation and Management Center	LI-CHUAN SHEN				
	President	CHIH-CHUN KO				
	Vice President, Automation Business Group	MING-CHIH HSIEH				
	Vice President, Automation Business Group	LIEN-YUAN WENG				
	Deputy GM, Finance – Chief Financial Officer & Corporate Governance Officer	CHIN-I LAI				
	Assistant vice president, Automation Business Group	CHIH-MAO CHANG				
	Assistant vice president, Heat Transfer Business Unit	KUEI-YUA HUANG				
	Director, Finance Department & Chief Accounting Officer	CHU YA-LING				

\* For the motion of earnings distribution for the most recent fiscal year that has not been resolved by the Board of Directors, the remuneration (including shares and cash) to employees from the earnings distribution of the previous year resolved by the shareholders' meeting shall be filled in. For the motion of earnings distribution for the most recent fiscal year passed by the Board of Directors but not yet resolved by the shareholders' meeting, the employee remuneration to managers from the earnings distribution of the most recent fiscal year passed by the Board of Directors shall be filled in. If it is not possible to estimate, the proposed distribution for this year will be calculated based on the actual distribution ratio of the previous year. For the motion of earnings distribution for the most recent fiscal year resolved by the shareholders' meeting, the employee remuneration received by the president and vice president resolved by the shareholders' meeting shall be filled in.

\* For the motion of earnings distribution for the most recent fiscal year that has not been resolved by the Board of Directors, the amount of the shares is calculated based on the fair value (refers to the closing price on the balance sheet date) determined in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers for the previous year for TWSE/TPEX companies. If the company is not a TWSE/TPEX company, the net worth is calculated based on the net value as of the end of the accounting period of the previous year. For the motion of earnings distribution for the most recent fiscal year resolved by the Board of Directors or shareholders' meeting, the fair value of stocks of the TWSE/TPEX is calculated based on the fair value (closing price on the balance sheet date) as prescribed by the Regulations Governing the Preparation of Financial Reports by Securities Issuers for the most fiscal recent year.

\* Net income after tax – For the motion of earnings distribution that has not been resolved by the Board of Directors, it refers to the net income after tax of the year prior to the most recent fiscal year. For the motion of earnings distribution resolved by the Board of Directors or shareholders' meeting, it refers to the net income after tax for the most recent fiscal year.

- Note 1: Names and titles have been disclosed separately, whereas the amount of profit has been disclosed in aggregate amount.
- Note 2: The average closing price of the last month of the accounting period is used for the calculation of the net worth of TWSE/TPEX companies.
- Note 3: Pursuant to FSC Letter No. Tai-Cai-Zheng-3-0920001301 dated March 27, 2003; the role of managerial officer covers the following positions:
- (1) President or other equivalent position
  - (2) Vice president or other equivalent position
  - (3) Assistant vice president or other equivalent position
  - (4) Chief finance officer
  - (5) Chief accounting officer
  - (6) Others with the right to manage affairs and sign for the Company
- Note 4: If the directors, president and vice president have received employee remuneration (including stock and cash), other than filling in Table 1-2, this Table must also be filled in.

**(3) Analysis of remuneration paid to Directors, Supervisors, President and Vice President by the Company and all companies in the consolidated financial statements in the recent two years as a percentage of net income in the parent company only or individual financial statements and explanation on remuneration policy, standards and composition, procedures and the correlation with operation performance and future risks**

Title	Remuneration as a percentage of net income after tax			
	2023		2024	
	The Company	All the companies included in the financial statements	The Company	All the companies included in the financial statements
Director	14.82%	18.76%	-16.68%	-27.20%
President and Vice President	13.66%	16.75%	-27.57%	-39.68%

In accordance with Article 20 of the Company's Articles of Incorporation, if the Company reports annual profits, 1%–3% and 5%–15% of the profits may be allocated as remuneration to directors and to employees (including managerial officers), respectively. The performance of directors is evaluated based on the "Board Performance Evaluation Guidelines," while the performance of employees (including managerial officers) is assessed through the Company's performance appraisal system. Remuneration is determined based on the level of involvement, individual contributions, and the occurrence of any risk events (e.g., ethical breaches, reputational damage, or internal control failures). The reasonableness of such remuneration is regularly reviewed and approved by the Remuneration Committee and the Board of Directors to ensure alignment with the Company's sustainability and risk management goals.

### 3. Corporate governance implementation

#### (1) Functionality of the Board of Directors

##### A. Information on the functionality of the Board of Directors

The Board of Directors held 6 (A) meetings in the most recent year (2024); the attendance of directors is summarized as follows:

Title	Name (Note 1)	Actual Attendance B	Attendance by proxy	Actual attendance rate [B/A]	Remarks
Chairman	CHING-FU HSIEH	6	0	100	
Director	CHOU-HUANG PAI	2	0	50	Dismissed on 2024/07/01
Director	YUEH-CHEN LIN	6	0	100	
Director	Shun-Zhong Investment Co., Ltd. Legal Representative – MING-KAI HSIEH	5	0	83.33	
Independent director	YI-YU LI	6	0	100	
Independent director	CHIEN-CHOU CHU	5	1	83.33	
Independent director	CHU-JU PENG	6	0	100	

Note 1: If a director or supervisor is a juristic person, please disclose the name of the corporate shareholder and their representative.

Note 2: (1) If a director or supervisor resigns before the end of the year, the resignation date shall be indicated in the Remarks field. The actual attendance rate (%) was calculated on the basis of the number of board meetings held during each director's term and the number of meetings actually attended by that director.  
(2) If there is a reelection of directors and supervisors before the end of the year, the new and old directors and supervisors must be stated in the Remarks field, and indicate if such director and supervisor is old, new, or reelected, as well as the reelection date. The percentage of actual (proxy) attendance (%) will be calculated based on the number of Board of Directors' meetings held during active duty and the number of actual (proxy) attendance.



## B. Evaluation of the Board of Directors:

Number	Evaluation cycle	Evaluation method	Evaluation period	Evaluation scope	Evaluation content	Evaluation result	Remarks
1	Conducted once every 3 years	External Evaluation	Start: January 1, 2024 End: December 31, 2024	The Board as a whole	1.Composition and Professional Development of the Board of Directors 2.Quality of Board Decision-Making 3.Effectiveness of Board Operations 4.Internal Control and Risk Management 5.Board Participation in Corporate Social Responsibility The evaluation report was submitted to the Board of Directors on March 7, 2025.	Recommendations are as follows: 1.No more than two directors shall have spousal or second-degree kinship relationships. 2.The number of directors who are also employees shall be less than one-third of the total number of board seats. 3.Risk management should be supervised by the Audit Committee or a board-level functional committee, with at least one report to the Board of Directors annually. 4.Establish a dedicated (or concurrent) unit responsible for promoting corporate integrity, and report to the Board of Directors at least once a year. 5.It is recommended that the sustainability report be verified by a third party. 6.Prepare an English version of the sustainability report. 7.Formulate concrete measures to enhance corporate value and submit them to the Board of Directors. 8.Increase the frequency of investor conferences, actively manage investor relations, and improve corporate governance evaluation scores. 9.Proactively promote governance in environmental and social aspects.	Evaluation members of Taiwan Investor Relations Institute Tsung-Ling Kuo Hsin-Ning Wan Hui-Yi Cheng
2	Once a year	Internal self-evaluation of the Board of Directors	Start: January 1, 2024 End: December 31, 2024	The Board as a whole	Participation in the operation of the Company; improvement of the quality of the Board of Directors' decision making; composition and structure of the Board of Directors; election and continuing education of the director, and internal control, reported to the directors on March 7, 2025.	The internal self-evaluation of the Board of Directors: all evaluation item results were excellent; however, the following items require improvement: 1. For independent directors who have served three consecutive terms, consideration should be given to whether this compromises their independence. 2. Members of the Board should strengthen their objective and independent operation	
3	Once a year	Self-evaluation of the Director□	Start: January 1, 2024 End: December 31, 2024	Individual Board Member	Alignment of the goals and missions of the company; awareness of the duties of a director; participation in the operation of the company; management of internal relationship and communication; the director's professionalism and continuing education; and internal control, reported to the directors on March 7, 2025.	The self-evaluation of the individual Board member: all evaluation item results were generally good; however, the following items are expected to be improved: 1. The attendance rate of directors at board meetings (excluding attendance by delegation) 2. Adequacy of time devoted by directors to Board-related matters 3. Directors also serving as a director/supervisor at multiple companies	
4	Once a year	Internal self-evaluation of the Board of Directors	Start: January 1, 2024 End: December 31, 2024	The Functional Committee	Participation in the operation of the company; awareness of the duties of the audit committee; improvement of quality of decisions made by the audit committee; makeup of the audit committee and election of its members and internal control, reported to the directors on March 7, 2025.	The internal self-evaluation of the Audit Committee: all evaluation item results were excellent; however, the following items require improvement: 1. The Audit Committee still needs to strengthen the assessment and supervision of various risks existing or potential within the company.	
5	Once a year	Internal self-evaluation of the Board of Directors	Start: January 1, 2024 End: December 31, 2024	The Functional Committee	Participation in the operation of the company; awareness of the duties of the remuneration committee; improvement of quality of decisions made by the remuneration committee; makeup of the remuneration committee and election of its	The internal self-evaluation of the Remuneration Committee: all evaluation item results were excellent; however, the following items require improvement: 1. The Remuneration Committee has not yet set the salary and remuneration of directors based on performance evaluation results	

					members and internal control, reported to the directors on March 7, 2025.		
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## (2) Information on the functionality of the Audit Committee

### A. Audit Committee Attendance

In the most recent year (2024), the Audit Committee had 6 meetings (A), the attendance is as follows:

Title	Name	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%) (B/A) (Note 1, Note 2)
Independent director	YI-YU LI	6	0	100
Independent director	CHIEN-CHOU CHU	6	0	100
Independent director	CHU-JU PENG	6	0	100

Note 1: If an independent director resigns before the end of the year, the resignation date shall be indicated in the Remarks field. The actual attendance rate (%) was calculated on the basis of the number of board meetings held during the term of the Audit Committee and the number of meetings actually attended during active duty.

Note 2: If there is a reelection of an independent director before the end of the year, the new and old independent directors must be stated, and indicate if such independent director is old, new, or reelected, as well as the reelection date. The percentage of actual (proxy) attendance (%) will be calculated based on the number of Audit Committee meetings held during active duty and the number of actual (proxy) attendance.

### B. Annual Work Priorities

The Company's Audit Committee is made up of three independent directors. The purpose of the Audit Committee is to provide assistance to the Board of Directors in carrying out procedures regarding the quality and integrity of accounting, audits and financial reporting and financial controls.

The Audit Committee held six meetings in 2024; primary matters for reviews included:

- (1) Audit of financial statements and accounting policies and procedures
- (2) The internal control system and related policies and procedures
- (3) Material assets or derivatives transaction
- (4) Material loaning of funds and endorsement/guarantee
- (5) Raising or issuing marketable securities
- (6) Derivatives and cash investments
- (7) Statutory compliance
- (8) Do managers and directors have related party transactions and possible conflicts of interest
- (9) Complaint report
- (10) Fraud prevention plans and fraud investigation report
- (11) Information safety
- (12) Company risk management
- (13) Qualifications, independence and performance evaluation of CPAs
- (14) The hiring or dismissal of an attesting CPA, or the compensation given thereto.
- (15) The appointment or discharge of a financial, accounting, or internal auditing officer
- (16) Implementation of Audit Committee Responsibilities
- (17) Audit Committee performance self-evaluation questionnaire

#### ● Review of financial reports

We, the Undersigned Supervisors, hereby acknowledge that the Board of Directors has prepared and submitted hereto the Business Report, Consolidated Financial Statements, and Proposed Allocation of Earnings of KENMEC Mechanical Engineering Co., Ltd. of 2024 and that among them, the Financial Statements have been duly audited by the Deloitte & Touche Taiwan as duly delegated by the Board of Directors which already issued the Audit Report. These business report statements have been audited by the Audit Committee to be accurate.

#### ● Evaluation of the internal control system effectiveness

The Audit Committee evaluates the effectiveness of the policies and procedures (including control measures on finance, operation, risk management, information security, outsourcing and statutory compliance) of the Company's internal control system. It also reviews the periodic reports of the Company's Audit Department and CPAs as well as management, including risk management, and statutory compliance. With reference to the Internal Control – Integrated Framework published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in 2013, the Audit Committee believes that the Company's risk management and internal control system is effective and that the Company has adopted the control mechanisms necessary to monitor and correct non-compliance.

● Appointment of CPAs

The Audit Committee is given the responsibility of overseeing the independence of the accounting firm to ensure the integrity of the financial statements.

In general, other than tax-related services or specially approved items, the accounting firm must not provide other services to the Company. All services provided by the accounting firm must be approved by the Audit Committee.

In order to ensure the independence of the CPAs, the Audit Committee has formulated an independence evaluation form in accordance with Article 47 of the Certified Public Accountant Act and the contents of

Bulletin No. 10 "Integrity, Impartiality, Objectivity and

Independence" to evaluate the independence, professionalism and appropriateness of the CPAs, while also assessing Has they are related parties or have business or financial interest with the Company. The Audit Committee meeting held on March 7, 2024 and the Board meeting held on March 7, 2024 reviewed and approved that LI-HUANG LI and PO-JEN WENG, of Deloitte Touche Taiwan, met the independence evaluation criteria and are qualified to serve as the Company's financial and tax CPAs.

C.Information on the functionality of the Audit Committee

Date of session/time of meeting	Resolution	Matters stipulated in §14-5 of the Securities and Exchange Act	Opinions of the independent directors and the Company's handling of their opinions	Resolutions made by the Board of Directors or Audit Committee
9th meeting of the 3rd term 2024/03/07	1. Motion for the acknowledgment of the Company's 2023 business report, financial statements and consolidated financial statements.	V	None	Reviewed and passed by the Audit Committee
	2. Motion for the issuance of the Company's 2023 internal control system declaration.	V	None	Reviewed and passed by the Audit Committee
	3. Motion for the appointment of the Company's CPAs and the evaluation of their independence.	V	None	Reviewed and passed by the Audit Committee
	4. Motion to formulate the Company's "Risk management policy and procedures."		None	Reviewed and passed by the Audit Committee
	5. Motion for the cancellation of the proposed loaning of remaining funds of RMB 20 million to subsidiary – KENMEC Mecha-Tronics (Suzhou) Co., Ltd.	V	None	Reviewed and passed by the Audit Committee
10th meeting of the 3rd term 2024/04/19	1. The company plans to handle the issuance of new shares through a cash increase and the issuance of the fifth domestic unsecured convertible corporate bonds.	V	None	Reviewed and passed by the Audit Committee
11th meeting of the 3rd term 2024/05/10	1. Ratification of the motion for the Company's consolidated financial statements for Q1 2024.	V	None	Reviewed and passed by the Audit Committee
12th meeting of the 3rd term 2024/05/31	1. The Company intends to conduct the supplementary public issuance procedure for its privately placed common shares and apply for OTC listing.	V	None	Reviewed and passed by the Audit Committee

Date of session/time of meeting	Resolution	Matters stipulated in §14-5 of the Securities and Exchange Act	Opinions of the independent directors and the Company's handling of their opinions	Resolutions made by the Board of Directors or Audit Committee
	2. Review and approval of the Company's plan for a cash capital increase reserved for employee subscription.		None	Reviewed and passed by the Audit Committee
	3. Proposal for the Company to provide an endorsement and guarantee of NT\$50 million on behalf of Kentec Inc.	V	None	Reviewed and passed by the Audit Committee
	1. Ratification of the motion for the Company's consolidated financial statements for Q2 2024.	V	None	Reviewed and passed by the Audit Committee
13th meeting of the 3rd term 2024/08/06	2. Proposal for the issuance of the Company's 2023 Sustainability Report.		None	Reviewed and passed by the Audit Committee
14th meeting of the 3rd term 2024/11/06	1. To propose the replacement of the Company's Certified Public Accountant.	V	None	Reviewed and passed by the Audit Committee
	2. Ratification of the motion for the Company's consolidated financial statements for Q3 2024.	V	None	Reviewed and passed by the Audit Committee
	3. Proposal for the formulation of the Company's 'Sustainable Information Management Policy.		None	Reviewed and passed by the Audit Committee
	4. Motion for the 2025 audit plan.		None	Reviewed and passed by the Audit Committee
	5. Proposal for the Company to provide an endorsement and guarantee on behalf of Fortune Kentec Inc.	V	None	Reviewed and passed by the Audit Committee
	6. Proposed acquisition of 40% equity of KENMEC COMMUNICATION HOLDING (BVI) CO., LTD.	V	None	Reviewed and passed by the Audit Committee
15th meeting of the 3rd term 2025/03/07	1. Motion for the acknowledgment of the Company's 2024 business report, financial statements and consolidated financial statements.	V	None	Reviewed and passed by the Audit Committee
	2. Motion for the issuance of the Company's 2024 internal control system declaration.	V	None	Reviewed and passed by the Audit Committee
	3. Motion for the appointment of the Company's CPAs and the evaluation of their independence.	V	None	Reviewed and passed by the Audit Committee
	4. Proposal for the adoption of the Company's 'Sustainability Development Committee Charter.		None	Reviewed and passed by the Audit Committee
	5. Proposal for the disposal of the Company's entire 100% shareholding in its subsidiary, Kenmec Construction Co., Ltd.	V	None	Reviewed and passed by the Audit Committee
	6. Motion for the proposed loaning of funds of NTD75 million to the Company's subsidiary – Taisic Materials Co., Ltd.	V	None	Reviewed and passed by the Audit Committee
	7. Proposal to ratify the Company's endorsement and guarantee in the amount of NT\$40 million for Kentec Inc.	V	None	Reviewed and passed by the Audit Committee
	8. Proposal for the business integration of the Company's Thermal Division into Kentec Inc.	V	None	Reviewed and passed by the Audit Committee
	9. Proposal for the definition of the scope of 'junior employees' and the revision of the Company's Internal Control System.	V	None	Reviewed and passed by the Audit Committee
	10. Motion for the proposed loaning of funds of RMB 20 million to the Company's subsidiary – KENMEC Mecha-Tronics (Suzhou) Co., Ltd.	V	None	Reviewed and passed by the Audit Committee
	11. Proposal to formulate a supplementary agreement to the share transfer agreement between the Company and Kentec Inc.	V	None	Reviewed and passed by the Audit Committee

### (3) Composition, duties and operation of the Remuneration Committee

The Company has established the Remuneration Committee resolved by the Board meeting held on October 18, 2011. It is made up of three independent directors (Chen-Tai Hsiao, Fu-Hsiung Cheng, Chien-Chou Chu). The Committee shall exercise the due care of a good administrator to faithfully perform the following duties, and to submit the suggestion for

discussion to the Board of Directors.

- I. Periodically review the yearly and long-term performance goal of the Directors and managers of the Company, and the policy, system, standard and structure of the remuneration.
- II. Periodically evaluate the remuneration to directors and managers.

When the Committee exercises the above duties, it shall follow the guidelines as per below:

- I. With respect to the performance assessment and remuneration of directors and managers of the company, it shall refer to the typical pay levels adopted by peer companies, and take into consideration the reasonableness of the correlation between remuneration and individual performance, the company's business performance, and future risk exposure.
- II. Directors and manager officers shall not engage in behavior beyond the risk tolerance level of the Company for the purpose of pursuing remuneration.
- III. With respect to the time to distribute bonus in proportion with the short-term performance of directors and senior managers, or remuneration that is partially variable, the Company shall consider the characteristics of the industry and the business nature to decide the proper time to pay.

"Remuneration" as used in the preceding two paragraphs includes cash compensation, stock options, profit sharing and stock ownership, retirement benefits or severance pay, allowances or stipends of any kind, and other substantive incentive measures.

If decision-making and handling of any matter relating to the remuneration of directors and managers of a subsidiary is delegated to the subsidiary but requires ratification by the board of directors of the parent company, the parent company's remuneration committee shall be asked to make recommendations before the matter is submitted to the board of directors for deliberation.

## A. Information on members of the Remuneration Committee

Identity (Note 1)	Qualifications Name	Years of service of independent directors		Industrial experience (Note 2)			Professional competence (Note 2)		State of independence (Note 3)	Number of public companies in which concurrently serves as an independent director
		0-3 years	Over 9 years	Business and supply	Mechanical and engineering	Financial affairs and finance	Financial affairs	Risk management		
Independent director (Convener)	YI-YU LI	V		V		V	V	V	The members of the Company's Remuneration Committee are independent directors of the Board. As of March 31, 2025, the members themselves, their spouses or second-degree relatives held a total of 0 shares of the Company. No members of the Remuneration Committee served as directors, supervisors or employees in companies which have specific relationships with the Company.	1
Independent director	CHU-JU PENG	V		V		V	V	V		0
Independent director	CHIEN-CHOU CHU		V			V	V	V		2

Note 1: Please specify in the table the relevant years of service, professional qualifications and experience and independence for each member of the Remuneration Committee. If a member is an independent director, please make a note stating, "Please refer to Table 1 (I) on p. 14 for information on directors and supervisors." For "Identity", please fill in "independent director" or "other" (please add a note for a convener).

Note 2: Professional qualifications and experience: Please specify the professional qualifications and experience of each Remuneration Committee member.

Note 3: Independence status: Please specify the independence status of Remuneration Committee members, including but not limited to whether they, their spouses, or second-degree relatives serve as a director, supervisor or employer in the Company or affiliates; the proportion of shares held by the members themselves, their spouses or second-degree relatives (or in the name of others); whether the members serve as directors, supervisors or employees of companies with which the Company has a specific relationship (refer to Article 6, Paragraph 1, Subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); and the amount of remuneration received for commercial, legal, financial and accounting services provided to the Company or its affiliates in the past two years.

## B. Information on the functionality of the Remuneration Committee:

Remuneration Committee	Motion content and follow-up	Resolution	The Company's handling of the Remuneration Committee's resolution
7th meeting of the 5th term 2024/03/07	1. Motion for the distribution of the Company's 2023 remuneration to employees and directors.	All committee members approved and passed the motion	The motion was submitted to the Board of Directors' meeting and approved by all directors present at the meeting
8th meeting of the 5th term 2024/05/31	1. Proposal to formulate the Company's 'Employee Stock Subscription Regulations for the 2024 Cash Capital Increase.	All committee members approved and passed the motion	The motion was submitted to the Board of Directors' meeting and approved by all directors present at the meeting
	2. Review and approval of the Company's plan for a cash capital increase reserved for employee subscription.	All committee members approved and passed the motion	The motion was submitted to the Board of Directors' meeting and approved by all directors present at the meeting
9th meeting of the 5th term 2024/11/06	1. Motion for reviewing the annual and long-term performance goal of the directors and managers, and the policy, system, standard and structure of the remuneration, for ratification.	All committee members approved and passed the motion	The motion was submitted to the Board of Directors' meeting and approved by all directors present at the meeting
	2. Motion to discuss the distribution principle of the 2024 year-end bonus to the Company's managers and above.	All committee members approved and passed the motion	The motion was submitted to the Board of Directors' meeting and approved by all directors present at the meeting
10th meeting of the 5th term 2025/03/07	1. Motion for the distribution of the Company's 2024 remuneration to employees and directors.	All committee members approved and passed the motion	The motion was submitted to the Board of Directors' meeting and approved by all directors present at the meeting
	2. Motion for the Amendment to the Company's Articles of Incorporation	All committee members approved and passed the motion	The motion was submitted to the Board of Directors' meeting and approved by all directors present at the meeting

## C. Remuneration Committee Attendance

I. The Company's Remuneration Committee is made up of three members.

II. Members' term of office: From June 24, 2022, to June 23, 2025; the Committee held 3 (A) meetings in the most recent year, and the qualifications and attendance of the members are as follows:

Title	Name	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%) (B/A) (Note)
Convener	YI-YU LI	3	0	100
Committee member	CHU-JU PENG	3	0	100
Committee member	CHIEN-CHOU CHU	3	0	100

Note:

- (1) If a member of the Remuneration Committee resigns before the end of the year, the resignation date shall be indicated in the Remarks field. The actual attendance rate (%) was calculated on the basis of the number of board meetings held during the term of the Remuneration Committee and the number of meetings actually attended during active duty.
- (2) If there is a reelection of the Remuneration Committee before the end of the year, the new and old members of the Remuneration Committee must be stated, and indicate if such member is old, new, or reelected, as well as the reelection date. The percentage of actual (proxy) attendance (%) will be calculated based on the number of Remuneration Committee meetings held during active duty and the number of actual (proxy) attendance.

**(4) Corporate governance implementation and the difference from the Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies and reasons**

Item	State of operation			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
I. Has the company established and disclosed its rules of corporate governance in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	V		The company has formulated the "Corporate Governance Best Practice Principles" and disclosed them on the Taiwan Stock Exchange's website and the company's own website.	Compliant with the "Corporate Governance Best Practice Principles"
II. Equity structure and shareholders' equity		V	(I) The Company has set up a spokesperson, acting spokesperson, legal and stock affairs personnel dedicated to handling matters concerning shareholders' suggestions. Given the new amendments are being made to the corporate governance provisions, it will be approved by the board of directors at a later day, and related internal procedures will also be established.	Internal procedures have not yet been formulated. In the process of establishment due to revision of laws.
(I) Does the company have the internal procedures regulated to handle shareholders' proposals, doubts, disputes, and litigation matters; also, have the procedures implemented accordingly?				
(II) Does the company have control over the list of major shareholders and the controlling parties of such shareholders?	V		(II) The Company holds control over the list of major shareholders and the controlling parties of such shareholders through the actual information provided by the stock agent.	None.
(III) Has the company established and implemented risk control mechanism and firewall between the Company and its affiliates?	V		(III) Aside from the independent operation between the Company and affiliated companies, all business transactions between the Company and its affiliated companies are treated as independent third parties. Holding the principle of fairness and reasonableness, the Company has formulated rules for handling transactions between affiliated companies, specific companies and groups in order to prevent unconventional transactions.	None.
(IV) Has the company established internal regulations prohibiting insider trading against non-public information?	V		(IV) The Company has established internal regulations prohibiting insider trading.	None.
III. Composition and responsibilities of the Board of Directors				
(I) Has the Board formulated a diversity policy and specific management objectives, and have they been implemented?	V		(I) The composition of the Company's Board of Directors is conducted in a diversified manner with specific management objectives.	None.



Item	State of operation			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
(II) Other than establishing a remuneration committee and an audit committee as required by the law, has the company established other functional committees voluntarily?	V		(II) Aside from the establishment of the Remuneration Committee and Audit Committee as required by laws, we have also set up a strategy committee as the Company's highest advisory body for investment decisions. The strategy committee is responsible for analysis of the general economy, financial markets, industry structure and investment principles, and holds a meeting on a weekly basis.	None.
(III) Has the company established the Regulations Governing the Board Performance Evaluation and its evaluation methods, and does the company perform a regular performance evaluation each year and submit the results of performance evaluations to the Board of Directors and use them as reference in determining compensation for individual directors, their nomination, and additional office terms?	V		(III) Board of Directors' self-evaluation or peer evaluation has been established and implemented since January 1, 2020.	None.

Item	State of operation			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
(IV) Does the company carry out assessments on the independence of the certified public accountant(s)?	V		<p>(IV) The Company's Audit Committee evaluates the independence and suitability of CPAs on a regular basis every year, and then reports the evaluation results to the Board of Directors. The most recent evaluation was resolved and approved by the Audit Committee on March 7, 2025, and submitted to the Board of Directors for resolution and approval on March 7, 2025.</p> <p>The evaluation mechanism is as follows:</p> <ol style="list-style-type: none"> <li>1. Ensure that the Company CPA is not a related party to the Company or the directors.</li> <li>2. Comply with the rotation of CPAs as required by the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.</li> <li>3. Obtain the Declaration of Independence issued by CPAs on a regular basis.</li> <li>4. Obtain information on the 13 Audit Quality Indicators (AQIs) provided by the CPA firm and evaluate the audit quality of the CPA firm and the audit team in accordance with the "Audit Quality Indicators (AQI) Guidelines for Audit Committee Interpretations" issued by the competent authority.</li> </ol> <p>The evaluation results are as follows:</p> <ol style="list-style-type: none"> <li>1. The independence between the CPAs and the Company are in line with the Certified Public Accountant Act of the Republic of China, the Code of Ethics for Accountants, and the PCAOB.</li> <li>2. The Company did not appoint the same CPAs for five consecutive years.</li> <li>3. Ensure that the audit experience and training hours of accountants and the firm are better than the industry average. In addition, we continued to introduce digital audit tools in the past 3 years to improve audit quality.</li> </ol>	None.

Item	State of operation			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
IV. Has the Company established a full- or part-time corporate governance unit or personnel to oversee corporate governance affairs (including but not limited to furnishing information required for business execution by directors and supervisors, handling matters relating to board meetings and shareholders' meetings according to laws, producing (or recording) minutes of board meetings and shareholders' meetings)?	V		The Company's Board meeting held on March 19, 2021, resolved to appoint assistant manager Chin-I Lai as the head of corporate governance responsible for protecting the rights of shareholders and strengthening Board functions. Assistant manager CHIN-I LAI has more than three years of experience in financial and stock affairs in public companies. The head of corporate governance is mainly responsible for matters relating to board meetings and shareholders meetings according to laws, producing minutes of board meetings and shareholders meetings, assisting in onboarding and continuous education of directors and supervisors, furnishing information required for business execution by directors and supervisors, assisting directors and supervisors with legal compliance, maintaining communication between directors and senior executives, assisting in arranging meetings with auditors and CPAs, and formulating annual education and training plans according to the nature of the Company's industry and academic qualifications of directors. See Item 10 for further education of the Chief Governance Officer in 2024.	None.
V. Has the company established communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers), establishment of investors' relations office on websites and proper response to stakeholders' concerns of corporate social responsibility?	V		We have established a spokesperson and acting spokesperson as the Company's communication channels with stakeholders, and have set up a section on the Company's official website dedicated to stakeholders to provide answers to stakeholders' concerns on corporate social responsibility.	None.
VI. Has the company entrusted professional organizations for handling shareholder meeting matters?	V		The Company has commissioned professional organizations for matters regarding shareholders' meetings.	None.

Item	State of operation			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
VII. Information Disclosure				
(I) Has the company established a website to disclose information concerning financial affairs and corporate governance?	V		(I) We have set up a website to disclose the Company's profile, basic information and financial information. We have also set up dedicated personnel responsible for the maintenance and update of the website. Website: ( <a href="http://www.kenmec.com">http://www.kenmec.com</a> )	None.
(II) Has the company adopted other means for disclosure, such as setting up an English website, appointing personnel to gather and disclose relevant information, properly implementing the spokesperson system, and posting the meetings minutes of investor conference on the company website ?	V		(II) Duties are distributed depending on the work. In addition, we also have a spokesperson and acting spokesperson system in place. Investors can also look up the Company's related financial, business and corporate governance information on the Market Observation Post System website (MOPS).	None.
(III) Does the company publicly announce and file the annual financial report within two months after the close of the fiscal year and announce and file the financial reports of the first, second, and third quarters and the monthly operation status prior to the regulated deadline?	V		(III) The Company releases its financial report in accordance with the prescribed period, and has never released it ahead of the prescribed period.	None.
VIII. Is there any other important information (including but not limited to the interests of employees, employee care, investor relations, supplier relations, the rights of stakeholders, the continuing education for directors and supervisors, the implementation of risk management policies and risk measurement standards, the execution of customer policy, the purchase of liability insurance for the Company's directors and supervisors) that is helpful in understanding the corporate governance operation of the Company?	V		(I) We have established personnel regulations in accordance with applicable laws and regulations to protect the rights and interests of our employees. Meanwhile, we also promote environmental protection policies and dedicate ourselves to increasing the employees' environmental protection and social responsibility awareness, while also ensuring our products are in compliance with the environmental protection regulations. (II) The continuing education for directors and supervisors has been disclosed at "Corporate Governance" section on MOPS. ( <a href="https://mops.twse.com.tw/">https://mops.twse.com.tw/</a> ) (III) At KENMEC, we keep an open communication channel with our customers. (IV) We take out liability insurance for directors and supervisors. (V) The Company abides by laws and attaches importance to the labor-management relationship. We also	None.

Item	State of operation			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons	
	Yes	No	Summary		
			provide employment opportunities in order to fulfill our social responsibility.		
IX. Please specify the status of the correction based on the corporate governance assessment report released by the Corporate Governance Center of TWSE in the most recent year, and the priority corrective actions and measures against the remaining deficiencies. The Company's corporate governance rankings were 21%–35% in 2017 to 2021, 36%–50% in 2022. , and 21%–35% in 2023. The Company has established and detailed a reporting system on its website to disclose illegal (including corruption) and unethical conduct by internal and external personnel. We, as a company, strive for the development of sustainability in economic, environmental and social aspects, and will continue to uphold our core corporate values of integrity, while holding the long-term sustainable responsibility to our stakeholders and society.					
X. Further education of the Chief Governance Officer in 2024 is as follows					
Number	Institution	Name of course	Duration		Course
			Start	End	Number of hours
1	TPEx	AI Strategy and Governance	2024/07/09	2024/07/09	3
2	Taiwan Corporate Governance Association	The Application of Modern Enterprise Risk Management Strategies in Corporate Governance	2024/08/02	2024/08/02	3
3	TPEx	Internal Equity Advocacy Seminar for OTC and Emerging Stock Companies	2024/09/12	2024/09/12	3
4	Taiwan Corporate Governance Association	I Trends and Risk Management of Generative AI	2024/11/06	2024/11/06	3

Note: The so-called “Corporate Governance Self-Evaluation Report” refers to the Company’s current operation and execution status based on the corporate governance self-evaluation items as evaluated and described by the Company itself.

**(5) Implementation of sustainable development promotion and difference from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof**

Kenmec’s management vision is “protect the earth, benefit mankind and develop green products.” Based on this notion, we proactively promote many environmental protection policies and dedicate ourselves to increasing the environmental awareness of all our employees, while at the same time ensuring that our products are in compliance with environmental protection regulations

Promotion item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary	
I. Has the company constructed a governance structure to promote sustainable development and established a dedicated (concurrent) unit for the promotion of sustainable development, which is managed by senior management by authorization of the board of directors and is supervised by the board of directors?	V		<p>In alignment with the Company's ESG vision and mission, proactive energy conservation and carbon reduction measures were undertaken in 2022, including the establishment of the "Carbon Neutral Task Force," responsible for conducting internal carbon footprint assessments, prioritizing carbon reduction initiatives, and providing regular reporting and tracking.</p> <p>In the same year, the "Sustainability Promotion Committee" was established as the Company's highest-level internal decision-making body for sustainability development, chaired by the Chief Executive Officer and composed of senior executives from various fields. The Committee is tasked with reviewing core operational capabilities and formulating medium- and long-term sustainability plans.</p> <p>In 2024, the Committee was renamed the "Sustainability Development Committee," and its responsibilities were formally approved by the Board of Directors in the first quarter of 2025. The Committee is responsible for setting sustainability policies, systems, and plans, with performance reported to the Board annually.</p> <p>The Sustainability Development Committee serves as a cross-functional communication platform, vertically and horizontally integrating departments. Through regular meetings and issue-specific task forces, the Committee identifies material sustainability issues relevant to both operations and stakeholders, develops corresponding strategies, allocates sustainability-related budgets, and implements annual action plans, while systematically tracking progress to ensure the effective integration of sustainability strategies into daily operations.</p> <p>The Committee reports to the Board of Directors on a quarterly basis, convenes at least once annually, and addresses matters including: (1) identification of key sustainability issues and related action plans, (2) management of ESG-related risks and ethical business practices, and (3) supervision and evaluation of sustainability implementation.</p> <p>The Board of Directors receives quarterly reports from management, including ESG performance updates. Management is required to propose corporate strategies to the Board, which in turn assesses the likelihood of success, monitors progress, and advises adjustments where necessary to ensure the achievement of sustainability goals.</p>	In line with the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies”.

Promotion item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary	
II. Has the company implemented the risk assessment of environmental, social, and corporate governance issues related to corporate operation and established relevant risk management policies or strategies based on the principle of materiality? (Note 2)	V		<p>To enhance corporate governance and establish an effective risk management mechanism to ensure the company achieves its sustainability goals, the company has formulated risk management policies and procedures. These include processes such as risk identification, risk analysis and assessment, risk monitoring, risk response, and risk reporting.</p> <p>The company assesses the probability of risk occurrence and its impact on the company, and then implements risk responses for specific high-risk items. It identifies and manages risk categories related to environmental, social, and corporate governance issues.</p> <p>The internal risk management policies and procedures established by the company require reporting to the Board of Directors and Audit Committee on the status of risk management at least once a year for reference, ensuring the proper functioning of the management framework and risk control functions.</p>	In line with the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies”.
III. Environmental issues (I) Has the company implemented environmental policies suitable for the Company’s industry characteristics?	V		(I)The company has established an appropriate environmental management system based on industry characteristics, such as promoting 6S environmental management audits.	In line with the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies”.
(II) Is the company committed to enhancing the use of energy efficiency and use recycled materials that pose low impact on the environment?	V		<p>(II)The company is committed to enhancing environmental awareness among all employees and ensuring that the products produced by the company comply with environmental regulations, while actively working to improve the efficiency of various resources in the long term.</p> <ol style="list-style-type: none"> <li>1. Product lightweighting: Efforts are made to reduce product weight by using lighter materials while ensuring product quality is not compromised.</li> <li>2. Greening the supply chain: Collaboration with suppliers to select environmentally friendly products and reduce carbon footprint.</li> <li>3. Efficient use of resources: By improving design and production processes, waste of materials and energy consumption are reduced.</li> <li>4. Adoption of efficient equipment: The use of energy-saving and efficient production and transportation equipment to reduce unnecessary energy loss.</li> <li>5. Maintenance and upgrading of existing equipment: Keeping equipment in optimal operating condition through regular maintenance and upgrades to ensure maximum energy efficiency.</li> <li>6. Optimization of production scheduling: Proper scheduling of production to reduce energy waste and transportation costs.</li> </ol>	

Promotion item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof																																	
	Yes	No	Summary																																		
			7. Encouraging employee participation: Training employees on energy-saving awareness and encouraging their participation in carbon reduction and energy-saving activities to play an active role.																																		
(III) Does the Company assess the present and future potential risk and opportunities of climate change in relation to the Company and adopt countermeasures related to climate issues?	V		(III) We have evaluated the current and future potential risks and opportunities of climate change posed on the Company and incorporated it into risk management. At the same time, we proactively promote energy saving and carbon reduction, and have installed a solar power system and smart power saving control system.																																		
(IV) Does the Company gather statistics of the greenhouse gas emissions, water consumption and the gross weight of waste in the past two years and establish policies for the reduction of greenhouse gas emissions and water consumption or other waste management?	V		<p>(IV) We continue to promote energy-saving and carbon reduction strategies to effectively reduce greenhouse gas (GHG) emissions and water consumption. We have set improvement objectives for ourselves and will make gradual improvements in the future. Other specific measures include adding smart current indicators to facilitate electricity control, replacing old lighting with energy-saving lighting, replacing old air conditioners with energy-saving ones, installing water-saving valves to reduce unnecessary waste of resources, and installing solar power systems. The products produced by our subsidiary, Tainergy, utilize the infinite sunlight and transform it into energy, both energy-saving and eco-friendly. By doing so, the subsidiary is also making an effort to fulfill the social responsibility as a global citizen.</p> <p>The direct and indirect greenhouse gas emissions statistics for our company in the year 2024 are as follows:</p> <p style="text-align: center;">The total direct greenhouse gas emissions volume</p> <table><tr><th rowspan="2"></th><th colspan="5">Category 1</th></tr><tr><th>Fixed emissions</th><th>Mobile emissions</th><th>Fugitive emissions</th><th>Process emissions</th><th>Land use</th></tr><tr><td rowspan="2">Emissions intensity (metric tons CO2e/year)</td><td colspan="5">838.2369</td></tr><tr><td>54.8289</td><td>322.1414</td><td>0.8890</td><td>460.3775</td><td>0.0000</td></tr><tr><td rowspan="2">Percentage distribution by gas type</td><td colspan="5">100.00%</td></tr><tr><td>6.54%</td><td>38.43%</td><td>0.11%</td><td>54.92%</td><td>0.00%</td></tr></table>		Category 1					Fixed emissions	Mobile emissions	Fugitive emissions	Process emissions	Land use	Emissions intensity (metric tons CO2e/year)	838.2369					54.8289	322.1414	0.8890	460.3775	0.0000	Percentage distribution by gas type	100.00%					6.54%	38.43%	0.11%	54.92%	0.00%	
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Promotion item	Implementation status (Note 1)								Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof			
	Yes	No	Summary									
			Total indirect greenhouse gas emissions									
				Category 2	Category 3	Category 4	Category 5	Category 6				
				Indirect GHG emissions from energy generation	Indirect GHG emissions from transportation	Indirect GHG emissions from products used by the organization	Indirect GHG emissions associated with products used by the organization	Indirect GHG emissions from other sources				
			Emissions intensity (metric tons CO2e/year)	951.3738	0.0000	0.0000	0.0000	0.0000				
			The seven types of greenhouse gas emissions from direct sources									
				CO2	CH4	N2O	HFCs	PFCs		SF6	NF3	Annual total greenhouse gas emissions equivalent for the seven types of greenhouse gases
			Emissions intensity (metric tons CO2e/year)	1776.6523	2.8404	9.2290	0.8890	0.0000		0.0000	0.0000	1789.6107
			Percentage distribution by gas type	99.28%	0.16%	0.52%	0.05%	0.00%		0.00%	0.00%	100.00%

Promotion item	Implementation status (Note 1)				Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary		

Promotion item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary	
IV. Social issues				
(I) Does the Company develop management policies and procedures in accordance with the relevant regulations and international human rights conventions?	V		(I) In an effort to fulfill our corporate social responsibility and to protect the human rights of our employees, customers and stakeholders, at KENMEC we abide by the principles of the International Bill of Human Rights including the “United Nations Global Compact” and the “Universal Declaration of Human Rights”. Furthermore, we also respect the basic human rights recognized internationally, and have formulated the human rights policy in accordance with applicable labor laws and regulations where the Company operates. The Company’s human rights policy applies to the Company and its domestic and foreign subsidiaries, joint ventures, and other groups or affiliated organizations over which the Company holds substantial control. Our implementation guidelines are 1. diverse inclusion and equal job opportunities; 2. providing a safe and healthy working environment; 3. respecting the freedom of assembly and association of employees; and 4. providing employee education and training.	In line with the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies”.
(II) Does the company establish and implement proper employee benefit measures (including the salary, holidays, and other benefits) and reflect the corporate business performance or achievements in the employee remuneration?	V		(II) We have a rigorous system in place with comprehensive management rules, including salary management rules and leave management rules, to clearly specify regulations regarding remuneration, leave and employee benefits. Employees also receive an annual health examination, three major festival allowances, wedding and bereavement support payment, and group insurance. For newcomers, we also provide special leave that is better than the provisions prescribed in the Labor Standards Act. In addition, we allocate 5% to 15% of our profits as remuneration to employees, so that the remuneration and the Company’s business are growing together. By taking such an approach, we also promote a harmonious labor–management relationship and fulfill corporate social responsibility.	
(III) Does the Company provide employees with a safe and healthy work environment, and provide safety and health education to employees regularly?	V		(III) We hold annual employee health examinations and occasional labor safety first aid training, and set up an internal epidemic prevention and response unit to establish response plans in the face of an epidemic outbreak in order to provide our employees with a working environment that is both safe and healthy. Meanwhile, there is also health information on the Company’s internal website as a means to raise our employees’ safety and health awareness. Prior to carrying out work in the Company’s plant areas, outsourced vendors must undergo safety and health promotion and a toolbox meeting, in order to ensure the safety and health of the workplace. Occupational safety and health promotions and toolbox meetings are conducted for outsourced vendors before they go to the company's relevant sites for construction work to ensure a safe and healthy working environment. The total number of occupational accidents in 2024 was 6 (3 due to occupational accidents and 3 due to commuting accidents), accounting for 1% of the total number of employees. No fire accidents occurred in 2024 , and relevant preventive measures have been implemented: continuous training of	

Promotion item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
			dedicated fire prevention management personnel, regular inspections of fire protection equipment, employee fire drills, and electrical safety control.	
(IV) Does the Company have an effective career capacity development training program established for the employees?	V		(IV) KENMEC has formulated the “Employee Development Plan Rules”, and passed the Taiwan Training Quality System (TTQS) standards. We conduct systematic and structured talent cultivation and enhance the career development of our employees in a planned manner to help improve the Company’s business performance. Professional training for functions is provided depending on the needs of different duties. We hold exchange activities for newcomers, annual supervisor training courses for middle management cadres, and annual strategy-based activities for senior management.	
(V) Does the company comply with relevant laws and international standards with regard to issues of customer health and safety, privacy, marketing and labeling in relation to products and services and establish relevant policies and complaint procedures to protect the rights of consumers or customers?	V		(V) We comply with applicable laws and regulations and international standards in respect of the marketing and labeling of our products and services. We have attained the ISO9001 2008 quality management verification and we comply with confidentiality agreements and personal data protection laws when it comes to the privacy of our customers. To ensure consumer rights, we have a customer service unit in place and an outlet for stakeholders to make complaints.	
(VI) Has the company established the supplier management policy to require the supplier to comply with relevant regulations on issues of environmental protection, occupational safety and health or labor rights and provide its status of implementation?	V		(VI) The Company has formulated the “Supplier Management Rules” and contracts with our suppliers that include regulations related to environmental protection, intellectual property rights and integrity provisions to protect the rights and interests of all stakeholders. Moreover, there is also the “Supplier Evaluation Survey” formulated demanding our suppliers to abide by rules on environmental protection, occupational safety and health or labor rights issues. At the same time, we continue to keep sound and interactive contact with our suppliers in order to maintain the partnership to achieve mutual benefit. In addition, we regularly promote to our internal employees and our subsidiaries, as well as customers, suppliers and contractors, hoping that the supply chain manufacturers agree with the Company on the CSR policy and are willing to comply with related operations. The Company evaluates the impact of procurement and manufacturing practices on environment and society of the supply source community while strengthening the partnership between supply chain manufacturers to jointly make an effort to enhance CSR.	
V. Has the company taken reference from the internationally accepted		V	Our practices towards sustainability are handled in accordance with the regulations of the competent authorities and related laws. The Company has also set up a section dedicated to CSR on its website , and will prepare the 2023 sustainability report in 2024 in accordance with the regulations, and will	In line with the “Corporate Social Responsibility Best

Promotion item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary	
reporting standards or guidance when preparing sustainability reports to disclose non-financial information? Has the report mentioned above been assured, verified, or certified by a third party?			provide relevant information based on actual operations. Disclosed on the company's website and the corporate governance area of the Public Information Observatory. ( <a href="https://mops.twse.com.tw">https://mops.twse.com.tw</a> )	Practice Principles for TWSE/TPEX Listed Companies".
VI. If the company has established its own Sustainable Development Best Practice Principles based on the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", please describe any discrepancies between the principles and their implementation: The company's "Sustainable Development Code of Practice" was approved by the board of directors on March 10, 2023, and its operation is no different from the established code.				
VII. Other important information to facilitate better understanding of the company's practices toward the promotion of sustainable development implementation:				
(I) Sustainable management: We set high ethical standards for ourselves alongside the Company's management philosophy "ethical management and compassionate service", and adhere to the labor and retirement laws and regulations of the government and competent authorities. Our employees all sign an "Integrity Commitment" and comply with the principles of integrity, confidentiality obligations and avoid conflict of interest. Our employees perform corporate activities upholding the concept of "prosperous company and happy employees" to fulfill CSR.				
(II) Human capital: KENMEC provides a motivating reward system, performance bonus, year-end bonus, comprehensive and open promotion channel; provides employees with a healthy and safe workplace with a breastfeeding room in place; plans annual health examinations, health education consultation and labor safety and health management to prevent occupational disasters and diseases; and organizes all-inclusive employee activities, such as departmental dinners, year-end meals, domestic and overseas employee trips, birthday parties, and special store discounts.				
(III) Environmental management: We conduct maintenance on water, electricity and air-conditioning equipment each year to save energy and reduce carbon emissions so that they stay on top form. At each plant, we promote environmental operation such as garbage classification, food waste recycling and recycling of waste scraps, and have installed a solar power system on the roof or ground to cut down power consumption. We do our utmost to implement environmental protection policies while at the same time raising employees' environmental awareness.				
(IV) Social contribution: We have been taking a proactive approach on social contributions since 2013. Each year, we take part in the donation and sponsorship event held by annual – "Warmth for Love." We strive to make an effort in helping disadvantaged people through media and our corporate influence. At the plant at Ruifang Industrial Park, we have also adopted the maintenance of trees, and give priority to purchasing products from public welfare organizations for the three major festival gifts and birthday cards for employees in order to show support to charities. In 2024, the Company spent NTD 974,000 ,A total of 10 manufacturers have benefited, As we care for the health of people, we support the Foundation for Women's Health and Urogynecology of Taiwan. We are regularly involved in an array of public welfare activities, including participation in blood donation organized by the Taipei Blood Center. In 2024, we donated 219 bags of blood; in 2023, we donated 190 bags of blood. We invite students such as those from National Keelung Commercial & Industrial Vocational Senior High School on a regular basis to visit the Company. In doing so, we work with schools to cultivate talented students for society. We support learning programs in remote areas, such as donating books to Yu Da University of Science and Technology to achieve the effect of wisdom circulation, love and sharing. Meanwhile, we also make an effort to invest in the sustainable development of local arts creation. We provide a number of jobs to the physically				

Promotion item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary	
<p>and mentally challenged in an effort to protect and promote their employment opportunities. We also offer assistance in their employment so that they are able to support themselves in carrying out tasks. The implementation has been outstanding, and the Company has been given an excellent image honor by the Ministry of Interior.</p> <p>(V) Supply chain management:</p> <p>Internally: We arrange a labor–management meeting on a quarterly basis and performance appraisal interviews every six months for supervisors to review work performance and communicate with employees regarding work issues. By doing so, we establish communication channels for our employees and at the same time we also encourage our employees to directly talk to management.</p> <p>Externally: Sufficient business and financial information is disclosed on the Company website and MOPS for investors or stakeholders.</p> <p>(VI) Product features: Through our green manufacturing capabilities, we are engaged in green product manufacturing. We install solar power systems on roofs of office buildings and plants, public agencies, schools, outlying islands and residential homes as well as developing streetlight integrated solar power systems. We care very much about environmental protection and are doing what we can to save energy and reduce carbon, steadily creating value.</p>				

Note 1: If “Yes” is selected for the implementation, please explain the key policies, strategies and measures taken and their implementation; if “No” is selected for the implementation, please explain the difference and reason in the “Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof” column, and explain any policy, strategy and measure planned for the future.

Note 2: “Materiality principle” refers to environmental, social and corporate governance issues that are of material impact to the Company’s investors and stakeholders.

### Climate-Related Information Implementation Status:

According to the "Sustainability Roadmap for TWSE/TPEX-Listed Companies" issued by the Financial Supervisory Commission (FSC) in March 2022, the Company falls under the category of companies with paid-in capital of less than NT\$5 billion, which are subject to the third phase of GHG inventory and assurance requirements (i.e., completion of individual entity GHG inventory by 2026 and assurance by 2028). Furthermore, in accordance with FSC Letter No. 11103849344, GHG inventory disclosures are required starting in 2027, and assurance disclosures beginning in 2029. The Company will follow the guidelines and relevant regulations set forth by the competent authority to carry out greenhouse gas inventory and assurance procedures accordingly.

**(6) Implementation of ethical corporate management and deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof**

Item	State of operation			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
I. Enactment of ethical corporate management policy and program				
(I) Has the company established an ethical corporate management policy that was passed by its Board of Directors, and clearly specified in its rules and external documents the ethical corporate management policies and the commitment by the Board of Directors and senior management on rigorous and thorough implementation of such policies and methods?	V		(I) The Office of the General Manager is designated as the unit responsible for promoting integrity management, anti-corruption, anti-bribery, and legal compliance. It reports annually to the Board of Directors. The “Code of Integrity Management” was approved by the Audit Committee and the Board on March 10, 2023, and applies to all directors, managers, employees, appointees, and actual controllers. The Board oversees the prevention of dishonest conduct and ensures the policy is effectively implemented. Relevant regulations are disclosed on MOPS and the Company’s website.	No deviation
(II) Does the Company establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly with the inclusion of the prevention measures against each behavior specified in Article 7 Paragraph 2 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies”?	V		(II) In an effort to prevent dishonest acts, the Company has the “Rules for Handling Cases of Reporting Illegal and Unethical or Dishonest Conducts” in an effort to prevent dishonest conduct. We also require our employees to promise that they will not have conflicts of interest or ethical concerns when conducting their duties. Through the Company’s internal control, we carry out regular analysis to evaluate business activities containing higher unethical act risks to facilitate the prevention of unethical and illegal conduct.	No deviation

Item	State of operation			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
(III) Does the Company specify the operating procedures, behavior guidelines, discipline of violation and complaint system in the prevention program for unethical conduct, and implement the program accordingly? Does the Company regularly review and modify the program mentioned above?	V		(III) To strengthen ethical practices, the Company conducts regular training on integrity, compliance, occupational safety, information security, accounting, and internal controls. In 2024, a total of 4,121 attendees completed 9,013 training hours. The “Code of Ethical Conduct” is reviewed and updated annually to align with operational and regulatory changes.	No deviation
II. Implementation of ethical business				
(I) Does the company have the integrity record of the trading counterparty assessed and the clauses of ethical conduct expressed in the contract signed between them?	V		(I) The Company asks our stakeholders who have business dealings with the Company to abide by our ethical standards and we promote the aspect of our ethical corporate management on a regular basis to prevent the occurrence of unethical conduct.	No deviation
(II) Does the Company establish a specific unit for the board of directors to promote corporate ethical business and regularly (at least once a year) report the ethical corporate management policy, prevention program of unethical conduct and implementation status of supervision to the board of directors?		V	(II) The Company has established the “Procedures for Ethical Management and Guidelines for Conduct,” with the Office of the General Manager serving as the dedicated unit to coordinate integrity management efforts across departments. At least once a year, a report is submitted to the Board of Directors. On March 7, 2025, the Company reported the implementation status of its ethical management system to the Board.	No deviation
(III) Has the company formulated a conflict of interest prevention policy, provided appropriate reporting channels, and implemented it?	V		(III) When a new employee signs the labor contract, we ask them to make a commitment that they will not be involved in any illegal business conduct. There are also “Rules for Handling Cases of Reporting Illegal and Unethical or Dishonest Conducts” in place for employees to make complaints.	No deviation



Item	State of operation			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
(IV) Does the Company establish an effective accounting system and internal control system to implement ethical business and draft relevant audit plans by the internal audit unit based on the risk assessment results of the unethical conduct? Is the compliance of the prevention program for unethical conduct audited accordingly by the audit office or committed accountants?	V		(IV) The Company has established its accounting system and internal control system in accordance with applicable regulations. Internal audits are conducted based on risk assessments and implemented according to the audit plan, with results reported to the Board of Directors. All financial statements are audited by certified public accountants to ensure fairness and accuracy.	
(V) Does the company organize regular internal and external education and training for corporate ethical corporate management?	V		(V) The Company has formulated the “Integrity and Confidentiality Policy” and has built integrity into its corporate culture, which is promoted from time to time in all meetings for implementation.	
III. The operation of reporting system				
(I) Has the company established reporting and reward systems, convenient reporting channels and had a representative assigned to handle such issues?	V		(I) The Company has established the “Procedures for Handling Reports of Illegal, Unethical, or Dishonest Conduct” and set up a dedicated whistleblowing mailbox and hotline for internal and external use. The audit unit is the primary responsible department for handling such reports.	No deviation
(II) Has the company implemented any standard procedures and/or subsequent measures after carrying out an investigation or confidentiality measures for handling reported misconduct?	V		(II) In the event of an integrity violation, the Company convenes a material disciplinary committee made up of senior executives from across departments to review the matter. If the integrity violation is significant, the Company will report the matter to the Board of Directors’ meeting in accordance with related laws and operating procedures, while enforcing related the confidentiality mechanism.	No deviation
(III) Has the company adopted measures for protecting whistle-blowers from inappropriate disciplinary actions due to whistle-blowing?	V		(III) Our whistle-blowing process is strictly confidential, and no disciplinary action will be taken against the whistle-blower.	No deviation
IV. Enhancing Information Disclosure Does the company have the contents of the Ethical Corporate Management Best Practice Principles and its implementation disclosed on the website and MOPS?	V		The Company discloses its integrity philosophy, core values of “Integrity, Accountability, Improvement, and Innovation,” and specific codes of conduct on its official website. The “Code of Integrity Management” is also published online, and the Company’s efforts in implementing integrity practices are disclosed in the annual report.	No deviation

Item	State of operation			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
V. If the Company has established its own “Code of Integrity Management” in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies,” please explain its implementation and any differences from the recommended guidelines: The Company’s “Code of Integrity Management” was approved by the Board of Directors on March 10, 2023, and is fully implemented in compliance with the relevant principles.				
VI. Other important information to help understand the Company’s implementation of integrity management (e.g., review or amendment of the Company’s Code of Integrity Management): The Company will revise its “Code of Integrity Management” as needed, based on operational developments and relevant regulations, to ensure timely compliance and effective governance.				

**(7) Other significant information that will provide a better understanding of the state of the Company's implementation of corporate governance**

The Company has formulated internal operating procedures for handling material information, which are disclosed on the Company's intranet site.

**(8) Implementation of the internal control system**

A. Statement on Internal Control System: For the Internal Control System Statement, please refer to MOPS: <https://mops.twse.com.tw/mops/#/web/t06sg20>

B. If an accountant is entrusted to perform a special audit on the internal control system, the audit report shall be disclosed: N/A.

**(9) 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**

A. The Company's 2024 Annual General Meeting was held on May 31, 2024. Resolutions made by the shareholders present at the meeting and the status of implementation are as follows:

Item	Resolutions made by shareholders' meeting	Implementation status
1	Passed the motion for 2023 business report and financial statements.	The resolution was passed and implemented.
2	Passed the motion for 2023 earnings distribution.	April 6, 2024 was set as the ex-dividend date and June 7, 2024 the distribution date (at NTD 1.7 cash dividend per share). The implementation was completed.

B. The following is a summary of the significant resolutions made by the Company's Board of Directors from January 1, 2024 to the publication of the annual report:

Year - session	Date of meeting	Resolution	Matters stipulated in §14-3 or §14-5 of the Securities and Exchange Act	Opinions of the independent directors and the Company's handling of their opinions
2024-1	2024/03/07	1. Motion for the acknowledgment of the Company's 2023 business report, financial statements and consolidated financial statements.	V	None
		2. Motion for the issuance of the Company's 2023 internal control system declaration.		None
		3. Motion for the Company's 2023 earnings distribution; please review.		None
		4. Motion for the issuance of the Company's 2023 internal control system declaration.	V	None
		5. Motion for the appointment of the Company's CPAs and the evaluation of their independence.	V	None
		6. Passed the Company's 2024 budget.		None
		7. Motion for the recognition of 2023 related parties, specific companies and enterprise groups.		None

Year - session	Date of meeting	Resolution	Matters stipulated in §14-3 or §14-5 of the Securities and Exchange Act	Opinions of the independent directors and the Company's handling of their opinions
		8. Date, time, location and motions for the convening the Company's 2024 Annual General Meeting.		None
		9. Motion to formulate the Company's "Risk management policy and procedures."		None
		10. Amendment to the Company's "Organizational Regulations of the Compensation Committee."		None
		11. Amendment to the Company's "Rules of Procedure of the Board of Directors."		None
		12. Amendment to the Company's "Board of Directors Self-Assessment Measures"		None
		13. Motion for the cancellation of the proposed loaning of remaining funds of RMB 20 million to subsidiary – KENMEC Mecha-Tronics (Suzhou) Co., Ltd.	V	None
		14. Resolution on matters related to setting the ex-dividend date for cash dividends.		None
2024-2	2024/04/19	1. The company plans to handle the issuance of new shares through a cash increase and the issuance of the fifth domestic unsecured convertible corporate bonds.	V	None
2024-3	2024/05/10	1. Ratification of the motion for the Company's consolidated financial statements for Q1 2024.	V	None
2024-4	2024/05/31	1. The Company intends to conduct the supplementary public issuance procedure for its privately placed common shares and apply for OTC listing.	V	None
		2. Review and approval of the Company's plan for a cash capital increase reserved for employee subscription.		None
		3. Review and approval of the Company's plan for a cash capital increase reserved for employee subscription.		None
		4. Proposal for the Company to provide an endorsement and guarantee of NT\$50 million on behalf of Kentec Inc.	V	None
		5. Proposal to replace the Company's chief accounting officer.	V	None
2024-5	2024/08/06	1. Ratification of the motion for the Company's consolidated financial statements for Q2 2024.	V	None
		2. Proposal for the issuance of the Company's 2023 Sustainability Report.		None
2024-6	2024/11/06	1. To propose the replacement of the Company's Certified Public Accountant.	V	None
		2. Ratification of the motion for the Company's consolidated financial statements for Q3 2024.	V	None
		3. Proposal for the formulation of the Company's 'Sustainable Information Management Policy.		None
		4. Motion for the 2025 audit plan.		None
		5. Proposal for the Company to provide an endorsement and guarantee on behalf of Fortune Kentec Inc.	V	None
		6. Proposed acquisition of 40% equity of KENMEC COMMUNICATION HOLDING (BVI) CO., LTD.	V	None
		7. Motion for the Amendment to the Company's Articles of Incorporation		None
2025-1	2025/03/07	1. Motion for the acknowledgment of the Company's 2024 business report, financial statements and consolidated financial statements.	V	None
		2. Motion for the issuance of the Company's 2024 internal control system declaration.		None

Year - session	Date of meeting	Resolution	Matters stipulated in §14-3 or §14-5 of the Securities and Exchange Act	Opinions of the independent directors and the Company's handling of their opinions
		3. Motion for the Company's 2024 earnings distribution; please review.		None
		4. Proposal for distribution of dividends to shareholders from capital surplus, submitted for review and approval.		None
		5. Motion for the issuance of the Company's 2024 internal control system declaration.	V	None
		6. Motion for the appointment of the Company's CPAs and the evaluation of their independence.	V	None
		7. Passed the Company's 2025 budget.		None
		8. Motion for the recognition of 2024 related parties, specific companies and enterprise groups.		None
		9. Motion for the Amendment to the Company's Articles of Incorporation		None
		10. Date, time, location and motions for the convening the Company's 2025 Annual General Meeting		None
		11. Motion to conduct a full re-election of the Board of Directors.		None
		12. Proposal for the approval of the list of director and independent director candidates, as nominated and reviewed by the Board.		None
		13. Motion to release newly appointed directors and their representatives from restrictions on engaging in competing businesses.		None
		14. Proposal to establish the 'Organizational Charter of the Sustainability Development Committee' of the Company.		None
		15. Proposal for the disposal of the Company's entire 100% shareholding in its subsidiary, Kenmec Construction Co., Ltd.	V	None
		16. Motion for the proposed loaning of funds of NTD75 million to the Company's subsidiary –Taisic Materials Co., Ltd.	V	None
		17. Proposal to ratify the Company's endorsement and guarantee in the amount of NT\$40 million for Kentec Inc.	V	None
		18. Proposal for the business integration of the Company's Thermal Division into Kentec Inc.	V	None
		19. Proposal to fully waive participation in the cash capital increase of Kentec Inc.	V	None
		20. Proposal for the definition of the scope of 'junior employees' and the revision of the Company's Internal Control System.	V	None
		21. Motion for the proposed loaning of funds of RMB 20 million to the Company's subsidiary – KENMEC Mecha-Tronics (Suzhou) Co., Ltd.	V	None
		22. Proposal to replace the Company's Chief Financial Officer and Corporate Governance Officer.	V	None
		23. Proposal to formulate a supplementary agreement to the share transfer agreement between the Company and Kentec Inc.	V	None

**(10) Any other documented objections or qualified opinions raised by directors or supervisors against board resolutions in relation to matters, and their content in most recent year and as of the publication date of the annual report**

None.

#### 4. Independent Auditor Fee Information

Accounting firm	Name of CPA		Audit period	Remark
Deloitte & Touche Taiwan	LI-HUANG LI	PO-JEN WENG	2024.01.01~2024.06.30	None
Deloitte & Touche Taiwan	YOU,MENG-GUEI	LI-HUANG LI	2024.07.01~2024.12.31	None

Note: If the Company has changed the CPAs or the accounting firm this year, please indicate the audit period separately, and explain the reason for the replacement in the Remarks field.

##### (1) Information on CPA Audit Fees

Unit: NTD thousand

Accounting firm name	Name of CPA	Audit period	Audit Fee	Non-audit remuneration	Total	Remarks
Deloitte & Touche Taiwan	LI-HUANG LI PO-JEN WENG YOU,MENG-GUEI	2024.01.01-2024.12.31 2024.01.01-2024.06.30 2024.07.01-2024.12.31	3,700	749	4,449	Tax audit fee: NTD 300 thousand; transfer pricing fee: NTD 250 thousand; The audit opinion letter of an overseas company is NT\$100 thousand, the tax visa of an overseas company increases the CFC scope by NT\$40 thousand, and the business maintenance fee of an overseas company is NT\$59. thousand.

Note 1: If the Company has changed the CPAs or the accounting firm this year, please indicate the audit period separately, and explain the reason for the replacement in the Remarks field and disclose the audit and non-audit profession fees and other information.

Note 2: Please list the service items for non-audit fees. If “other” reaches 25% or more of the total amount of non-audit fees, its content of service shall be disclosed in the Remarks field.

##### (2) Audit fee for the change of accounting firms paid in the year is less than the previous year, the decreased amount, percentage and reason of the audit fee shall be disclosed:

None.

##### (3) Over 10% decrease in audit fee on a year-to-year basis, the decreased amount, percentage and reason of the audit fee shall be disclosed:

None.

## 5. Information on Replacement of CPA:

### (1) Former CPAs

Date of Change	2024.11.12		
Reasons and Explanation of Changes	In accordance with relevant regulations on CPA rotation, starting from the third quarter of 2024, the Company’s certifying CPAs were changed from LI-HUANG LI and PO-JEN WENG to MENG-GUEI YOU and LI-HUANG LI.		
State Whether the Appointment Is Terminated or Rejected by the Consignor or CPAs	Client		CPA
	Status		
	Appointment terminated automatically		N/A
	Appointment rejected (discontinued)		N/A
Opinions and reasons for audit reports other than unqualified opinions issued within the latest two years	None		
Any disagreement with the issuer	YES		accounting principles or practices
			Financial Report Disclosure
			Check scope or steps
			Others
	NO	V	
Illustrate			
Supplementary Disclosure (Disclosures Specified in Article 10.6.1.4~7 of the Standards)	None		

### (2) Successor CPAs

Accounting firm	Deloitte & Touche Taiwan
CPA	YOU,MENG-GUEI
Date of appointment	2024.11.12
Consultation matters and results regarding accounting treatment methods or accounting principles for specific transactions and possible issuance of opinions on financial reports before appointment	None
Successor accountant vs. predecessor accountant Written opinions on matters with different opinions	None

### (3) The Reply of Former CPAs on Article 10.6.1 and Article 10.6.2.3 of the Standards:

None.

## 6. Where the company's chairman, president, or any manager 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.

**7. Changes in shareholding and shares pledged by directors, supervisors, managers and shareholders with 10% shareholdings or more in most recent year and as of the publication date of the annual report**

**(1) Changes in Shareholding**

Unit: Shares

Title	Name	2024		By March 31 of 2025	
		No. of increase (decrease) of shares held	No. of increase (decrease) of shares pledged	No. of increase (decrease) of shares held	No. of increase (decrease) of shares pledged
Chairman and Chief Strategy Officer	CHING-FU HSIEH	14,000	None	None	None
Special assistant to the chairman's office	YUEH-CHEN LIN	13,000	None	None	None
CEO, Automation Business Group	MING-KAI HSIEH	(6,000)	None	None	None
Independent director	YI-YU LI	None	None	None	None
Independent director	CHU-JU PENG	None	None	None	None
Independent director	CHIEN-CHOU CHU	None	None	None	None
Corporate director	Shun-Zhong Investment Co., Ltd.	11,407	None	None	None
General Manager of the Operation and Management Center	LI-CHUAN SHEN	(148,144)	None	(45,000)	None
Managing director	CHIH-CHUN KE	(113,441)	None	(16,000)	None
Vice President, Automation Business Group	LIEN-YUAN WENG	(36,000)	None	(5,000)	None
Vice President, Automation Business Group	MING-CHIH HSIEH	26,412	None	None	None
Assistant Manager, Department of Finance	CHIN-I LAI	(64,000)	None	(5,000)	None
Director of Finance and Head of Accounting	YA-LING CHU	11,598	None	None	None
Associate of Automation Business Group	Zhang Zhimao	3,000	None	(6,000)	None
Associate of Hot Transmission Business Group	Kuei-Yuan Huang	9,000	None	None	None

**(2) Information on directors, managers and major shareholders during the transfer of shares in which the counterparty is a related party:**

None.

**(3) Information on directors, managers and major shareholders during the pledge of shares in which the counterparty is a related party**

None.



## 8. Shareholding percentage to 10 largest shareholders who are also related parties of each other

Mar 31, 2025 (Note)

Name (Note 1)	Shares held by the shareholder		Shareholdings of spouse and underage children		Total shares held in the names of others (Note 2)		Names and relationship of top 10 shareholders who are related parties, spouses or within second-degree of kinship to each other under Statements of Financial Accounting Standards – 6 (Note 3)		Remarks
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Title (or name)	Relationship	
Wei-Xin Investment Co., Ltd.	20,242,541	7.82	-	-	-	-	None	None	None
Wei-Xin Investment Co., Ltd. Representative: CHING-FU HSIEH	14,267,707	5.51	10,130,345	3.91	20,242,541	7.82	CHING-FU HSIEH	Person in charge	None
							YUEH-CHEN LIN	Spouse of the person in charge	
CHING-FU HSIEH	14,267,707	5.51	10,130,345	3.91	20,242,541	7.82	YUEH-CHEN LIN	Husband-wife	None
							Wei-Xin Investment Co., Ltd.,	Person in charge	
Zhao Cheng Investment Co., Ltd.	13,414,651	5.18	-	-	-	-	None	None	None
Zhao Cheng Investment Co., Ltd. Representative: CHOU-HUANG PAI	4,587,086	1.77	1,205,606	0.47	13,414,651	5.18	CHOU-HUANG PAI	Person in charge	None
YUEH-CHEN LIN	10,130,345	3.91	14,267,707	5.51	-	-	CHING-FU HSIEH	Husband-wife	None
							Wei-Xin Investment Co., Ltd.	Spouse of the person in charge	
CHOU-HUANG PAI	4,587,086	1.77	1,205,606	0.47	13,414,651	5.18	Zhao Cheng Investment Co., Ltd., Preparatory Office	Person in charge	None
MING-KAI HSIEH	2,196,346	0.85	8,032	0.00	None	None	CHING-FU HSIEH	Father- son	None
							YUEH-CHEN LIN	Mother- son	
CHEN, YI-ZHONG	1,625,000	0.63	-	-	-	-	None	None	None
YONG-CHANG CAI	1,415,000	0.55	-	-	-	-	None	None	None
Advanced Trust – Int'l Equity Index Trust II (Custodian: Standard Chartered Bank)	1,233,769	0.48	-	-	-	-	None	None	None
Advanced Starlight Global Equity Index Fund – Investment Account (Custodian: JPMorgan)	1,230,363	0.48	-	-	-	-	None	None	None

Note: The Company's most recent suspension of share transfer

Note 1: Shareholders' names are presented separately (for corporate shareholders, the name of the corporate shareholder and its representatives are stated separately), whereas the amount of benefits.

Note 2: The calculation of proportion of shareholding shall be the holding by the person, spouse, and dependents or in the name of a third party separately.

Note 3: The aforementioned shareholders for disclosure shall include institutional shareholders and natural persons, with the relations between the shareholders as required by the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

**9. Quantity of shareholdings of the same investee by the Company and its directors, supervisors, managerial officers directly or indirectly controlled, and the combined shareholdings**

March 31, 2025/Unit: thousand shares; %

Invested enterprise (Note 1)	Invested by the Company		Held by directors, supervisors, managers, and directly or indirectly controlled enterprises (Note 2)		Aggregate investment	
	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage
KENMEC INT'L HOLDING (BVI) CO., LTD.	38,039	100.00	-	-	38,039	100.00
KENMEC MECHA-TRONICS (SUZHOU) CO., LTD.	-	-	-	100.00	-	100.00
KENMEC AUTOMATION ENGINEERING (KUNSHAN)	-	-	-	100.00	-	100.00
Suzhou Kenmec Property Development Ltd.	-	-	-	76.88	-	76.88
KENMEC COMMUNICATION HOLDING (BVI) CO., LTD.	28,087	100.00	-	-	28,087	95.66
KENMEC TECHNOLOGY (SUZHOU) CO., LTD.	-	-	-	96.13	-	96.13
Anhui Rongyun Real Estate Development Co., Ltd	-	-	-	39.59	-	39.59
KENMEC VIETNAM COMPANY LIMITED	-	100.00	-	-	-	100.00
Chief Global Logistics Co., Ltd.	1,560	52.00	480	16.00	2,040	68.00
Hua-Xia Construction Co., Ltd.	10,000	100.00	-	-	10,000	100.00
KENMEC AUTOMATION (THAILAND) CO., LTD	1,129	99.99	1	0.01	1,130	100.00
Kentec Inc.	47,252	89.16	238	0.45	47,490	89.61
KENTEC ELECTRONICS (SUZHOU) CO., LTD.	-	-	-	34.51	-	34.51
Tainergy Tech. Co., Ltd.	61,133	27.17	17	0.01	61,150	27.18
TAINERGY TECH HOLDING (SAMOA) CO., LTD.	-	-	500	27.17	500	27.17
Tainergy Technology (Kunshan) Co., Ltd.	-	-	-	27.17	-	27.17
Kunshan Kunfu Electronic Materials Co., Ltd.	-	-	-	27.17	-	27.17
VIETENERGY COMPANY LIMITED	-	-	-	27.17	-	27.17
Star Solar New Energy Co., Ltd.	-	-	500	9.70	500	9.70
TAISIC MATERIALS CO.	4,400	8.80	23,828	12.95	28,228	21.75
TAI VISION CO., LTD.	-	-	2,400	21.74	2,400	21.74
Thunttech Co., Ltd.	-	-	50	27.17	50	27.17

Note 1: Investment accounted for under the equity method.

Note 2: Number of shares held on the date for the most recent suspension of share transfer

### III. Financing Status

#### 1. Capital and shares.

##### (1) Equity capital sources

Month Year	Face Value Per Share	Authorized capital stock		Paid-in capital		Remarks		
		Number of shares (thousand shares)	Amount (NTD thousand)	Number of shares (thousand shares)	Amount (NTD thousand)	Equity capital sources	Offset by any property other than cash	Others
1976.07	-	-	1,000	-	1,000	NTD 1,000 thousand in cash	None	None
1987.03	10	1	10,000	1,000	10,000	Cash capital increase of NTD 9,000 thousand	None	None
1989.02	10	5	50,000	5,000	50,000	Cash capital increase of NTD 40,000 thousand	None	None
1995.09	10	8	80,000	8,000	80,000	Cash capital increase of NTD 30,000 thousand	None	None
1996.08	10	10	100,000	10,000	100,000	Cash capital increase of NTD 20,000 thousand	None	None
1998.07	10	19,000	190,000	19,000	190,000	Cash capital increase of NTD 48,740 thousand; consolidated capital increase of NTD 1,260 thousand; capital increase by earnings of NTD 28,000 thousand; capital increase by capital surplus of NTD 12,000 thousand	None	None
1999.08	10	80,000	800,000	36,000	360,000	Cash capital increase of NTD 113,000 thousand; capital increase by earnings of NTD 57,000 thousand	None	Note 1
2000.09	10	80,000	800,000	45,000	450,000	Capital increase by earnings of NTD 90,000 thousand	None	Note 2
2001.07	10	80,000	800,000	49,500	495,000	Capital increase by earnings of NTD 45,000 thousand	None	Note 3
2002.09	10	80,000	800,000	54,450	544,500	Capital increase by earnings of NTD 49,500 thousand	None	Note 4
2003.04	10	97,000	970,000	63,414	634,144	Capital increase by earnings of NTD 64,644 thousand Capital increase of NTD 25,000 thousand by converting corporate bonds to common stock	None	Note 5
2003.10	10	97,000	970,000	74,317	743,165	Capital increase of NTD 109,022 thousand by converting corporate bonds to common stock	None	None
2004.01	10	97,000	970,000	74,577	745,770	Capital increase of NTD 2,605 thousand by converting corporate bonds to common stock	None	None
2004.09	10	152,000	1,520,000	78,243	782,427	Capital increase by earnings of NTD 36,657 thousand	None	Note 6
2005.04	10	152,000	1,520,000	78,311	783,114	Capital increase of NTD 687 thousand by converting corporate bonds to common stock	None	None
2005.07	10	152,000	1,520,000	78,993	789,927	Capital increase of NTD 6,813 thousand by converting corporate bonds to common stock	None	None
2005.08	10	152,000	1,520,000	93,993	939,927	Cash capital increase of NTD 150,000 thousand	None	Note 7
2005.08	10	152,000	1,520,000	97,905	979,048	Capital increase by earnings of NTD 39,121 thousand	None	Note 8
2005.10	10	152,000	1,520,000	104,802	1,048,017	Capital increase of NTD 68,969 thousand by converting corporate bonds to common stock	None	None
2006.01	10	152,000	1,520,000	106,458	1,064,575	Capital increase of NTD 16,558 thousand by converting corporate bonds to common stock	None	None
2006.03	10	152,000	1,520,000	106,756	1,067,562	Capital increase of NTD 2,987 thousand by converting corporate bonds to common stock	None	Note 9

Month Year	Face Value Per Share	Authorized capital stock		Paid-in capital		Remarks		
		Number of shares (thousand shares)	Amount (NTD thousand)	Number of shares (thousand shares)	Amount (NTD thousand)	Equity capital sources	Offset by any property other than cash	Others
2006.08	10	152,000	1,520,000	126,756	1,267,562	Cash capital increase of NTD 200,000 thousand	None	Note 10
2006.09	10	152,000	1,520,000	138,643	1,386,438	Capital increase by earnings of NTD 118,876 thousand	None	Note 11
2007.06	10	402,000	4,020,000	146,676	1,466,760	Capital increase by earnings of NTD 80,322 thousand	None	Note 12
2007.10	10	402,000	4,020,000	146,720	1,467,202	Capital increase of NTD 442 thousand by converting corporate bonds to common stock	None	None
2008.08	10	402,000	4,020,000	155,416	1,554,162	Capital increase by earnings of NTD 86,960 thousand	None	Note 13
2009.05	10	402,000	4,020,000	171,264	1,712,637	Capital increase by earnings of NTD 150,616 thousand; capital increase by employee bonuses NTD 7,859 thousand	None	Note 14
2009.09	10	402,000	4,020,000	172,654	1,726,536	Capital increase of NTD 13,900 thousand by converting corporate bonds to common stock	None	None
2009.12	10	402,000	4,020,000	175,333	1,753,332	Capital increase of NTD 26,795 thousand by converting corporate bonds to common stock	None	None
2010.01	10	402,000	4,020,000	205,333	2,053,332	Cash capital increase of NTD 300,000 thousand	None	Note 15
2010.01	10	402,000	4,020,000	212,171	2,121,710	Capital increase of NTD 68,378 thousand by converting corporate bonds to common stock	None	None
2010.02	10	402,000	4,020,000	212,183	2,121,826	Capital increase of NTD 116 thousand by converting corporate bonds to common stock	None	None
2010.06	10	402,000	4,020,000	222,552	2,225,518	Capital increase of NTD 103,691 thousand by converting capital surplus to common stock	None	Note 16
2010.09	10	402,000	4,020,000	222,805	2,228,052	Capital increase of NTD 2,535 thousand by converting corporate bonds to common stock	None	None
2010.12	10	402,000	4,020,000	218,005	2,180,052	Capital reduction by treasury stock of NTD 48,000 thousand	None	Note 17
2011.04	10	402,000	4,020,000	221,526	2,215,257	Capital increase of NTD 35,205 thousand by converting corporate bonds to common stock	None	None
2011.04	10	402,000	4,020,000	223,535	2,235,349	Capital increase of NTD 20,092 thousand by converting corporate bonds to common stock	None	None
2011.05	10	402,000	4,020,000	243,535	2,435,349	Cash capital increase of NTD 200,000 thousand	None	Note 18
2011.09	10	402,000	4,020,000	254,611	2,546,112	Capital increase by earnings of NTD 110,763 thousand	None	Note 19
2012.07	10	402,000	4,020,000	252,011	2,520,112	Cancellation of treasury stock of NTD 26,000 thousand	None	Note 20
2014.11	10	402,000	4,020,000	247,011	2,470,112	Cancellation of treasury stock of NTD 50,000 thousand	None	Note 21
2015.02	10	402,000	4,020,000	254,011	2,540,112	Capital increase by private placement of shares of NTD 70,000 thousand	None	Note 22
2018.10	10	402,000	4,020,000	249,011	2,490,112	Cancellation of treasury stock of NTD 50,000 thousand	None	Note 23
2024.09	10	402,000	4,020,000	259,011	2,590,112	Cash capital increase of NTD 100,000 thousand	None	Note 24

Note: 1. In August 1999, the cash capital increase was NTD 113,000 thousand and capital increase by earnings was NTD 57,000 thousand, totaling NTD 170,000 thousand, 17,000 thousand shares.

- It was approved by the Financial Supervisory Commission, Securities and Futures Bureau, Ministry of Finance with an order Letter Tai-Cai-Zheng(1) No. 57778 dated July 5, 1999.
2. In September 2000, the capital increase by earnings was NTD 90,000 thousand, totaling 9,000 thousand shares. It was approved by the Financial Supervisory Commission, Securities and Futures Bureau, Ministry of Finance with an order Letter Tai-Cai-Zheng(1) No. 74732 dated September 4, 2000.
  3. In July 2001, the capital increase by earnings was NTD 45,000 thousand, totaling 4,500 thousand shares. It was approved by the Financial Supervisory Commission, Securities and Futures Bureau, Ministry of Finance with an order Letter Tai-Cai-Zheng(1) No. 143497 dated July 9, 2001.
  4. In September 2002, the capital increase by earnings was NTD 49,500 thousand, totaling 4,950 thousand shares. It was approved by the Financial Supervisory Commission, Securities and Futures Bureau, Ministry of Finance with an order Letter Tai-Cai-Zheng(1) No. 0910143083 dated August 1, 2002.
  5. In April 2003, the capital increase by earnings was NTD 64,644 thousand, totaling 6,464 thousand shares. It was approved by the Financial Supervisory Commission, Securities and Futures Bureau, Ministry of Finance with an order Letter Tai-Cai-Zheng(1) No. 0920114592 dated April 28, 2003.
  6. In September 2004, the capital increase by earnings was NTD 36,657 thousand, totaling 3,666 thousand shares. It was approved by the Financial Supervisory Commission, Securities and Futures Bureau, Executive Yuan with an order Letter Zheng-Qi(1) No. 0930129120 dated July 5, 2004.
  7. In May 2005, the cash capital increase was NTD 150,000 thousand, totaling 15,000 thousand shares. It was approved by the Financial Supervisory Commission, Securities and Futures Bureau, Executive Yuan with an order Letter Jing-Guan-Zheng(1) No. 0940116373 dated May 18, 2005.
  8. In July 2005, the capital increase by earnings was NTD 39,121 thousand, totaling 3,912 thousand shares. It was approved by the Financial Supervisory Commission, Securities and Futures Bureau, Executive Yuan with an order Letter Jing-Guan-Zheng(1) No. 0940130324 dated July 26, 2005.
  9. The second domestic unsecured convertible bonds issued in 2004 were converted by February 2006.
  10. In April 2006, the cash capital increase was NTD 200,000 thousand, totaling 20,000 thousand shares. It was approved by the Financial Supervisory Commission, Securities and Futures Bureau, Executive Yuan with an order Letter Jing-Guan-Zheng(1) No. 0950112190 dated April 20, 2006.
  11. In September 2006, the capital increase by earnings was NTD 118,876 thousand, totaling 11,887 thousand shares. It was approved by the Financial Supervisory Commission, Securities and Futures Bureau, Executive Yuan with an order Letter Jing-Guan-Zheng(1) No. 0950139751 dated September 5, 2006.
  12. In June 2007, the capital increase by earnings was NTD 80,322 thousand, totaling 8,032 thousand shares. It was approved by the Financial Supervisory Commission, Securities and Futures Bureau, Executive Yuan with an order Letter Jing-Guan-Zheng(1) No. 0960029584 dated July 27, 2007.
  13. In August 2008, the capital increase by earnings was NTD 86,960 thousand, totaling 8,696 thousand shares. It was approved by the Financial Supervisory Commission, Securities and Futures Bureau, Executive Yuan with an order Letter Jing-Guan-Zheng(1) No. 0970024044 dated June 6, 2008.
  14. In May 2009, the capital increase by earnings and employee bonuses was NTD 158,475 thousand, totaling 15,848 thousand shares. It was approved by the Financial Supervisory Commission, Securities and Futures Bureau, Executive Yuan with an order Letter Jing-Guan-Zheng(1) No. 0980019033 dated May 6, 2009.
  15. In October 2009, the cash capital increase was NTD 300,000 thousand, totaling 30,000 thousand shares. It was approved by the Financial Supervisory Commission, Securities and Futures Bureau, Executive Yuan with an order Letter Jing-Guan-Zheng-Fa No. 0980052623 dated October 15, 2009.

16. In June 2010, the capital increase by capital surplus was NTD 103,691 thousand, totaling 10,369 thousand shares. It was approved by the Financial Supervisory Commission, Securities and Futures Bureau, Executive Yuan with an order Letter Jing-Guan-Zheng(1) No. 0990029714 dated June 9, 2010.
17. In December 2010, the capital reduction by canceling treasury stock was NTD 48,000 thousand, totaling 4,800 thousand shares. It was approved by the Financial Supervisory Commission, Securities and Futures Bureau, Executive Yuan with an order Letter Jing-Shou-Shang No. 09901276450 dated December 13, 2010.
18. In May 2011, the cash capital increase was NTD 200,000 thousand, totaling 20,000 thousand shares. It was approved by the Financial Supervisory Commission, Securities and Futures Bureau, Executive Yuan with an order Letter Jing-Guan-Zheng-Fa No. 0990062698 dated November 29, 2010.
19. In September 2011, the capital increase by earnings was NTD 110,763 thousand, totaling 11,076 thousand shares. It was approved by the Financial Supervisory Commission, Securities and Futures Bureau, Executive Yuan with an order Letter Jing-Guan-Zheng-Fa No. 1000031852 dated July 11, 2011.
20. In July 2012, the cancellation of treasury stock was NTD 26,000 thousand, totaling 2,600 thousand shares. It was approved by the Financial Supervisory Commission, Securities and Futures Bureau, Executive Yuan with an order Letter Jing-Guan-Zheng-Fa No. 10101145440 dated July 17, 2012.
21. In November 2014, the cancellation of treasury stock was NTD 50,000 thousand, totaling 5,000 thousand shares. It was approved by the Financial Supervisory Commission, Securities and Futures Bureau, Executive Yuan with an order Letter Jing-Guan-Zheng-Fa No. 10301224200 dated November 3, 2014.
22. In February 2015, the capital increase by private placement of shares was NTD 70,000 thousand, totaling 7,000 thousand shares. It was approved by the Financial Supervisory Commission, Securities and Futures Bureau, Executive Yuan with an order Letter Jing-Guan-Zheng-Fa No. 10401023660 dated February 11, 2015.
23. In October 2018, the cancellation of treasury stock was NTD 50,000 thousand, totaling 5,000 thousand shares. It was approved by the Financial Supervisory Commission, Securities and Futures Bureau, Executive Yuan with an order Letter Jing-Guan-Zheng-Fa No. 10701128860 dated October 5, 2018.
24. In July 2024, The capital increase was 100,000 thousand and the number of shares was 10,000, which was declared effective by the Financial Supervision and Administration Commission's letter No. 1130342557 issued on May 22, 2024.

March 31, 2025 Unit: thousand shares; %

Types of shares	Authorized capital stock			Remarks
	Outstanding shares (Stock of listed companies)	Unissued shares	Total	
Registered stocks	259,011,150	142,988,850	402,000,000	

Shelf Registration in Taiwan: None

## (2) List of major shareholders

Shareholders holding 5% or more of the shares or names, numbers of shareholding and ratio of the top 10 shareholders

March 31, 2025 (Note)

Name of major shareholder/shareholding	Number of shareholding	Shareholding percentage (%)
Wei-Xin Investment Co., Ltd. Representative: CHING-FU HSIEH	20,242,541	7.82
CHING-FU HSIEH	14,267,707	5.51

Zhao Cheng Investment Co., Ltd. Representative: CHOU-HUANG PAI	13,414,651	5.18
YUEH-CHEN LIN	10,130,345	3.91
CHOU-HUANG PAI	4,587,086	1.77
MING-KAI HSIEH	2,196,346	0.85
CHEN, YI-ZHONG	1,625,000	0.63
YONG-CHANG CAI	1,415,000	0.55
Advanced Trust – Int'l Equity Index Trust II (Custodian: Standard Chartered Bank)	1,233,769	0.48
Advanced Starlight Global Equity Index Fund – Investment Account (Custodian: JPMorgan)	1,230,363	0.48

Note: The Company's most recent suspension of share transfer

### (3) Dividend Policy and Execution Status

#### A. Dividend Policy as Specified in the Articles of Incorporation

The Company's business is currently in the stage of operational growth, requiring profits to be retained as funding necessary for operational growth and investments. Therefore, the Company currently adopts a "balance as dividend" policy, giving consideration to the distribution of a balanced dividend equaling at least 50% of the annual net profits after tax. The Board of Directors may, however, submit a proposal for distribution to the shareholders' meeting for decision after taking into account the actual funding situation of the Company.

Earnings may be distributed in the form of a combination of cash and stock dividends, provided that cash dividend is at least 20% of the total dividend. The shareholders' meeting may, however, make adjustment thereto based on future funding plans.

#### B. Proposed dividend distribution for the year:

Unit: NTD	
Item	Amount
Undistributed earnings at the beginning of the period	361,023,198
Added: Recognition of actuarial gains and losses of subsidiaries to adjusted retained earnings	1,277,809
Add: Defined benefit plan remeasurement amount to adjust retained earnings	5,372,073
Adjusted Unappropriated Retained Earnings	367,673,080
Add: Net loss after tax for the period	(143,226,927)
Less: Profits set aside as legal reserves (10%)	0
<b>Distributable earnings for the current period</b>	<b>224,446,153</b>
Distribution of earnings for the current period:	0
Shareholder bonus – cash	0
<b>Total amount distributed</b>	
<b>Undistributed earnings at the end of the period</b>	<b>224,446,153</b>
Notes:	
1. In addition, a cash dividend of NT\$0.7 per share was distributed from capital surplus.	
2. Due to the net loss for the current period, according to the provisions of the Articles of Association, no employee remuneration and director remuneration are planned to be distributed	

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

There is no stock dividend distribution for the year.

**(5) Employee remuneration to directors, and supervisors**

A. The percentage or scope of employee remuneration to directors and supervisors as set forth in the Articles of Incorporation:

If there is a profit for the year, the Company shall first pay taxes and cover previous losses, then set aside 10% as the legal reserve. As required by the law or competent authorities, a special reserve shall also be set aside. The remaining profit and the "adjustment for the undistributed earnings for the year" is then used for earnings distribution which is proposed by the Board of Directors and recognized by the shareholders' meeting. Among the earnings, 5%–15% is allocated as remuneration to employees, whereas remuneration to directors and supervisors is allocated at 1%–3% of the current year's pre-tax net income. Also, employees who are entitled to receive the Company's stock must be the Company's employees who meet certain criteria.

B. The accounting of the difference between the estimates of remuneration to employees, directors and supervisors, the basis for the calculation of outstanding shares for dividend payment and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure:

a. The accounting of the difference for the period between the estimates of remuneration to employees, directors and supervisors:

The motion for the 2024 earnings distribution was resolved by the Board of Directors' meeting held on March 7, 2025, pending resolution at the shareholders' meeting. According to Article 20 of the "Articles of Incorporation", 5%–15% of the Company's annual net profits before tax, if any, shall be appropriated as employee remuneration, and 1%–3% of the said profits shall be appropriated as directors' remuneration.

The performance evaluation of the remuneration to directors includes participation in the operation of the Company, improvement of the quality of the Board of Directors' decision making, composition and structure of the Board of Directors, election and continuing education of the directors, and internal control.

The Company's remuneration to managers includes salary and bonus. Salary of the Company's managers is determined with reference to industry standards, as well as their job position, rank, education and experience, professional skills and responsibilities; while the bonus of managers takes into account the manager's performance evaluation, which includes financial indicators (e.g., the achievement rate of company revenue, profit before tax and profit after tax) as well as non-financial indicators (other special contribution, significant negative events, whether they continue to take on further education and learn new knowledge as required by law, etc.), and is determined based on the operational performance in accordance with the allocation principle recommended by the Remuneration Committee.

b. Accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure:

If there is any change in the amount on the date of resolution made by the shareholders' meeting, the changed amount shall be treated as a change in accounting estimates and accounted for in the year of resolution made by the shareholders' meeting. If there is still a change in the amount, it is adjusted into the accounts on the shareholders' meeting the following year. If remuneration is resolved to be distributed to employees in shares, the number of shares is determined by dividing the amount of bonus by the closing price (after considering the effect of cash and stock dividends) of the shares of the day preceding the shareholders' meeting. In 2024, the remuneration distribution of the



Company's annual profit is determined with reference to the office term of the directors, the number of times directors attend board meetings, and their contribution to the Company (including, but not limited to, the number of the Company's shares held and provision of endorsement/guarantee for the Company).

c. Information on distribution of the employee remuneration approved by the Board of Directors:

- Proposed employee remuneration distribution in cash and shares, and remuneration to directors and supervisors approved by the Board of Directors:

The earnings distribution plan for 2024 was approved by the Board of Directors on March 7, 2025. As the company incurred a loss in 2024, no employee compensation or director remuneration is proposed.

- The amount of 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.
- Assumed earnings per share after considering the remuneration to employees, directors and supervisors: It does not affect earnings per share as remuneration to employees and directors is distributed in cash.
- 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 it is treated: None.

**(6) Status of the Company repurchasing its own shares: (completed)**

The Company did not repurchase any of its shares during 2024 or up to the date of the annual report.

## **2. Issuance of corporate bonds**

**(1) Corporate Bond Issuance Status**

Type	Fifth Unsecured Convertible Bond
Issue Date	June 21, 2024
Denomination	NT\$100,000
Issuance and Trading Location	Republic of China (Taiwan)
Issuance Price	NT\$118.47 per bond (via competitive auction)
Total Amount	NT\$600,000,000
Interest Rate	0% per annum
Maturity	3 years, maturing on June 21, 2027
Guarantor	Not applicable
Trustee	Yuanta Commercial Bank Co., Ltd.
Underwriter	Yuanta Securities Co., Ltd.
Legal Counsel	Not applicable
CPA Certification	Not applicable
Repayment Method	In accordance with Article 6 of the Company's issuance and conversion terms; unless converted, put, or redeemed early, the bonds will be repaid at 100% face value in cash at maturity.
Outstanding Principal	NT\$600,000,000
Redemption/Early Repayment	As per Articles 17 and 18 of the issuance and

Clauses		conversion terms
Restrictions		None
Credit Rating Agency, Date, and Result		Not applicable
Additional Rights	Amount Converted into Common Shares, GDRs, or Other Securities as of the Date of the Annual Report	NT\$0
	Issuance and Conversion (Exchange or Subscription) Terms	Please refer to the Company's Terms for the Fifth Domestic Unsecured Convertible Bond Issuance and Conversion.
Potential Dilution & Shareholder Impact		Assuming full conversion at NT\$113.2 per share, share capital would increase by 5,298,000 shares, representing 2.05% of current outstanding shares, with limited impact on shareholder equity.
Custodian for Exchange Assets		Not applicable

**(2) Convertible Bond Information**

Type		Fifth Unsecured Convertible Bond	
Item	Year	2024	Up to March 31, 2025
Market Price of Convertible Bonds	Highest	125.00	110.00
	Lowest	101.00	100.00
	Average	118.74	103.96
Conversion Price		113.20	113.20
Issue Date and Conversion Price at Issuance		June 21, 2024 / NT\$114.00	
Method of Conversion Obligation Fulfillment		Issuance of New Shares	Issuance of New Shares

**(3) Exchangeable Bond Information:**

None.

**(4) Summary of Registered Corporate Bond Issuance:**

None.

**(5) Corporate Bonds with Warrants:**

None.

**3. Issuance of preferred stock**

None.

**4. Global Depositary Receipts (GDR) Status**

None.

## 5. Issuance of employee stock option certificates

None.

## 6. Issuance of restricted stock awards for employees

None.

## 7. Status of New Share Issuance for Mergers or Acquisition of Other Companies' Shares

None.

## 8. Status of Fund Utilization Plan Execution

For any uncompleted or recently completed (within 3 years) securities issuance or private placement with unrealized benefits, details of the plan, changes, fund sources and usage, reasons for changes, expected outcomes, shareholder meeting dates for approvals, and FSC filing dates must be disclosed.

As of the latest quarter before the annual report date, the only uncompleted case is the Fifth Domestic Unsecured Convertible Bond issued in June 2024. Execution details are as follows:

### (1) Plan Overview

A. Total Funds Required: NT\$1,610,826 thousand

B. Source of Funds:

Capital increase in 2024: Issuance of 10,000,000 new shares at NT\$90 per share

Issuance of 6,000 units of the Fifth Domestic Unsecured Convertible Bond at a face value of NT\$100,000 per unit, 0% interest rate, 3-year term, issued at par

Total Funds Raised: NT\$1,610,826 thousand

C. Project Items and Fund Utilization Schedule:

Unit: NT\$ Thousand

Project Item	Estimated Completion Date	Required Funds	Planned Utilization by Period		
			2024		2025
			Q3	Q4	Q1
Loan Repayment	Q3 2024	470,000	470,000	0	0
Working Capital	Q1 2025	1,140,826	400,000	400,000	340,826
Total		1,610,826	870,000	400,000	340,826

D. Expected Benefits

Loan repayment of NT\$470,000 thousand is expected to save NT\$5,598 thousand in 2024 and NT\$11,200 thousand annually thereafter, reducing financial burden and strengthening financial flexibility.

Working capital of NT\$1,140,826 thousand will support business growth and improve liquidity, with estimated annual interest savings of NT\$27,186 thousand.

### (2) Current Execution Status and Benefits

A. Execution Status

As of March 31, 2025, the planned and actual cumulative fund usage both reached NT\$1,610,826 thousand, achieving 100% execution as scheduled.

B. Benefit Analysis

As of Q1 2025, the Company's current and quick ratios improved compared to Q2 2024 (pre-fundraising). Interest expenses (excluding convertible bond amortization) also decreased, indicating realized fundraising benefits.

### (3) Changes to the Original Plan, Fund Sources and Uses, Reasons for Changes, Before-and-After Benefits, and Shareholders' Meeting Date for Approval

No Changes to the Original Plan

## **IV. Business Operation**

### **1. Business Items**

#### **(1) Business scope**

A. Main content of the operated businesses:

- ◆ Industrial machinery, steel angle frame, steel structure design, processing, manufacturing and trading.
- ◆ Import and export of machinery and hardware, machinery and electrical equipment.
- ◆ Manufacture and sale of production lines and flexible manufacturing systems for joint production lines and application robots.
- ◆ Manufacture and sale of automatic conveyors, automatic pallet stackers, automatic warehousing equipment, unmanned trucks, and robotic arms.
- ◆ Manufacture, sale, import and export of lifting equipment.
- ◆ Parking lot business.
- ◆ Design, processing, manufacture and trading of parking equipment.
- ◆ Design, planning, manufacturing, processing, trading, construction and maintenance of waste treatment equipment of incinerators.
- ◆ Design, planning, manufacturing, processing, trading, installation and maintenance of water treatment and water pollution control equipment.
- ◆ Agent of domestic and foreign manufacturers for the manufacturing, trading and bidding of their products stated above.
- ◆ Data storage and process equipment manufacturing.
- ◆ Cable communication machinery equipment manufacturing.
- ◆ Machinery installation.
- ◆ Computer equipment installation.
- ◆ Telecommunication engineering.
- ◆ Controlled telecommunications radio-frequency devices installation engineering.
- ◆ Information software services.
- ◆ Data processing services.
- ◆ Biotechnology services.
- ◆ Wholesale of clerical machinery equipment.
- ◆ Retail sale of clerical machinery equipment.
- ◆ Wholesale of computer software.
- ◆ Retail sale of computer software.
- ◆ Manufacture export.
- ◆ Electrical, Communication, Audio-visual, Smartphone and Tablet Computer Electronic Products |Manufacturing.
- ◆ Electronics Components Manufacturing.
- ◆ Computer and Laptop Peripheral Manufacturing and Equipment Manufacturing.
- ◆ Retail Sale of Electronic Materials.
- ◆ Electric Appliance and Electronic Products Repair.
- ◆ Design, OEM, Manufacture and Trading of General Electronic Information Products and Circuit Board Surface Adhesion Structures.

- ◆ Smart TV Control Panel Design, Processing, Manufacturing and Trading.
- ◆ Design, Processing, Manufacturing and Trading of unmanned aerial vehicle (UAV).
- ◆ Design, Processing, Manufacturing and Trading of Wearable Electronics.
- ◆ Design, processing, Manufacturing and Trading of Medical Device Modules.
- ◆ Manufacturing and Trading of Automotive Electronics.
- ◆ Manufacturing and Trading of Other Consumer Electronics.
- ◆ Industrial Computer Manufacturing and Network Storage Server Manufacturing.
- ◆ Production/Sales of Standard Graphics Cards, Industrial Touch Panels and Customized Services.
- ◆ Production/Sales of Standard Network Digital Switches and Customized Services.
- ◆ Customized Service and Production of Industrial Control Single-chip Computers.
- ◆ Manufacture of Batteries and Accumulators.
- ◆ Manufacture of Power Generation, Transmission and Distribution Machinery
- ◆ Electronics Components Manufacturing.
- ◆ Energy Technical Services
- ◆ International Trade.
- ◆ Research, Development, Design, Manufacture and Trading of Solar Cells and Related Systems.
- ◆ Research, Development, Design, Manufacture and Trading of Solar Power Modules.
- ◆ Research, Development, Design, Manufacture and Trading of International Trade in Relation to the Aforementioned Products.
- ◆ All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- ◆ Production/Sales and Customized service for Industrial Computer Standard Products.
- ◆ Production/Sales and Customized service for Industrial Touch Panels.
- ◆ Production/Sales of Standard Network Digital Switches and Customized Services.
- ◆ Customized Service and Production of Industrial Control Single-chip Computers.

#### B. Operating weight

Unit: NTD thousand

Major products	2023		2024	
	Amount	%	Amount	%
Automated logistics system	2,847,003	51.28	1,998,893	74.12
Solar cell	2,127,837	38.33	332,669	12.33
Electronics parts and components	249,071	4.49	219,017	8.12
Building (construction) materials	289,627	5.22	108,453	4.02
Others	37,952	0.68	37,993	1.41
Total	5,551,490	100.00	2,697,025	100.00

#### C. The Company's products (services)

- a. Automation products
- b. OEM parts & components
- c. Solar Cells
- d. Liquid cooling smart products

e. Cold chain logistics equipment

D. New products (services) to be developed

- a. Automation products: Smart manufacturing, smart logistics, vacuum heating equipment and related derivative business opportunities, autonomous mobile robots (AMRs), net zero emission and Combat Information Center systems.
- b. Solar cell products: High efficiency and low-cost solar cells.
- c. Liquid cooling smart products: Cooling distribution units (CDUs), high efficiency liquid cooling cabinets, immersion cooling systems, liquid cooling formulation water, dielectric fluid, CPU water-cooled panels.

## **(2) Overview of the industry:**

A. Current situation and development of the industry

a. Automation-related industry

The Company's initial business upon establishment was automation, including whole factory automated logistics system, parking systems and other maintenance services. Thanks to our years of experience in the automation field and the history of the 3rd generation semiconductor SiC industry, the Company entered into the 3rd generation semiconductor SiC business in 2019, and continues to refine its technology.

In recent years, political and economic situations in China have changed dramatically; these changes include: "the continuous environmental protection restrictions result in a reshuffling of some industries," "full investigation of tax evasion of companies and individuals," and "the decrease in demographic dividend leads to an increase in the cost of doing businesses." In the past, China attracted many Taiwanese businessmen due to its low labor cost and the potential of local domestic demand market. With China's increased taxation, social security and other labor costs gradually becoming higher than in Taiwan, business conditions are not as tempting they once claimed to be. Coupled with the U.S.–China trade war and the impact of COVID-19, many Taiwanese-invested companies pulled out from China or have reduced their business scales and returned to Taiwan or Southeast Asian countries for investment.

Before the pandemic outbreak, the U.S.–China trade war and technology war had already led to a situation where the industrial chain broke from these two countries. The COVID-19 outbreak even further caused a pause in the global supply chain logistics, raw material supply and personnel mobility, resulting in a large amount of vulnerability of the global industrial chain in the post-pandemic era. Due to the pandemic, many companies were forced to accelerate the establishment of diversified cross-country and cross-region production bases in a bid to reduce the risk of breaking the supply chain due to over-concentration. These companies at the same time also introduced digital manufacturing in the production layout while setting up cross-region digital platforms in order to strengthen the resilience of industries and supply chains.

In an effort to address the change in industry structure, the global supply chain has become a short supply from a long supply. Customers began to demand local supply in order to reduce the risk of stockpiling. These customers increase the frequency of orders but decrease the number of orders to strengthen their operational flexibility. Such approach has brought a huge impact on the logistics industry. With the aim to satisfy customer needs, logistics sectors must change their previous mindset of centralized management and enhance operational efficiency through different types of smart technologies. By building a new

generation of automated logistics warehouse and system, localization, decentralization, and efficiency can be achieved. For example, we can find out the frequency and quantity of customers' orders through AI algorithms. We can reduce the need for personnel and improve the efficiency of logistics dispatch management through warehouse shelf management or introduce mechanisms such as unmanned aerial vehicle (UAV) swarms to precisely dispatch smart logistics.

b. Solar power-related industry

The solar energy industry is one of the key sectors in the global development of renewable energy. In recent years, driven by environmental policies, technological advancements, and reductions in production costs, the solar energy industry has experienced rapid growth. According to the International Energy Agency (IEA) report, the global solar photovoltaic (PV) installed capacity surpassed 1,000 GW in 2023 and continues to grow rapidly, with an expected increase to 3,000 GW by 2030.

Governments around the world are actively promoting policy subsidies and carbon neutrality goals. For example, the United States' Inflation Reduction Act (IRA) provides substantial subsidies for green energy, which has led to the rapid expansion of the U.S. solar market. However, tariff policies on solar products imported from China and Southeast Asia have impacted the development of the supply chain. Additionally, the Trump administration's stance on green energy policies is expected to have an impact on the market.

China, as the world's largest solar energy market, ranks first globally in both production and installed capacity. The government continues to promote new energy policies and has vigorously developed distributed photovoltaic and large-scale solar power plants, all of which have contributed to the expansion of the solar market. However, due to both established photovoltaic companies and new entrants expanding their production capacity, the market supply greatly exceeds demand, resulting in severe overcapacity. The vast majority of companies will face price collapses and negative profit pressures in 2024, which have already impacted other international markets.

The European Union has the European Green Deal, actively promoting energy transition plans. Additionally, due to geopolitical considerations, many countries are accelerating their photovoltaic deployments to reduce dependence on Russian energy. However, due to the overflow of China's production capacity, high inventory levels have also been reported from time to time.

India is strengthening support for domestic manufacturing, with domestic demand continuously growing. At the same time, it is trying to reduce reliance on Chinese solar products by gradually increasing tariffs on imported goods to boost the country's own solar installation capacity.

c. Liquid cooling smart industry

The heat dissipation industry is expanding its operations and depths in AI, IoT, Cloud, 5G, high performance computing (HPC), smart home appliances and automobile application fields, with air cooling and liquid cooling solutions to meet market demand.

We, at KENMEC, will speed up manufacturing process optimization to increase capacity and productivity, continue to innovate technologies, products and applications while also adequately adjusting the manufacturing location of products to ensure its core competitiveness and overall operating performance in order to keep on leading the industry. Heat transfer products will center on key components and materials such as cooling distribution units (CDUs), rear door cooling, water-cooled panels, convergent-divergent tubes, and dielectric fluids to provide a variety of heat dissipation solutions and services.

## B. Linkage between the upstream, midstream and downstream of the industry

### a. Automation industry

The whole factory automatic logistics system includes conveyor system, automated storage, automated palletizer system and automated guided vehicles. Their main common materials include stainless steel, aluminum, PLC, pneumatic and hydraulic materials, motors, speed reducers, inverters, pneumatic cylinders, electrical boxes, belts/rollers/chains, gears, blockers, various optical and electrical switches, integrated computer systems and bearings, and so on. Most of the raw materials can be supplied by manufacturers in Taiwan, while a few special materials are imported from Japan and Germany.

Also, as the order for the whole factory automated logistics system taken in Taiwan comes with a series of services in terms of the overall planning and design, procurement of materials, assembly, trial and maintenance, it is therefore not easy to standardize the form of mass sales due to the reason it is built in line with needs of customers. The downstream sector remains the end system manufacturer.

Upstream	Midstream	Downstream
Stainless Steel, Iron, Aluminum Motor Speed Reducer Inverter Pneumatic Cylinder Programmable Logic Controller (PLC) Electric box Belt/Roller/Chain Gears Blocker Optical Switch Computer System	Conveyor Automated Storage Automated Guided Vehicle Automated Palletizer System Parking Equipment Solar Energy Equipment	Automation system users include manufacturing plants of various industries, logistics centers and government agencies

### b. Solar Cell Industry

#### ① Upstream (raw material supply):

This mainly includes the production of polysilicon/monocrystalline silicon and wafers. China holds the largest global market share in this sector, with market shares of 76% and 96%, respectively.

#### ② Midstream (cell and module manufacturing):

This involves the production of solar cells and modules, with mainstream technologies including PERC, TOPCon, and HJT cells. Chinese and Taiwanese companies have a competitive advantage in this field, but China still holds the largest market share, with 83% in cells and 76% in modules.

#### ③ Downstream (system installation and application):

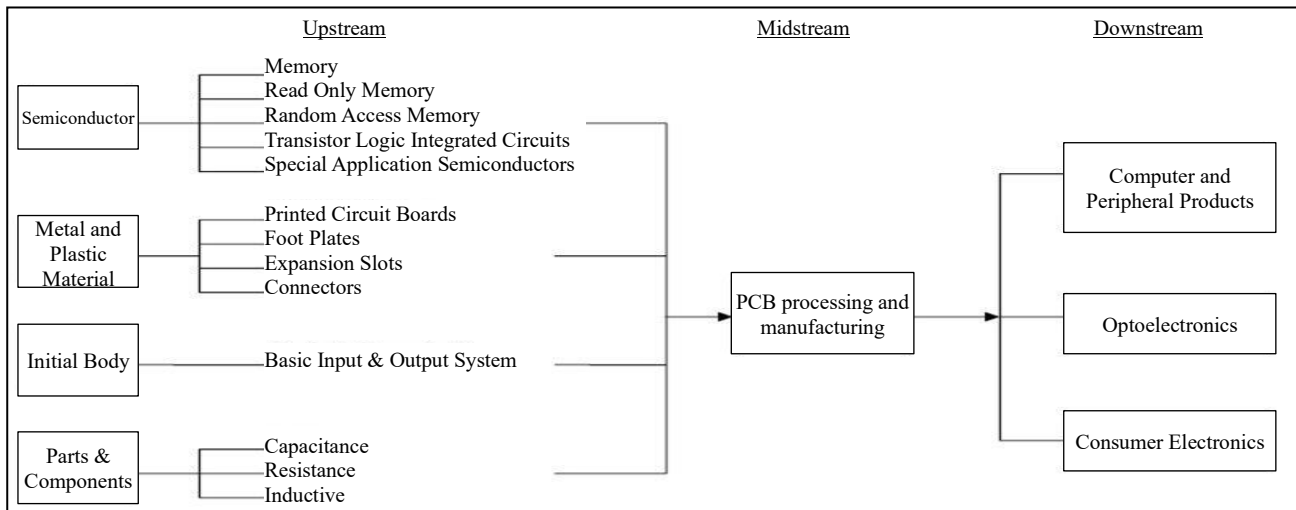
This includes power plant construction, distributed photovoltaic installations, and more. The main markets are China, the United States, Europe, and India.

### c. OEM parts & components industry

In terms of the linkage between of the upstream and downstream of the electronic module product assembly and manufacturing industry, the upstream sectors are suppliers of



semiconductors, metal plastic components, firmware and components for PCB substrate manufacturing, and the downstream sectors are makers of computer and peripheral equipment, optoelectronics and consumer electronics. With the professional division of labor system in Taiwan's electronic hardware industry, the upstream, midstream and downstream systems of the entire industry have been relatively successful. At present, a good number of semiconductors, metal-plastic components, and parts can be supplied by manufacturers in Taiwan and with the improvement of technology between up and downstream sectors, the development of the industry is becoming more mature.



### C. Development Trends of Products

#### a. Development Trend of Whole Factory Automated Logistics System

With our history of involvement in automation of over 49 years, we are able to provide one-stop services including design, planning, integration, construction, production, installation and after-sales services to cater to the automation needs of customers. Given that we have served more than 80% of listed companies in Taiwan, it proves that our capabilities are highly recognized in the market. At KENMEC, we pledge to provide customized services and non-standardized products to realize the automation equipment designed by customers according to their needs. There are no actual products for reference with respect to design planning or production as we completely rely on the professional competence and service quality of our team. Products we will focus on in the future:

- ① **Smart manufacturing:** By integrating automation equipment data, remote monitoring and AI technology, each stage of the advanced manufacturing model in the production process is highly customized and made intelligent, further achieving cost reduction, manufacturing efficiency improvement and quality optimization. This way, we will be able to meet the needs of external markets that are rapidly changing.
- ② **Smart logistics:** With the control of IT information systems, each detail of the logistics system is linked, enabling the system to become fully aware of the entire process. In doing this, all types of unexpected issues can be dealt with in a timely manner, while also conducting necessary autonomous adjustments.
- ③ **Vacuum heating equipment:** Third-generation semiconductor raw materials are placed in a crucible and fed into the quartz tube of a crystal growth furnace for vacuuming. RF coils are used for heating in a high vacuum environment at temperatures up to 2500°C for the sublimation growth of third-generation semiconductors.
- ④ **Autonomous mobile robots (AMRs):** KENMEC has been proactively investing in the R&D

of AMRs. By combining dispatch systems, introducing virtual reality integration, and utilizing the 5G communication system's characteristics of "high speed", "low latency" and "multi-link", information in the field is easily transmitted with ultra-high bandwidth across the plant floor. This also helps communication and collaboration when coupled with product line equipment and robot arms. AMR inspection vehicles possess dynamic environmental network detection, smart obstacle avoidance and narrow-aisle shuttle capabilities. AMRs can be applied in disinfection, video meter reading, patrol and detection of environmental information data in plans when paired with a variety of sensor systems and active systems.

- ⑤ Combat Information Center systems: Combined with KENMEC's automation equipment system, the analysis of compiled data is presented visually. ERP transaction data and non-ERP decision-making reference data is integrated to allow management to precisely grasp the production dynamics and operational performance in order to respond to fast changing markets.

#### b. Development Trend of Solar Cell Modules

- ① High-efficiency technology: TOPCon technology is currently the mainstream, but HJT, BC, and perovskite technologies are gradually becoming the development direction for the next generation of high-efficiency solar cells.
- ② Energy storage and photovoltaics integration: With the increasing demand for intermittent energy, the application of solar energy combined with energy storage systems is becoming more widespread.
- ③ Heterojunction (HJT) and perovskite cells: HJT technology is gaining attention due to its high efficiency and low-temperature processing, while perovskite cells are becoming a potential breakthrough technology for the future because of their low cost and high efficiency.
- ④ Expansion of distributed photovoltaic applications: The demand for residential rooftop photovoltaics and commercial/industrial distributed photovoltaic systems is increasing, especially in areas with higher electricity prices.
- ⑤ Module recycling: As the solar industry has developed, system modules have gradually entered the phase of replacement. Efficient module recycling technologies (mechanical and chemical methods) are receiving increasing attention.

### (3) Overview of the Technology and R&D

#### A. R&D expense of the most recent 5 years

Unit: NTD thousand

Item/Year	2020	2021 (after restatement)	2022	2023	2024
R&D expense	107,507	161,342	254,970	358,827	417,748
Operating revenue	4,298,290	4,039,778	5,359,208	5,551,490	2,697,025
R&D expenses as a percentage of revenue	2.50%	3.99%	4.76%	6.46%	15.49%

## B. R&D personnel and their education background

Unit: person

Education background \ Year	2023		2024		First quarter of 2025	
	Number of Persons	%	Number of Persons	%	Number of Persons	%
Doctoral Degree	8	4%	7	3%	5	3%
Master's degree	32	15%	29	14%	33	18%
College or below	173	81%	176	83%	145	79%
Total	213	100%	212	100%	183	100%

Supervisors in our R&D Department have many years of experience in engineering. They have constantly taken part in technical cooperation and visited major exhibitions held by related industries in both Taiwan and abroad. Coupled with years of assistance provided to customers to complete many system engineering projects, they constantly strive to improve the quality and technology of products. Our R&D supervisors are fully equipped with extensive understanding of the industrial background and practical theories. Integration of optical, mechanical, electrical, and software professionals are required for the technology related to multimedia players. The R&D team of the Company is made up of specialists from various professional fields, including optical, mechanical, electrical, and software fields. These specialists have broad professional experience which is highly beneficial and effective when it comes to product manufacturing research and development. Thanks to our strong R&D team that is dedicated to meeting the current and future R&D needs, enabling the Company to continue to lead the industry.

## C. Technologies or products successfully developed in the past five years

Year	R&D results
2020	AMR-Forklift Type 6-axis robot + 3D vision positioning technology application KM-ICB Precise solar cell alignment visualization system
2021	Software and firmware standardization 7.5m Automatic Guided Forklift (AGF) AMR inspection vehicle
2022	Dual rudder roller conveyor AMR Full coupled AMR cross-control system TOF pallet detection technology + Lidar space detection technology
2023	Portable map scanning system The second generation of KENMEC intelligent control board KM-ICB02 The AMR in the factory area is fully introduced into the 5G enterprise private network AMR Field Application (Kaohsiung/Ruifang 2F Demo) Water-to-gas CDU products 5G water-cooled CDU
2024	High-performance cabinet water-to-water CDU (620kW) Energy-efficient cabinet water-to-water CDU (1400kW) Intelligent monitoring of the dual-phase immersion cooling system Vehicle management systems Toyota's electric forklift transforms an unmanned forklift Balance type stack type forklift precision optimization 5G science and technology AMR project implementation Development of binocular camera pallet recognition Visual recognition of image dials Identification of video personnel and helmet wearing Collaborative robot 2.5D visual positioning function imported

#### **(4) Long-term and Short-term Business Development Plans**

##### **A. The long and short development plan of the automation industry**

###### **a. Short-term Business Development Plans**

- ① Due to the trade war between the U.S. and China, many companies have returned to Taiwan for investment. KENMEC will seek automated smart factory opportunities in companies that have returned to Taiwan to set up factories. Strengthen the promotion and sales of Southeast Asian business in line with the New Southbound Policy.
- ② In light of the boom of the “stay-at-home economy” resulting from COVID-19, many operators began to have a high demand for room temperature, low temperature cold chain equipment and smart stereoscopic production lines as well as high-density warehousing and logistics. Owing to this, the automation warehousing and logistics industry is due to become larger and generate more benefits. Given this, we will focus more on expansion in China, Japan and Europe in addition to Taiwan.
- ③ Strengthen the promotion of AGV, invest in AMR R&D and provide the integration services of our own and advanced domestic and international logistics automation equipment and software. In doing this, we will meet the market trend and customer demand of the e-commerce sector and large logistics centers that are undergoing thriving development.

###### **b. Long-term Business Development Plans**

In today’s fast changing world, we at KENMEC adhere to our Group’s management philosophy of “integrity, responsibility, innovation and improvement” to continue to innovate and make changes in response to the development of the industry. In the future, we plan to form a team combining Taiwan’s Grade A operators in the construction, plumbing and air conditioning industries with the aim to provide turnkey and smart manufacturing integration solution services in Southeast Asia and other markets. By doing this, the operation scale of KENMEC is able to grow side by side with customers, moving together towards the highest level of smart manufacturing. In the future, we will continue to focus on smart logistics automation equipment, third-generation semiconductor equipment, room temperature and cold chain smart logistics systems, smart logistics, data center/server room cooling and heat transfer solutions. Furthermore, we will also revitalize investment real estate in China to further improve the operational efficiency of the Group.

##### **B. Short-term and long-term development plans for solar modules**

The Company actively seeks to develop the solar cell and module market to expand production scale, reduce production costs, improve quality, and then expand market share and develop new markets to ensure the sustainable growth of the company.

###### **a. Short-term Business Development Plans**

- ① Upgrading production equipment and technology to optimize and replace the purchase of new equipment, and undertake excess capacity in the market in a timely manner
- ② Actively expand the market for differentiated products.
- ③ Develop outsourcing methods to avoid over-investment.
- ④ Continue to seek cost-reduction options.

###### **b. Long-term Business Development Plans**

- ① Cooperate with the United States in anti-circumvention and anti-dumping (anti-dumping and anti-subsidy) investigations in Southeast Asia, pay attention to changes in the global market, and seek low-risk areas for trade war to assess the feasibility of planned production capacity.
- ② Integrate internal and external, upstream and downstream resources in the industry to jointly develop the market.
- ③ Seek broader and in-depth strategic cooperation with U.S. end customers.

## 2. Market and Sales Overview

### (1) Market analysis

#### A.Sales (provision) of major products (services) regions

KENMEC has accumulated over 48 years of experience and achievements in many types of automation system engineering. Through our highly efficient organizational management, high productivity and competitiveness, we have won the support and trust of our customers. Moreover, our automation technology and integration capabilities have been highly regarded by many international manufacturers which has taken our international competitiveness to the next level. The Company's major sales regions for the most recent fiscal two years are as follows:

Unit: NTD thousand; %

Sales regions \ Year		2023		2024	
		Amount	%	Amount	%
Domestic market		3,095,033	55.75	2,182,646	80.93
Export	United States / Canada	1,248,036	22.48	151,620	5.62
	Mainland China	468,503	8.44	231,931	8.60
	Hong Kong	495,009	8.92	83,859	3.11
	Others	244,909	4.41	46,969	1.74
	Subtotal	2,456,457	44.25	514,379	19.07
Total		5,551,490	100.00	2,697,025	100.00

The Company's export ratio in 2024 declined compared to 2023, mainly due to reduced market demand in the solar energy sector of its consolidated subsidiaries.

#### B.Market share

KENMEC has been operating for more than 48 years since its incorporation in 1976. In the early days, KENMEC was mainly engaged in the production, manufacture, installation and maintenance of machinery and equipment. Later, in order to cope with the changes in the domestic industrial environment, not only did we constantly develop new high quality and multi-functional automation equipment, we also started working with international professional manufacturers, which has continued to date. With our expertise, we have become a professional system integration sector for the design, manufacture, installation, trial, consultation, maintenance, and service of automated system equipment. Our customers range from the optoelectronics industry and logistics industry, solar energy, general electronics, plastics, food sectors, to public institutions. With years of experience in various professional projects and outstanding engineering performance, the Company is highly productive and competitive through highly efficient organizational management. Our automation business is as follows:

Our automation business mainly provides smart automation, large logistics centers, TFT-LCD factories, automated logistics and peripheral equipment, and different types of equipment are customized and manufactured according to customers' needs. There are many companies in Taiwan and abroad in a similar line of business as the Company, such as Mirle Automation, Auto Tech, GPM, Contrel Technology, and Da-Fu in Japan. However, each company has their own expertise and the natures of the projects in which they are involved also vary. At KENMEC, we provide a wide range of services for integration engineering of factory automation logistics systems, and we have accumulated over 48 years of achievements and experience in the field of integration engineering of factory automation logistics systems.

### C. Market future supply, demand and growth

With KENMEC's automation products being widely used in many industries, they are closely linked to economic booms and the status of private investments. Moreover, countries across the world have been proactively making an effort to promote Industry 4.0, hence plans have been drawn up for related equipment investments. In addition, as domestic economic activities are again revitalized, the market demand for automation equipment services will at the same time increase. Therefore, the future growth of the industry is optimistic.

### D. Competitive niche

#### a. Cooperate with international well-known manufactures to improve system products

While the development of new technology is necessary for automation systems, it also meets a variety of needs of different customers. With the technological development of consumer electronics forever changing, the Company does its utmost to engage in technological exchange and maintain a close cooperative relationship with the major multimedia playback IC suppliers. By using our partners' leading technologies, not only are we able to improve and deepen our own technological capabilities, we also gain inspiration to develop new technologies, enabling our products and quality to reach international standards. The Company strives to be an international leader and develop products that meet market trends.

#### b. Strong management team with extensive experience

① With our involvement in the automation industry for over 48 years, our management teams are all equipped with complete industry backgrounds and relevant knowledge. Our rich industry experience and technology have assisted many customers in completing countless system projects. At the same time, we continue to elevate our product quality and better our technology to enhance future competitiveness.

② Since 1976, we have been investing in projects associated with whole factory logistics systems. With years of accumulated experience regarding engineering R&D and manufacturing, we have been able to reduce the time and cost of trial and error. This competitive advantage is not likely to be exceeded by small or new manufacturers.

#### c. Standout R&D team

In terms of plant automation development trends, we focus on technology research and development and services. We operate our business by upholding the philosophy of "top technology and top quality" combined with our professional knowledge and accumulated experience. As for key technologies, we have accumulated a total of 85 patents, with an average of 15-20 patents per 100 employees. Our expertise lies in whole factory automated logistics systems, including planning, design, manufacturing, installation, test runs and after-sales services. Our accomplishments have been highly recognized by customers all over the world.

### E. Favorable and unfavorable factors of development vision and countermeasures

#### a. Automation Industry

##### ① Favorable factors

- i. We are a whole process supplier for whole automated logistics systems and have entered the field of smart logistics equipment long ago. With our rich experience and technological advantages in automation, we help disperse risks and expand business opportunities in downstream application markets.
- ii. As manpower costs are increasing, the demand for automated labor-saving equipment increases at the same time. More and more manufacturers have switched to the use of automated equipment, hence the growth in demand.
- iii. With the rising awareness of environmental and industrial safety, more dangerous tasks at workplaces tend to be performed by automated equipment.
- iv. The demand is increasing for conveying equipment by domestic logistics, food,

chemical, steel, and electronics and semiconductor industries.

- v. To address the increasing market orientation and demand for third-generation semiconductor applications, the Company's new venture group has been engaged in silicon carbide solutions. At present, the plan for the construction of equipment has been completed and will soon be mass produced, becoming a new momentum for growth.

② Unfavorable factors

- i. High wages and the difficulty to acquire land in Taiwan have made industries move to other emerging countries.
- ii. Some key components still rely on imports

③ Countermeasures

- i. Put effort into expanding overseas markets and continuing to reinforce our international marketing base to form an international distribution network to increase market share
- ii. Maintain positive and stable long-term relationships with suppliers, while also establishing international division of labor with overseas partners.

b. Solar-Related Industry

① Favorable factors

- i. Oversupply has led to a sharp decline in upstream costs. In this context, securing orders can provide better profit margins.
- ii. With the launch of the TOPCon patent war, our existing PERC capacity has the potential to regain mainstream status.
- iii. From 2024 to 2030, demand is expected to grow steadily at an annual rate of over 6%.

② Disadvantages

- i. The U.S. anti-dumping and countervailing duty investigations on Southeast Asia may result in high tariffs, affecting shipments from our Vietnam plant to the U.S.
- ii. Market overcapacity persists, and supply-demand balance is not expected in the near term.
- iii. If U.S. module customers cannot withstand the pressure from overcapacity, it may directly impact our future orders.

③ Countermeasures

- i. In response to U.S. AD/CVD investigations, maintain a positive record with the Department of Commerce and the International Trade Commission to secure more favorable tariff rates.
- ii. Control in-house capacity and prioritize outsourcing strategies.
- iii. Explore diversified models and pursue strategic partnerships with U.S. module customers.

## (2) Important Purposes and Production Processes of Main Products

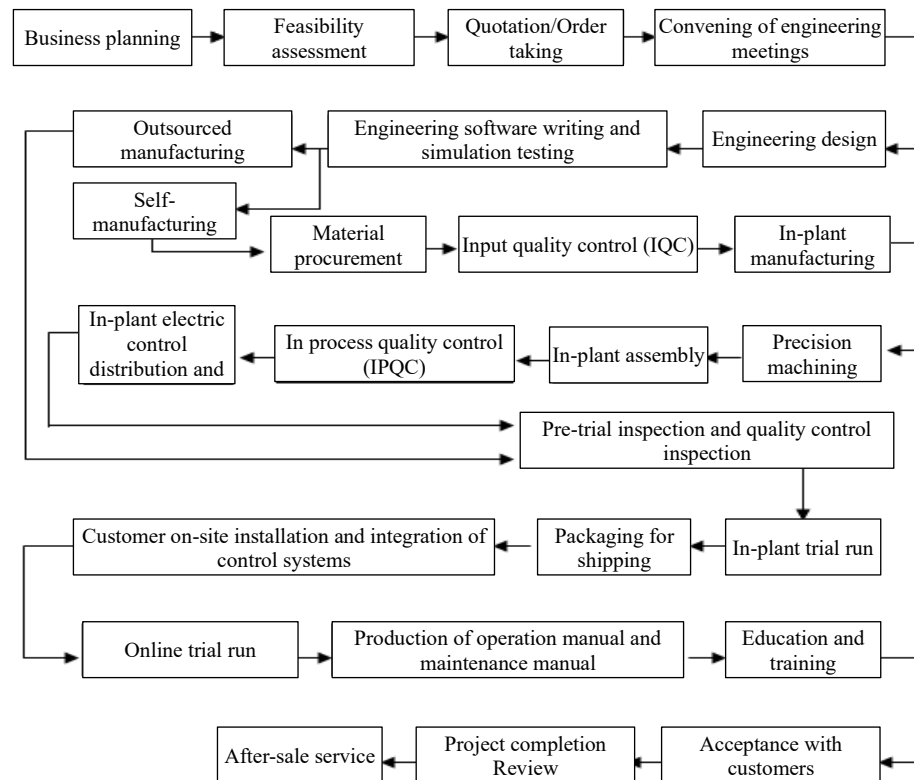
### A. Important purposes of major products

Item		Important uses and functions
Whole factory automated logistics system	Smart Manufacturing	By integrating automation equipment data, remote monitoring and AI technology, each stage of the advanced manufacturing model in the production process is highly customized and made intelligent, further achieving cost reduction, manufacturing efficiency improvement and quality optimization. This way, we will be able to meet the needs of external markets that are rapidly changing.
	Smart logistics	With the control of IT information systems, each detail of the logistics system is linked, enabling the system to become fully aware of the entire process. In doing this, all types of unexpected issues can be dealt with in a timely manner, while also conducting necessary autonomous adjustments.
	Vacuum heating equipment	Third-generation semiconductor raw materials are placed in a crucible and fed into the quartz tube of a crystal growth furnace for vacuuming. RF coils are used for heating in a high vacuum environment at temperatures up to 2500°C for the sublimation growth of third-generation semiconductors.
	Autonomous mobile robots (AMRs)	KENMEC has been proactively investing in the R&D of AMRs. By combining dispatch systems, introducing virtual reality integration, and utilizing the 5G communication system's characteristics of "high speed", "low latency" and "multi-link", information in the field is easily transmitted with ultra-high bandwidth across the plant floor. This also helps communication and collaboration when coupled with product line equipment and robot arms. AMR inspection vehicles possess dynamic environmental network detection, smart obstacle avoidance and narrow-aisle shuttle capabilities. AMRs can be applied in disinfection, video meter reading, patrol and detection of environmental information data in plans when paired with a variety of sensor systems and active systems.
	Combat Information Center systems	Combined with KENMEC's automation equipment system, the analysis of compiled data is presented visually. ERP transaction data and non-ERP decision-making reference data is integrated to allow management to precisely grasp the production dynamics and operational performance in order to respond to fast changing markets.
Solar power system, parts and components		Suitable for the installation of solar power systems in general commercial systems and public construction works.

### B. Production process

We are a professional automated logistics system engineering company; the principal basis for the manufacturing process of automated integrated conveyor systems (including conveyor system, automated palletizer system, automated storage/retrieval system and automated guided vehicle) is as follows:





### (3) Supply Status of Main Materials

The Company's main products are whole factory automated logistics systems (including automated conveyor systems, automatic storage systems, automated palletizer systems, and automated guided vehicles) that share the same main raw materials, including iron, stainless steel, aluminum, motors, speed reducers, inverters, pneumatic cylinders, PLCs, electrical boxes, belts/rollers/chains, gears, gear stoppers, various buttons or switches, and computers required for integration and connection. The sources for our equipment are mainly supplied by manufacturers in Taiwan, while a few numbers of materials are imported from Japan and German. In order to ensure the stability of raw material acquisition, we maintain good cooperative relationships with suppliers. At the same time, we also provide the executive management with the best analysis tools to effectively control the material management and manufacturing schedule, to manage the inventory and to achieve the overall management performance through the system's procurement, warehousing, material management, production control and quality control systems in line with our Enterprise Resource Planning (ERP) system.

#### (4) List of main customers

A. Names of customers that accounted for more than 10% of the total purchases of goods in any of the past two years and the amount and proportion of the goods purchased and the reason for the change

Unit: NTD thousand

Item	2023				2024			
	Name	Amount	% of Annual Purchases	Relation	Name	Amount	% of Annual Purchases	Relation
1	JINKO SOLAR (VIETNAM)	485,006	16.56	None	In 2024, no supplier reached 10% of total annual purchases; thus, individual disclosure is not required.			
2	Retek	419,209	14.31	None				
	Others	2,024,525	69.13		Others	1,675,475	100.00	
	Net Purchases	2,928,740	100.00		Net Purchases	1,675,475	100.00	

B. Names of customers that accounted for more than 10% of the total sales of goods in any of the past two years and the amount and proportion of the goods sold and the reason for the change

Unit: NTD thousand

Item	2023				2024			
	Name	Amount	% of Total Net Sales	Relation	Name	Amount	% of Total Net Sales	Relation
1	AB	753,312	13.57	None	AE	494,879	18.35	None
	Others	4,798,178	86.43		Others	2,202,146	81.65	
	Net sales	5,551,490	100.00		Net sales	2,697,025	100.00	

In the past two years, sales focused on solar cells and logistics systems, with a diverse and dispersed customer base. Sales rankings and amounts fluctuated with customers' capital expenditures and business performance.

### 3. Number of employees employed for the two most recent years, and during the current year as of the date of publication of the annual report

Unit: person

Year		End of 2023	End of 2024	March 31, 2025
Number of employees	Manager	106	102	102
	Production line workers	583	370	326
	General employees	658	647	565
	Total	1,347	1,119	993
Average age		40.96	41.45	42.59
Average years of service		9.52	10.36	9.34
Education distribution %	Doctoral Degree	0.45%	0.89%	0.91%
	Master's degree	7.79%	9.74%	10.17%
	College or below	91.77%	89.37%	88.92%

#### 4. Information on environmental expenditure

##### (1) Status of permit applications, fee payments, or establishment of dedicated environmental

**personnel as required by law**

The Company engages in the design, planning, manufacturing, installation, and maintenance of automation conveyor systems. As the production process does not generate significant wastewater or air pollutants, no pollution control equipment permits are required. The Ruifang Plant, located in the Ruifang Industrial Zone, has registered as required for the centralized wastewater system.

- (2) **Setting forth the company's investment on the major anti-pollution facilities, the use purpose of such facilities and the possible effects to be produced**

March 31, 2025; Unit: NTD thousand

Equipment name	Quantity	Acquisition date	Investment cost	The use purpose and the possible effects to be produced
Volatile organic waste gas treatment system	1 unit	97.10、98.06、99.09、99.12、100.01、100.02、100.10、100.12、101.03、101.04、101.06	11,368	Treats exhaust gas to meet environmental emission criteria
Acid-alkali wastewater treatment system	1 unit	97.11、98.02、98.04、98.06、98.12、100.01、100.07、100.08、100.10、100.11、100.12、101.03、101.06、102.09、103.06、103.12	51,297	Treats production effluent to meet environmental emission criteria
Acid-alkali waste gas treatment system	1 unit	98.04、98.12、99.12、100.01、100.10、100.12、101.03、101.06、101.08、103.10、104.01	24,971	Treats exhaust gas to meet environmental emission criteria
General exhaust system	1 unit	98.04、98.06、98.12、101.6	3,849	Prevents air pollution to comply with environmental laws
Local Scrubber	16 units	98.12、100.03、101.12	18,211	Prevents air pollution to comply with environmental laws

- (3) **Describing the process undertaken by the company on environmental pollution improvement for the most recent two fiscal years and up to the publication date of the annual report. If there had been any pollution dispute, its handling process shall also be described:** None.
- (4) **During the current fiscal year up to the date of publication of the annual report, the losses caused by environmental pollution (including compensation) and total amount of penalties. The future countermeasures (including improvement plans) shall also be disclosed (including the estimated amount of losses, penalties and compensation that may occur if countermeasures are not taken. If it cannot be reasonably estimated, facts of the reason shall be given):** None.
- (5) **Explain the current condition of pollution and the impact of its improvement to the profits, competitive position and capital expenditures of the company, as well as the projected major environment-related capital expenses to be made for the coming two fiscal years:** None.

## **5. Relations between employers and employees**

### **(1) Various employee welfare measures, continuous education, training, retirement systems and their implementation status; agreements between employers and employees and various measures for protecting the interests of employees**

#### **A. Employee welfare**

- a. The Company has established an Employee Welfare Committee in accordance with the Employee Welfare Fund Act, and handles employee benefit operations accordingly. Based on the amount of working capital at establishment, the Company also provides benefits, monthly turnover, monthly operating income, employees' salaries, and scrap sales in accordance with the regulations.
- b. National Health Insurance, Labor Insurance, pension provision, contribution to the Wage Advancement Fund and Occupational Hazard Insurance are provided by the Company.
- c. Our employees at the Company are also entitled to group accident insurance taken out from a life insurance company, which is paid for by the Company.
- d. Activities such as employee trips in Taiwan or abroad, birthday parties, departmental dinners are arranged on a regular basis, aiming to bring employees closer while promoting a harmonious workplace.
- e. All employees who have reached a certain number of years of service are entitled to bonuses or gifts of the same amount.
- f. If there is a profit for the year, the Company shall first pay taxes and cover previous losses, then set aside 10% as the legal reserve. As required by the law or competent authorities, a special reserve shall also be set aside. The remainder is then used for distribution which is proposed by the Board of Directors and recognized by the shareholders' meeting. Among the earnings, 5%–15% is allocated as remuneration to employees, whereas remuneration to directors and supervisors is allocated at 1%–3% of the current year's net income after tax. Also, employees who are entitled to receive the Company's dividends must be the Company's employees who meet certain criteria.
- g. Money or gifts are given to employees on Labor Day, Dragon Boat Festival, and Mid-Autumn Festival.
- h. At the end of each year, we organize a year-end dinner party, award ceremonies for employees who have performed outstandingly, karaoke activities and lucky draws.

#### **B. Employees' continuing education and training**

The Company's new employees must receive pre-employment training courses upon arrival, followed by professional technical training depending on different functions and business requirements. Meanwhile, at KENMEC, we provide an open and diverse learning environment to employees through internal/external training, OJT, KM (Knowledge Management System) and cultivation system (e.g., professional functions, general education courses, self-enlightenment). By making the effort, we hope we will strengthen the functions of our employees, effectively elevating our business performance and competitiveness. The Company has formulated the "Employee Development Measures," "Employee Internal Lecturer Evaluation Measures" and "Employee Education Plan," and plans related training courses according to the employee's job functions and professional requirements as a means to enhance their knowledge. The Company's 2024 education and training results are as follows:

Item	Number of courses	Total participants	Total hours	Total amount (NTD)
1. New employee training	132	326	1,024	36,870
2. Promotional functional training	231	579	11,079	2,396,570
3. General training	123	2,731	2,779	40,342
4. Self-inspired training	42	463	786	197,088
Total	528	4,099	15,668	2,670,870

C. The retirement system and its implementation

In line with the regulations, the Company began to implement the “Labor Pension Act” on July 1, 2005. Employees who were still in service on July 1 hired before June 30 who chose to continue to be subject to the pension mechanism under the Act, or the pension system of the same provision but retain the years of service before the regulations. Employees hired after July 1, 2005 are only subject to the pension fund system of the “Labor Pension Act”. For employees who opt for the new system, the Company contributes 6% of the employee’s monthly salary to their personal account. For those who opt for the old system, the Company has formulated Employee Retirement Measures in accordance with the Labor Standards Act and contributes to the retirement reserve of the dedicated account of the Bank of Taiwan.

D. Agreement between labor and management and measures to protect the rights and interests of employees.

The Company holds regular labor and management meetings, where our employees are able to express their opinions. There are no disputes between employees and management as the communication situation between them is sound.

## (2) Work environment and employees’ personal safety

A. Organizational Structure and Management

- a. The Company has established an Occupational Safety and Health Department under the CEO, staffed with one Class A safety and health officer and one safety and health administrator.
- b. Each plant and worksite is assigned dedicated safety and health personnel, all registered with local labor inspection authorities.
- c. Operators of aerial work platforms, fixed cranes, lifting operations, first aid, and forklifts all hold valid professional certifications to ensure operational safety and compliance.

B. Access Control and Safety Management

- a. Access control systems and surveillance equipment are installed to ensure site and personnel safety.
- b. A professional security company provides 24-hour guards at plant entrances.

C. Equipment Maintenance and Inspection

- a. Annual fire safety inspections are outsourced per regulations.
- b. Routine maintenance and self-inspections are conducted for key equipment based on the annual safety plan.

D. 6S Implementation Results

The Company launched the 6S campaign in 2024, which is based on six elements: Seiri (Sort), Seiton (Set in Order), Seiso (Shine), Seiketsu (Standardize), Shitsuke (Sustain), and Security. To ensure effective implementation, we established a scoring system and occupational safety and environmental evaluation criteria, along with regular inspections. The number of deficiencies identified during quarterly inspections were as follows:

Q1 2024: 207 deficiencies

Q2 2024: 186 deficiencies (a decrease of 21)

Q3 2024: 181 deficiencies (a decrease of 5)

Q4 2024: 45 deficiencies (a decrease of 136)

The data shows that the 6S initiative effectively improved employee awareness of safety, hygiene, and workplace cleanliness, while also strengthening corporate culture and creating a safer, cleaner working environment.

E. Disaster Prevention and Emergency Response

- a. Emergency contact lists and response plans are in place.
- b. Annual civil defense drills are conducted and reported.
- c. Fire safety training and drills are held biannually with fire authorities.

F. Health Promotion

*Health Checks*

- a. New hires undergo basic physical exams.
- b. Annual and special health checks are provided; in 2024, 450 employees had checkups with a 97% participation rate.
- c. Results are reviewed by occupational health professionals.
- d. Follow-up consultations and health education are offered.

*On-Site Doctor Services*

Twelve on-site medical service sessions were held across sites in 2024.

G. Workplace Hygiene

- a. Smoking is prohibited; designated areas are provided.
- b. Professional cleaners maintain office hygiene.
- c. Facilities include nursing rooms, break areas, and safe pantry spaces.
- d. Nutritious lunches are offered.
- e. Offices feature ergonomic chairs and large monitors.

H. Training and Education

- a. Internal Training: 41 sessions, 2,453 participants, 2,497 hours.
- b. External Training: 57 sessions, 273 participants, 2,245 hours for safety-related roles.

I. Training and Education

- a. An internal portal provides forms and updates.
- b. Quarterly labor-management meetings support open communication.
- c. Policies are in place for harassment prevention and unlawful treatment.

J. Contractor Safety Notification

In line with OSH laws, all contractors are informed of work hazards under a formal safety management plan.

K. Occupational Safety and Health Performance

- a. No occupational accidents occurred in 2024.
- b. Participated in zero-accident hour tracking since Oct. 2024; 315,283 hours as of Feb. 2025.  
The Company remains committed to a safe, healthy, and productive work environment to enhance employee well-being and competitiveness.

**(3) Code of conduct and ethics for employees**

A. We have formulated the “Work Rules” as the standard of conduct for our employees to follow and its main contents are follows:

- a. The Company’s employees shall faithfully perform their duties, comply with all reasonable rules and regulations of the Company.
- b. Employees shall not use their authority to benefit themselves or others.
- c. Employees shall not take advantage of their duty or go against the performance of their duties to accept hospitality, gifts, kickbacks or other unlawful benefits.
- d. Employees shall exercise due diligence in the matter of confidentiality of business secrets or duty secrets, important documents, technology or information, and shall report any breach of confidentiality to their superiors for promoting handling.

The “Employee Appraisal Measures” have also been formulated and our employees are well-informed of the related regulations.

**B. Internal and external education and training regarding ethical corporate management organized by the Company**

To promote integrity, the Company held regular training on ethical conduct, compliance, safety, information security, and internal control. In 2024, 4,121 participants completed 9,013 training hours. A “Code of Ethical Conduct” was approved by the Board on March 10, 2023.

**(4) Compliance Management and Labor Rights Protection for Dispatch and Contracted Workers**

To ensure legal compliance, protect labor rights, maintain workplace safety, and fulfill corporate governance and social responsibility, the Company adopts the following management principles for dispatched and contracted personnel:

- A. Require service providers to be legally registered, submit a zero-tolerance statement against forced labor, and provide proof of insurance for their workers.
- B. Prohibit any form of exploitation or discrimination, and ensure an equal and respectful work environment.
- C. Conduct regular labor audits, maintain accurate labor records, and provide necessary protective equipment, safety training, and health check-ups.
- D. Establish grievance and feedback mechanisms to address labor disputes in the workplace.
- E. Perform periodic audits of contract execution and on-site practices.

**(5) Losses and estimated amounts from labor disputes in the past two years and up to the annual report date, with response measures or a note if not reasonably estimable**

Under the Company’s long-standing culture of harmonious operations, employees share a consensus on management practices. With continuous improvements to the work environment and effective communication channels, no labor disputes resulting in losses have occurred up to the date of the annual report. There are currently no disputes, and no future losses are expected.

## **6. Cyber Security Management**

**(1) Cyber Security Management Strategy and Structure:**

**A. Cyber Security Risk Management Structure**

Since its establishment, the Company’s Information Division has been responsible for the formulation and implementation of information security and protection-related policies. The Information Division periodically reviews information protection guidelines and policies in line with the Company’s internal audits and information circulation as well as external audit needs. In doing so, the effectiveness of information security management measures can be measured. Furthermore, The Company also obtained ISO 27001 certification from the Taiwan Accreditation Foundation (TAF) in 2024. The management structure is the responsibility of the Operations Management Center - Information Division - Network Management Section.

**B. Cyber Security Policy**

In an effort to effectively implement cyber security management, a routine meeting is held each week by the Information Division. In the meeting, the applicability of information security policies and protection measures are reviewed based on the management cycle mechanism of Plan-Do-Check-Act (PDCA). The supervisor is periodically made known of its effectiveness by reports.

**C. Specific Management Plan**

The Company is aware of the possibility of malicious attacks from third parties which may cause abnormalities in the Company’s computer systems. Based on this, we strengthen

the daily backup of local/offsite data and virtual machines on a regular basis.

- a. Formulate rules: Establish information security rules to be used as the guidelines for the Company's information security management and employees.
- b. Environment construction: Establish full information security equipment/filtering software and abnormality detection notification to thoroughly implement information security risk management.
- c. Education and training: Regularly release information security notifications on announcement platforms; elaborate on the Company's cyber security policies from time to time in meetings.
- d. Policy review: Promote and continue to improve information security and ensure sustainable management of the Company through detection software in order to prevent threats.
- e. Software update: Regularly review the update rate of the company and personal anti-virus software virus codes and update penetration rate of operating system information security to prevent information security risks caused by the products themselves.

#### D. Resources Invested in Information and Cybersecurity Management

- a. Endpoint Protection:  
Deployment of EDR/XDR solutions to strengthen endpoint defense and enhance the detection of potential threats.
- b. Hardware Defense:  
Implementation of next-generation firewalls (NGFW) and internal network micro-segmentation.
- c. Periodic sharing of cybersecurity incident cases and enhancement of information security awareness; immediate communication and awareness campaigns are conducted upon detection of suspicious activities.
- d. Redundancy Mechanism Establishment:  
Implementation of backup management mechanisms and systems to ensure data security and high availability.
- e. Implementation of ISO 27001.

## (2) Major Cyber Security Incidents:

During this period, the Company only detected sporadic scan attempts, which were addressed by performing source blocking and internal scans for viruses and worms. There were no major cyber security incidents.

## 7. Important Contract

Nature of Contract	Counterparty	Commencement Date of the Contract	Contents	Restrictive Clauses
Loan Contract	Taiwan Business Bank, Nangang Branch.	2020.01.10-2035.01.10	Long-term Mortgage Loans	None
Loan Contract	First Commercial Bank, Nangang Branch	2016.10.13-2032.10.13	Long-term Mortgage Loans	None
Loan Contract	First Commercial Bank, Nangang Branch	2023.12.01-2043.12.01	Long-term Mortgage Loans	None
Loan Contract	Bank of Taiwan, Nangang Branch	2024.10.15-2026.10.15	Long-term Mortgage Loans	None



Nature of Contract	Counterparty	Commencement Date of the Contract	Contents	Restrictive Clauses
Development Contract	Taipei Computer Association	2023.12.01-2026.05.31	Forward-looking intelligent low-carbon equipment for the integration and development of third-class semiconductor substrate manufacturing technology	None
	KENMEC MECHANICAL ENGINEERING CO.,LTD.			
Material Supply Contract	Tainergy Tech. Co., Ltd.	2007.09.14-2025.12.31	Silicon wafer supply	None
	Sino-American Silicon Products Inc.			
Development Contract	TAISIC MATERIALS CO.	2020.07.15-2025.12.31	Third-generation semiconductor technology development	None
	National Chung-Shan Institute of Science and Technology			
Development Contract	TAISIC MATERIALS CO.	2022.07.07-2025.06.30	Development of 8-inch semi-insulating silicon carbide crystal growth equipment and verification development of key materials	None
	KENMEC MECHANICAL ENGINEERING CO.,LTD.			

## V. Review and Analysis of Financial Status and Financial Performance and Risk Management

### 1. Financial Status

Unit: NT\$ thousands

Item \ Year	December 31, 2024	December 31, 2023	Difference	
			Amount	%
Current assets	5,245,997	4,578,632	667,365	14.58%
Long-term investment	575,822	574,181	1,641	0.29%
Property, plant and equipment	3,766,141	4,130,074	(363,933)	-8.81%
Investment property	986,178	1,049,314	(63,136)	-6.02%
Intangible assets	10,840	14,665	(3,825)	-26.08%
Other assets	1,322,735	1,325,860	(3,125)	-0.24%
Total assets	11,907,713	11,672,726	234,987	2.01%
Current liabilities	2,914,902	3,171,740	(256,838)	-8.10%
Non-current liabilities	3,161,558	2,720,336	441,222	16.22%
Total liabilities	6,076,460	5,892,076	184,384	3.13%
Share capital	2,590,112	2,490,112	100,000	4.02%
Capital reserves	1,416,239	456,725	959,514	210.09%
Retained earnings	768,585	1,328,481	(559,896)	-42.15%
Other items in shareholders' equity	1,056,317	1,505,332	(449,015)	-29.83%
Total shareholder equity	5,831,253	5,780,650	50,603	0.88%

**(1) Analysis of Items with Period-to-Period Changes Over 20% and Exceeding NT\$10 Million:**

- A. Decrease in intangible assets was due to reclassification by nature in 2023.
- B. Increase in capital surplus was due to share premium from the 2024 capital increase.
- C. Decrease in retained earnings was due to net loss after tax for the period.
- D. Decrease in other equity items was due to net loss attributable to non-controlling interests.

**(2) Impact of Financial Changes Over the Past Two Years:**

No significant impact on financial position.

**(3) Future Response Plans:**

Not applicable.

## 2. Financial performance

Unit: NT\$ thousands

Item \ Year	2024	2023	Difference	Change in percentage (%)
Operating revenue	2,697,025	5,551,490	(2,854,465)	-51.42%
Operating costs	2,220,387	4,402,168	(2,181,781)	-49.56%
Realized operating gross profit	476,638	1,149,322	(672,684)	-58.53%
Operating expenses	1,187,535	1,243,418	(55,883)	-4.49%
Net operating loss	(710,897)	(94,096)	(616,801)	655.50%
Non-operating revenue and expenses	95,830	848,440	(752,610)	-88.71%
Current net profit before tax	(615,067)	754,344	(1,369,411)	-181.54%
Income tax expense	(29,012)	(107,324)	78,312	-72.97%
Net income after tax for the period	(644,079)	647,020	(1,291,099)	-199.55%

### (1) Analysis of Items with Period-to-Period Changes Over 20% and Exceeding NT\$10 Million:

- A. Operating revenue decreased due to weakened market demand in 2024 for consolidated subsidiaries.
- B. Operating costs declined as a result of lower revenue.
- C. Realized gross profit decreased in line with revenue.
- D. Operating loss increased due to lower gross profit.
- E. Non-operating income and expenses declined as 2023 included NT\$806,186 thousand in relocation compensation.
- F. Pre-tax net loss increased due to higher operating loss.
- G. Income tax expense decreased due to pre-tax loss.
- H. Net loss after tax increased as a result of higher pre-tax loss.

### (2) Expected Sales Volume and Financial Impact for the Coming Year:

The Company does not disclose 2025 financial forecasts; thus, expected sales volume is not provided.

## 3. Cash flow

### (1) Analysis of changes in cash flows of the most recent year

Unit: NT\$ thousands

Item \ Year	2024	2023	Increase (decrease) change	
			Amount	%
Operating activities	(196,857)	(865,920)	669,063	-77.27
Investment activities	143,154	(1,099,317)	1,242,471	-113.02
Financing activities	731,554	1,568,871	-837,317	-53.37
Effect of exchange rate changes on cash and cash equivalents	11,467	(16,485)	27,952	-169.56
Net cash inflow	689,318	(412,851)	1,102,169	-266.97
Description of variations:				
A. Operating activities:				
Cash outflow decreased in 2024 due to lower contract liabilities and deferred revenue in 2023.				
B. Investing activities: Cash inflow increased in 2024 as 2023 had higher asset purchases.				
C. Financing activities: Cash inflow decreased in 2024 as capital raised reduced bank loan needs.				

**(2) Projected improvement plan for insufficient cash: Not Applicable.**

**(3) Cash flow analysis for the coming year:**

A. Operating activities:

The net cash outflow from operating activities is mainly due to higher anticipated payments for construction materials in the fiscal year 2025.

B. Investment activities:

The net cash outflow from investing activities is primarily due to anticipated payments for purchasing equity and machinery and equipment in fiscal year 2025.

C. Financing activities:

Net cash inflow from financing activities was mainly due to increased short- and long-term borrowings planned for 2025 to meet operational needs.

**4. Effect of material capital expenditure in the most recent year on the financial status**

The major capital expenditures in 2024 were mainly due to the fact that in order to receive orders smoothly, the group companies successively purchased additional machinery and equipment in 2024 to ensure production quality and meet customer quality and delivery deadlines.

**5. The investment policies, the main reasons for the gains or losses of investments in the most recent year, the improvement plan and the investment plans for the next year.**

A. Investment policy:

With strategic alliances, market trends and sustainable operation as the core, the Company actively evaluates and selects investment targets with future potential for its own business derivatives, and is committed to achieving the best allocation of capital through diversified evaluation and rigorous risk control, so as to ensure the company's long-term steady growth and market leading position.

B. Main reason for profit or loss and improvement plans:

The Company's losses mainly came from the significant decline in revenue of subsidiaries due to the international market environment and the need to mention material asset impairments; The company will comprehensively review its own operating conditions, actively transform, and look for more opportunities to invest in targets to improve the company's operating conditions, optimize its internal structure and reallocate resources. The parent company regularly reviews the financial status and operation of the investee company on a monthly basis, with a view to keeping abreast of the latest situation of the subsidiary and adjusting the business strategy and direction in a timely manner.

C. Investment plan for the coming year:

The Company will prudently evaluate the investment options and possibilities for the development of various diversified companies in the future, with a view to creating shareholders and the company A win-win situation.

**6. Risk analysis and assessment of the following matters during the most recent fiscal year and as they stood on the date of publication of the annual report.**

**(1) Effect of interest and exchange rate changes and inflation on the income of the Company, and future responsive measures:**

A. Effect of interest and exchange rate changes and inflation on the income of the Company for the most recent year

a. Effect of interest and exchange rate changes on the income of the Company for the most recent year

Interest rate: Interest rate fluctuation affects the Company's capital costs. Not only does our working capital rely on bank loans, it is supported by our own operating profits. To be able to respond to interest rate changes, we seek more favorable interest rates from banks, while also keeping a close eye on future interest rate trends at all times. We use various financing instruments in the capital market in a timely manner to reduce the cost upon obtaining funds. At the same time, we maintain a positive and interactive relationship with banks in the hope of gaining information on a wider range of interest rates.

Exchange rate: We pay attention to changes of major currencies in the international exchange market to grasp the trend of exchange rates so as to make quick responses. Meanwhile, we also ask our sales staff to take into consideration risks arising from exchange rate changes upon product quotation and adjust prices in a timely manner to ensure profit.

b. Effect of inflation on the income of the Company in the most recent year

Inflation did not post any signification effect on the income of the Company in 2024 and 2025 and up until the publication date of the annual report. The Company will continue to monitor the related economic changes and market trends to avoid adverse effects inflation posed on the Company's income.

**(2) Policy on high-risk, highly-leveraged investments, loaning of funds to others, endorsements and guarantees, as well as derivatives trading, main reasons for gains or losses, and future responsive measures**

A. The Company and its subsidiaries do not engage in high-risk or high-leverage investments. The main purpose of engaging in derivative financial product transactions is to avoid risks arising from exchange rate changes, and must be handled in accordance with the Company's derivative product transaction processing procedures.

B. When the company and its subsidiaries engage in lending funds to others and endorsement guarantees, in addition to complying with relevant operating procedures, they also make regular announcements and declarations in accordance with the regulations of the competent authority:

a. Loaning funds to others: As of the date of publication of the annual report, the Company and its subsidiaries have loaned funds only to the Company's Subsidiaries.

b. Endorsement/guarantee: As of the date of publication of the annual report, the Company and its subsidiaries have provided endorsements/guarantees only to the Company or its subsidiaries in which the Company holds 50% or more of the shares.

**(3) R&D Investment Plans and Progress, Future Plans, and Estimated R&D Expenses**

Project	Current progress	Remaining R&D Investment (NT\$)	Expected Completion	Major factors for the future R&D to succeed
Binocular Camera Pallet Recognition Development	70% completed	1,807,200	Dec 31, 2025	1. Accurate depth sensing technology 2. Efficient image processing algorithms
Visual Recognition for Meters and Dials	85% completed	677,700	Dec 31, 2025	1. High-precision image recognition 2. Stable lighting handling
Safety Helmet and Personnel Detection	85% completed	300,000	Dec 31, 2025	1. Accurate head detection 2. Multi-angle and dynamic recognition
2.5D Vision Positioning for Cobots	80% completed	400,000	Dec 31, 2025	1. High-precision visual positioning 2. Fast image processing

**(4) Financial impacts and responsive measures in the event of changes in local and foreign important policies and regulations**

We keep a close eye on important policies and legal changes in Taiwan and abroad and evaluate their impacts on the Company. In the most recent year, changes in policies and laws in Taiwan and abroad posed no material impact to the Company's financial operations.

**(5) Financial impacts and responsive measures in the event of changes in technology (including cyber security risks) and industry**

We pay attention to changes in technology in the industry at all times. Depending on the situation, we assign dedicated personnel or a task force to evaluate the impact on the Company's future development and financial operations, as well as formulating response measures. In the most recent year and the application year, changes in technology posed no material impact on the Company's financial operations.

**(6) The impact of changes in the Company's image upon its crisis management and response measures**

As of now, there have been no incidents that impacted the Company's corporate image.

**(7) The expected benefits from merger and acquisition, potential risks and response measures**

In the most recent year, there were no merger or acquisition plans.

**(8) The expected benefits, potential risks, and response measures with regard to any plant expansion:**

Facility purchases are necessary for business growth and pose no risk of overexpansion.

**(9) The risks and responsive measures with regard to any concentrated purchases or sales**

The automation business of the Company is the customization of the automated logistics and transportation according to the needs of customers. As our products are manufactured upon the receipt of orders, there were no concentrated purchases or sales in the most recent year.

**(10) Effect upon and risk to the company if a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and measures to be adopted in response:**

In 2024, due to investment and financial planning, the major shareholder established an investment company based on stock prices. This action has no impact on the company's financial business.

**(11) Impacts on the Company, risks and response measures with regard to any change in management rights:**

None.

**(12) Litigation and non-litigation cases:**

- A. As of the most recent year up to publication date of the annual report, major litigious, non-litigious, or administrative disputes that could materially affect shareholders' equity or the prices of the company's securities: None.
- B. As of the most recent year up to publication date of the annual report, major litigious, non-litigious or administrative disputes that involve the company and/or any company director, any company supervisor, the president, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company, may pose a significant impact on the shareholders' equity and the price of the securities: None.
- C. The company and/or any company director, supervisor, managers, and major shareholder holding a stake of greater than 10 percent, as of the last two years and as of the date of publication of the annual report regarding the matters stipulated in Article 157 of the Securities and Exchange Act and the current situation of the Company: None.
- D. The company and/or any company director, supervisor, managers, and major shareholder holding a stake of greater than 10 percent, have experienced financial difficulties or loss of credit as of the last two years and as of the date of publication of the annual report, the annual report shall explain how said difficulties will affect the company's financial status: None.

**(13) Other important risks, and mitigation measures being or to be taken**

A. Information security:

When it comes to the Company's information security, we uphold the principle of "everyone is responsible for information security, establishing the information security system, strengthening information security protection, ensuring the Company's confidential information, and the promotion of personal information". Relevant measures have been formulated accordingly for employees to adhere to. Over the years, we have been making an effort to improve our information security management mechanism. Not only do we implement information security through email notifications from time to time, we also promote its related measures on the website. At Tainergy, we continue to refine our information security management and enforce information security operations, protect customer data and company intellectual property, and strengthen our information security incident response capabilities. By implementing these measures, we strive to become the best indicator in terms of all aspects of information security.

B. Cyber security and network risk control:

Due to the growing development in network technology, the techniques of cyber-attacks are constantly changing and becoming more frequent. It is impossible for the information system to completely prevent network from being paralyzed by cyber-attacks. The Company has adopted proactive information security enhancement operations, and aside from introducing new firewalls, spam and malicious mail filtering devices, basic protection for employees to use internet, real-time updates to the operating system, automatic real-time updates to the anti-virus engine and centralized antivirus management, and all-day information security monitoring services, we also assess risks in relation to the information system to control and reduce risks arising from information security.

C. Employee data security training and notification:

In addition to the immediately basic information security-related training we provide to newcomers, we also inform our employees via email with respect to the latest information on

cyber-attacks so as to remind them of the precautions. We also promote related information security knowledge on receiving and sending emails in order to reduce the risk of attacks by employees who click on malicious emails by mistake. Furthermore, extensive related information is also available on the Company's intranet site to increase the ability of our employees of all departments in managing information security themselves. Through real-time communication software and email announcements, not only do we increase our employees' information security awareness, we also make sure that the concept of it is integrated into the daily operations.

D. In 2024, the Company did not experience any major cyber-attacks that impacted its operations.

## **7. Other important matters**

None.

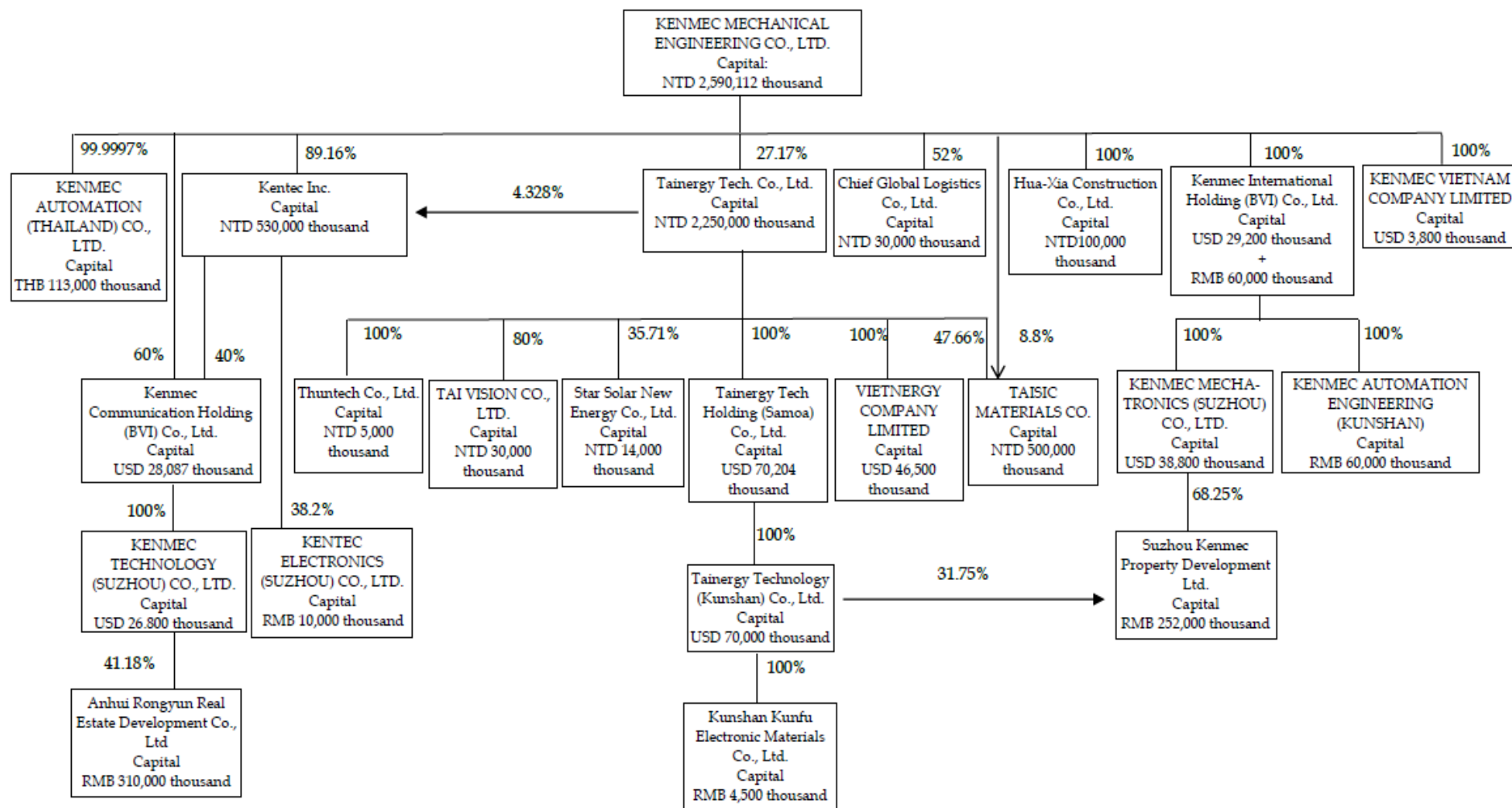


## VI. Special Items

### 1. Information on affiliates

#### (1) Consolidated Business Report of Affiliates

##### A. Organizational chart of affiliated companies



B. Basic information on affiliates

Company name	Date of Incorporation	Address	Paid-in Capital on December 31, 2024	Principal business or production items
KENMEC INT'L HOLDING (BVI) CO., LTD.	88.07.28	British Virgin Island	USD 38,039 thousand	Investment holding business
KENMEC MECHA-TRONICS (SUZHOU) CO., LTD.	94.06.01	No. 8, Hsi Hsia Road, Wang Shan Industrial Park, Wuzhong Economic Development Zone, Suzhou City	USD 38,800 thousand	T.F.T. process equipment, semiconductor process equipment, industrial conveying machinery, and automatic storage equipment.
KENMEC AUTOMATION ENGINEERING (KUNSHAN)	104.10.21	Room 2, No. 1288, Fuchunjiang Road, Penglang Town, Kunshan Development Zone	RMB 60,000 thousand	Automatic warehousing and logistics equipment, automatic control equipment engineering
Suzhou Kenmec Property Development Ltd.	97.01.10	No. 8, Hsi Hsia Road, Wang Shan Industrial Park, Wuzhong Economic Development Zone, Suzhou City	RMB 252,000 thousand	Real estate business
KENMEC COMMUNICATION HOLDING (BVI) CO., LTD.	90.01.16	British Virgin Islands	USD 28,087 thousand	Investment holding business
KENMEC TECHNOLOGY (SUZHOU) CO., LTD.	94.06.01	No. 2, East Taihu Road, Wangshan Industrial Park, Wuzhong Economic Development Zone, Suzhou City	USD 26,800 thousand	New electronic components (chip components), digital sounds, etc.
Anhui Rongyun Real Estate Development Co., Ltd	111.10.09	Xuancheng Economic and Technological Development Zone, Anhui Province, Rixin West Road, Xingang Cultural Tourism City	RMB 310,000 thousand	Real estate management
KENMEC VIETNAM COMPANY LIMITED	95.04.17	Plant B, Thach That – Quoc Oai Industrial Zone, Quoc Oai District, Ha Noi City, Vietnam	USD 3,800 thousand	Manufacturing of electric water heaters, engineering machinery
Chief Global Logistics Co., Ltd.	110.08.13	5F., No. 95, Sec. 2, Nangang Rd., Nangang Dist., Taipei City, Taiwan	NTD 30,000 thousand	Logistics and warehousing business
Hua-Xia Construction Co., Ltd.	46.01.10	4F., No. 76, Sec. 2, Nanjing E. Rd., Zhongshan Dist., Taipei City, Taiwan	NTD 100,000 thousand	Plant construction business
KENMEC AUTOMATION (THAILAND) CO., LTD.	112.05.09	No.654/1, Samyan Business Town, Soi Chinda Thawin 10, Rama 4 Road, Maha Phruetharam Sub-district, Bangrak District, Bangkok	THB 113,000 thousand	Manufacturing, sales and maintenance of automation equipment and components

Company name	Date of Incorporation	Address	Paid-in Capital on December 31, 2024	Principal business or production items
Kentec Inc.	99.02.11	No. 385-3, Hongzhen Road, Dongshili, Pingzhen District, Taoyuan City	NTD 530,000 thousand	Electronic component manufacturing
KENTEC ELECTRONICS (SUZHOU) CO., LTD.	109.08.31	Plant 1, Group 16 and Group 17, Hengshan Wanping Wannan Village, East Taihu Eco-tourism Resort (Taihu New Town), Wujiang District, Suzhou City	RMB 10,000 thousand	New electronic components (chip components), digital sounds, etc.
Tainergy Tech. Co., Ltd.	96.05.15	No. 5, Ziqiang 1st Rd., Zhongli Dist., Taoyuan City	NTD 2,250,000 thousand	R&D, design and production of high-tech green cells (solar cells) and other related components
TAINERGY TECH HOLDING (SAMOA) CO., LTD.	92.01.17	Samoa	USD 70,204 thousand	Investment holding business
Tainergy Technology (Kunshan) Co., Ltd.	97.06.25	No. 1288, Fuchunjiang Road, Penglang Township, Kunshan Development Zone, Kunshan City, Jiangsu Province	USD 70,000 thousand	R&D, design and production of high-tech green batteries (solar cells) and other related components
Kunshan Kunfu Electronic Materials Co., Ltd.	106.10.12	No. 1288, Fuchunjiang Road, Penglang Township, Kunshan Development Zone, Kunshan City, Jiangsu Province	RMB 4,500 thousand	Sales and manufacturing of electronic materials and parts
VIETNERGY COMPANY LIMITED	103.09.17	Plant B, Thach That – Quoc Oai Industrial Zone, Quoc Oai District, Ha Noi City, Vietnam	USD 46,500 thousand	Manufacturing of high-tech green batteries (solar cells) and other related components
Star Solar New Energy Co., Ltd.	107.06.21	7, 11th Floor, No. 400, Lihuan North Road, Xinjie, Zhongli District, Taoyuan City	NTD 14,000 thousand	Solar power generation and system sales business
TAISIC MATERIALS CO.	109.06.16	No. 5, Zihciang 1st Road, Zhongli Industrial Zone, Zhongli District, Taoyuan City	NTD 500,000 thousand	Manufacture and sales of electronic components
TAI VISION CO., Ltd.	112.12.20	No. 5, Industrial 3rd Road, Pingzhen District, Taoyuan City	NTD 300,000 thousand	Contact lens wholesale and retail
Thuntech Co., Ltd	113.06.13	6th Floor, No. 95, Section 2, Nangang Road, Nangang District, Taipei City	NTD 5,000 thousand	Charging pile and energy storage equipment business

C. The industries covered by the business operated by the overall affiliated companies:  
See above.

## D. Information of directors, supervisors and Presidents of each affiliated company

December 31, 2024

Company name	Title	Name of individual or representative(s)	Shareholding	
			Number of shares (thousand shares)	Shareholding percentage (%)
KENMEC INT'L HOLDING (BVI) CO., LTD.	Director	KENMEC MECHANICAL ENGINEERING CO., LTD. The representative: CHING-FU HSIEH	NTD38,039	100.00
KENMEC MECHA-TRONICS (SUZHOU) CO., LTD.	Chairman	KENMEC INT'L HOLDING (BVI) CO., LTD. The representative: CHING-FU HSIEH	-	100.00
KENMEC AUTOMATION ENGINEERING (KUNSHAN)	Chairman	KENMEC INT'L HOLDING (BVI) CO., LTD. The representative: CHING-FU HSIEH	-	100.00
Suzhou Kenmec Property Development Ltd.	Chairman	KENMEC MECHA-TRONICS (SUZHOU) CO., LTD. The representative: CHING-FU HSIEH	-	76.88
KENMEC COMMUNICATION HOLDING (BVI) CO., LTD.	Director	KENMEC MECHANICAL ENGINEERING CO., LTD. The representative: CHING-FU HSIEH	NTD28,087	95.66
KENMEC TECHNOLOGY (SUZHOU) CO., LTD.	Chairman	KENMEC COMMUNICATION HOLDING (BVI) CO., LTD. The representative: CHING-FU HSIEH	-	96.13
Anhui Rongyun Real Estate Development Co., Ltd	Chairman	Tong Shaoqing	-	39.59
KENMEC VIETNAM COMPANY LIMITED	Person in charge	KENMEC MECHANICAL ENGINEERING CO., LTD. Legal representative: MING-KAI HSIEH	-	100.00
Chief Global Logistics Co., Ltd.	Chairman	KENMEC MECHANICAL ENGINEERING CO., LTD. Legal representative: MING-KAI HSIEH	NTD1,560	52.00
Hua-Xia Construction Co., Ltd.	Chairman	KENMEC MECHANICAL ENGINEERING CO., LTD. Legal representative: MING-KAI HSIEH	NTD10,000	100.00
KENMEC AUTOMATION (THAILAND) CO., LTD	Director	KENMEC MECHANICAL ENGINEERING CO., LTD. The representative: CHING-FU HSIEH	NTD1,129	99.99
Kentec Inc.	Chairman	KENMEC MECHANICAL ENGINEERING CO., LTD. The representative: CHING-FU HSIEH	NTD47,252	89.16
KENTEC ELECTRONICS (SUZHOU) CO., LTD.	Chairman	CHIA-HAO HSIEH	-	34.51
Tainergy Tech. Co., Ltd.	Chairman	KENMEC MECHANICAL ENGINEERING CO., LTD. The representative: CHING-FU HSIEH	NTD61,133	27.17
TAINERGY TECH HOLDING (SAMOA) CO., LTD.	Director	Tainergy Tech. Co., Ltd. The representative: CHING-FU HSIEH	NTD500	27.17
Tainergy Technology (Kunshan) Co., Ltd.	Chairman	TAINERGY TECH HOLDING (SAMOA) CO., LTD. The representative: CHING-FU HSIEH	-	27.17
Kunshan Kunfu Electronic Materials Co., Ltd.	Chairman	Tainergy Technology (Kunshan) Co., Ltd. The representative: CHING-FU HSIEH	-	27.17
VIETNERGY COMPANY LIMITED	Person in charge	Tainergy Tech. Co., Ltd. The representative: CHING-FU HSIEH	-	27.17
Star Solar New Energy Co., Ltd.	Chairman	Yang Shaorong	-	9.70

Company name	Title	Name of individual or representative(s)	Shareholding	
			Number of shares (thousand shares)	Shareholding percentage (%)
TAISIC MATERIALS CO.	Chairman	Tainergy Tech. Co., Ltd. Legal representative: MING-KAI HSIEH	NTD28,228	21.75
TAI VISION CO., LTD.	Chairman	Tainergy Tech. Co., Ltd. Legal representative: MING-KAI HSIEH	NTD2,400	21.74
Thuntech Co., Ltd.	Chairman	Tainergy Tech. Co., Ltd. Legal representative: MING-KAI HSIEH	NTD50	27.17

# E. Overview of the operations of each affiliate

December 31, 2024 / Unit: NTD thousand

Company name	Capital	Total assets	Total liabilities	Net Value	Operating revenue	Operating profit	Profit or loss for the period (after tax)	EPS (NTD	Currency
								(after tax)	
KENMEC INT'L HOLDING (BVI) CO., LTD.	276,850	72,452	0	72,452	0	0	28,067	None	CNY
KENMEC MECHANICS (SUZHOU) CO., LTD.	262,346	222,304	187,428	34,876	51,707	6,354	30,983	None	CNY
KENMEC AUTOMATION ENGINEERING (KUNSHAN)	60,000	43,454	5,893	37,561	3,533	(4,055)	(2,917)	None	CNY
Suzhou Kenmec Property Development Ltd.	252,000	163,154	7,644	155,510	18,840	(1,743)	(1,066)	None	CNY
KENMEC COMMUNICATION HOLDING (BVI) CO., LTD.	204,240	136,432	0	136,432	0	0	(4,273)	None	CNY
KENMEC TECHNOLOGY (SUZHOU) CO., LTD.	195,279	138,255	1,835	136,420	1	(1,330)	(4,274)	None	CNY
Anhui Rongyun Real Estate Development Co., Ltd	310,000	350,379	61,770	288,609	0	(7,009)	(7,692)	None	CNY
KENMEC VIETNAM COMPANY LIMITED	64,820,456	95,078,497	7,228,191	87,850,306	102,708	(7,528,030)	4,132,518	None	VND
Chief Global Logistics Co., Ltd.	30,000	41,577	24,341	17,236	34,664	(22,410)	(21,824)	(7.27)	NTD
Hua-Xia Construction Co., Ltd.	100,000	218,404	115,968	102,436	36,735	2,029	4,011	0.40	NTD
KENMEC AUTOMATION (THAILAND) CO., LTD	113,000	108,981	2,003	106,978	0	(4,184)	(4,539)	None	THB
Kentec Inc.	530,000	898,006	181,783	716,223	204,175	(74,675)	(58,161)	(1.10)	NTD
KENTEC ELECTRONICS (SUZHOU) CO., LTD.	10,000	56,257	33,198	23,059	100,546	(1,491)	(707)	None	CNY
Tainergy Tech. Co., Ltd.	2,250,000	1,855,825	176,362	1,679,463	155,043	(22,594)	(466,522)	(2.07)	NTD
TAINERGY TECH HOLDING (SAMOA) CO., LTD.	456,201	189,067	0	189,067	0	0	1,659	None	CNY
Tainergy Technology (Kunshan) Co., Ltd.	451,947	207,942	18,881	189,061	444	(10,432)	1,659	None	CNY
Kunshan Kunfu Electronic Materials Co., Ltd.	4,500	993	0	993	0	-2	11	None	CNY
VIETENERGY COMPANY LIMITED	1,027,705,000	121,283,799	32,282,958	89,000,841	167,143,389	(125,013,987)	(275,197,400)	None	VND
Star Solar New Energy Co., Ltd.	14,000	693,596	681,786	11,810	252,923	6,168	1,229	0.88	NTD
TAISIC MATERIALS CO.	500,000	875,772	851,058	24,714	31,717	(306,444)	(304,789)	(6.10)	NTD
TAI VISION CO., LTD.	30,000	75,976	66,159	9,817	1,155	(19,331)	(19,591)	(6.53)	NTD
Thuntech Co., Ltd.	5,000	4,927	94	4,833	0	(188)	(167)	(0.33)	NTD

**(2) Consolidated Financial Statements of Affiliates**

Considering that the companies to be included into the consolidated financial statements of affiliated companies under the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” were the same as those to be included into the consolidated financial statements of the parent and subsidiaries under Summary of Statement No. 7 – FASB in 2024 (from January 1, 2024 to December 31, 2024), and the related information to be disclosed in the consolidated financial statements of affiliated enterprises has already disclosed in said consolidated financial statements of the parent and subsidiaries, no consolidated financial statements of affiliated enterprises were prepared separately.

**(3) Affiliation report: None.**

**2. Status of Private Placement of Securities**

In 2015, the Company acquired 7 million shares through a private placement. In October 2024, the Company applied for retroactive public issuance with the Taipei Exchange (TPEX), and the application became effective in the same month, followed by a successful listing.

**3. Other necessary supplementary information**

None.

**4. Events with material impacts on shareholder equity or stock price as specified in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act in the most recent fiscal year and up to the date of publication of the annual report**

None.