Stock Code: 6125

KENMEC MECHANICAL ENGINEERING CO., LTD.

2025 Annual General Meeting

Meeting Agenda Handbook

Meeting date: May 29, 2025

Meeting time: 9:00 a.m.

Meeting location: No. 36, Dingping Rd., Ruifang Industrial Park, Ruifang Dist., New Taipei City, Taiwan

Meeting method: Physical meeting

Table of Contents

I. Meeting Procedure **1**
II. Meeting Agenda **2**
III. Reports **3**
IV. Ratifications **6**
V. Discussions **8**
VI. Election matters **8**
VII. Other motions **9**
VIII. Temporary motions **9**
IX. Attachment
Attachment 1. Business Report 10
Attachment 2. Audit Committee's Audit Report 12
Attachment 3. Report on the issuance and execution of the fifth domestic unsecured convertible corporate bond 13
Attachment 4. Independent Auditors' Report and 2024 Financial Statements 14
Attachment 5. Comparison Table of the Clauses Before and After Amendment of the "Articles of Incorporation" 39
Attachment 6. Information on director and independent director candidates 41
Attachment 7. Information on lifting the restriction for new directors and their representatives from competition 46

X. Appendix
Appendix 1. Legal Percentages and Numbers of Shares Held by All Directors 48
Appendix 2. Rules of Procedure for Shareholders' Meeting 49
Appendix 3. Regulations Governing Elections of Directors 59
Appendix 4. Articles of Incorporation (Before Amendment) 61
Appendix 5. The Effect of the Current Bonus Shares on the Operating Performance, EPS and Return on Shareholder's Investment 68
Other Information 68

KENMEC MECHANICAL ENGINEERING CO., LTD.
2025 Annual General Meeting Procedure

I. Calling meeting to order (Announcing the voting rights represented by the attending shareholders)

II. Statement by the chairperson

III. Reports

IV. Ratifications

V. Discussions

VI. Election matters

VII. Other motions

VIII. Temporary Motions

IX. Adjournment

KENMEC MECHANICAL ENGINEERING CO., LTD.

2025 Annual General Meeting Agenda

Date & Time: 9:00 a.m., Thursday, May 29, 2025

How is the shareholders' meeting convened: Physical shareholders' meeting

Location: No. 36, Dingping Rd., Ruifang Industrial Park, Ruifang Dist., New Taipei City, Taiwan

I. Reports

(1). 2024 Business Report.

(2). 2024 Audit Committee's Review Report.

(3). Report on appropriation of the remuneration to employees and directors in 2024.

(4). Report on 2024 cash dividends from additional paid in capital.

(5). Report on the Public Issuance of Privately Placed Shares for the Year 2024.

(6). Report on the fifth domestic unsecured conversion corporate bond issuance status report.

(7). Report on the Spin-off of the Company's Heat Transfer Business Group to KENTEC Technology Co., Ltd.

II. Ratifications

(1). 2024 Business Report and financial statements.

(2). Motion for the distribution of the earnings for 2024.

III. Discussions

Motion for amendments to the Company's "Articles of Incorporation".

IV. Election matters

Motion for the election of directors.

V. Other motions

Motion for lifting the restriction of competition for new directors and their representatives.

VI. Extraordinary Motions

VII. Adjournment

I. Reports

Item 1: **Submitted by the Board of Directors**

Motion: 2024 Business Report.

Descriptions: The Business Report for the Year 2024 can be found in Attachment 1 of this manual (pages 9–10).

Item 2: **Submitted by the Board of Directors**

Motion: 2024 Audit Committee's Review Report.

Descriptions: The financial statements and consolidated financial statements of the Company's 2024 final accounts were audited by accountants from Deloitte Taiwan, approved by the Board of Directors and reviewed by the Audit Committee, and an audit report was issued. For the audit report, please refer to Attachment 2 of this manual (page 11)

Item 3: **Submitted by the Board of Directors**

Motion: Report on appropriation of the remuneration to employees and directors in 2024.

Descriptions:

1. 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's remuneration, and 1%–3% of the said profits shall be appropriated as director's remuneration.
2. Due to the net loss for the current period, no allocation of employee compensation and director remuneration is proposed in accordance with the Articles of Incorporation.

Item 4: **Submitted by the Board of Directors**

Motion: Report on 2024 cash dividends from additional paid in capital.

Descriptions:

1. According to Article 20-1 of the Company's Article of Incorporation, the Board of Directors is authorized to resolve when the Company distributes shareholder dividends in cash and shall be reported at the shareholders' meeting.
2. The company's Board of Directors approved on March 7, 2025, a resolution to distribute cash dividends to shareholders from the statutory distributable capital surplus. A total of NT$181,307,805 will be distributed, based on the currently outstanding

259,011,150 shares, resulting in a cash dividend of NT$0.7 per share.

3. For any subsequent changes in the dividend distribution rate due to changes in the number of outstanding shares of the Company, the chairman is fully authorized to handle the related matters.
4. The cash dividends distributed to each shareholder shall be calculated based on the allocation ratio and rounded down to the nearest whole dollar. Any fractional amounts less than one dollar will be aggregated and transferred to the company's other income.

Item 5: **Submitted by the Board of Directors**

Motion: Report on the Public Issuance of Privately Placed Shares for the Year 2024.

Descriptions: The company acquired 7,000,000 shares of privately placed stock in 2015. In October of the year 2024, the company applied to the Taiwan OTC Securities Exchange for the public issuance process and successfully registered and listed the shares within the same month.

Item 6: **Submitted by the Board of Directors**

Motion: Report on the fifth domestic unsecured conversion corporate bond issuance status report.

Descriptions: The report on the issuance and execution of the company's 2024th-year domestic fifth issuance of unsecured convertible bonds can be found in Attachment 3 of this manual (page 12).

Item 7: **Submitted by the Board of Directors**

Motion: Report on the Spin-off of the Company's Heat Transfer Business Group to KENTEC Technology Co., Ltd.

Descriptions: 1.In accordance with Article 7, Paragraph 2 of the Business Mergers and Acquisitions Act, the company, having made a merger decision under Article 36, Paragraph 1 and Paragraph 2 of the same Act, is exempt from requiring shareholder approval and notification. The company should report the merger matters at the next shareholders' meeting.

2.In response to the group's future development, the implementation of professional division of labor, and the enhancement of overall operational synergy and market competitiveness, the company, on March 7, 2025, through a resolution by the Board of Directors, decided to spin off its "Heat Transfer Business Group" and transfer it to its subsidiary, KENTEC Technology Co., Ltd. (hereinafter referred to as " KENTEC Co."), which holds 89.16% of the shares. KENTEC Co. will pay cash to the company as consideration for the transaction.

3.The business value of the spun-off assets is NT$43,241,000, which will be paid to the company in cash by KENTEC Co.

4.The aforementioned spin-off has been executed in accordance with the Board of Directors' resolution, with the spin-off's record date set for April 30, 2025.

II. Ratifications

Item 1: **Submitted by the Board of Directors**

Motion: 2024 Business Report and financial statements.

Descriptions:

1. The Company's 2024 financial statements (consolidated financial statements) were audited by Meng-Kuei Yu and Li-Huang Li, the accountants of Deloitte Taiwan, and an audit report sufficient for fair presentation was issued by them. The above-mentioned financial statements and consolidated financial statements, the Business Report and the table of profit distribution have been submitted to the Audit Committee for review and record.
2. The aforementioned business report can be found in Attachment 1 of this manual (pages 9–10). The auditor's report and the financial statements mentioned above can be found in Attachment 4 of this manual (pages 13–37). We respectfully submit this for your approval.

Resolution:

Item 2: **Submitted by the Board of Directors**

Motion: Motion for the distribution of the earnings for 2024.

Descriptions:

1. The company's after-tax loss for the year 2024 is NT$ (143,227,000). After adding the accumulated earnings of NT$ 367,673,000 from prior adjustments, the distributable earnings for this year amount to NT$ 224,446,000.
2. Since the company incurred a loss this year, no profit distribution is proposed.
3. The earnings distribution statement for the year 113 is attached below, respectfully submitted for your approval.

KENMEC MECHANICAL ENGINEERING CO., LTD.
Table of Profit Distribution for 2024

Unit: NTD

Item	Amount
Undistributed earnings at the beginning of the period	361,023,198
Add : Recognition of the subsidiary's actuarial gains and losses adjustment to retained earnings.	1,277,809
Add : Remeasurement of defined benefit plans recognized as retained profits	5,372,073
Undistributed earnings after adjustment	367,673,080
Add: Net loss after tax for the period	(143,226,927)
Less: Profits set aside as legal reserves (10%)	0
Distributable earnings for the current period	224,446,153
Distribution of earnings for the current period:	
Shareholder bonus – cash	0
Total amount distributed	0
Undistributed earnings at the end of the period	224,446,153

hairman:	Manager:	Accounting Manager:
CHING-FU HSIEH	CHIH-CHUN KO	YA-LING CHU

Resolution:

Ⅲ. Discussions

(Submitted by the Board of Directors)

Motion: Motion for amendments to the Company's "Articles of Incorporation."

Descriptions: In accordance with the announced laws, relevant interpretations, and current operational status, the company proposes to amend certain provisions of its "Articles of Incorporation." For a comparison of the revised and previous provisions, please refer to Attachment 5 of this manual (page 38). This is respectfully submitted for discussion.

Resolution:

Ⅳ. Election Matters

Motion: Proposal for the Full Re-election of Directors.

Descriptions: 1.The current term of the company's directors will expire on June 23, 2025. In accordance with the Articles of Incorporation and relevant regulations, a full re-election of directors shall be conducted at this year's Annual General Meeting (AGM).

2.As stipulated in the Articles of Incorporation, the company shall have 7 to 11 directors, including at least 3 independent directors. In this election, 7 directors will be elected, including 3 independent directors, following the candidate nomination system. Shareholders shall elect directors from the list of nominees announced by the company. The newly elected directors (including independent directors) will assume office after the conclusion of the AGM on May 29, 2025, and will serve a three-year term until May 28, 2028. Re-election is permissible. The incumbent directors (including independent directors) will step down upon the adjournment of this AGM.

3.This re-election shall be conducted in accordance with the company's "Director Election Regulations."

4.Information regarding director and independent director candidates can be found in Attachment 6 of this manual (pages 39–40).

5.Election is respectfully requested.

Election Results:

Ⅴ. Other Motions

Motion: Proposal for the Removal of Non-Compete Restrictions on Newly Elected Directors and Their Representatives.

Descriptions: 1.In accordance with Article 209 of the Company Act, "A director who engages in activities within the company's business scope, either for themselves or on behalf of another party, must explain the key details of such activities to the shareholders' meeting and obtain approval."

2.Considering the company's diversification strategy and business alliances, it is proposed to seek shareholder approval to lift the non-compete restrictions for the newly elected directors and their representatives. Details of their concurrent positions and titles can be found in Appendix 7 of this manual (page 41).

3.This proposal is respectfully submitted for discussion.

Election Results:

VI. Temporary Motions

VII. Adjournment

Attachment 1

KENMEC MECHANICAL ENGINEERING CO., LTD.
Business Report

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 2,697,025,000, a decrease of NTD 2,854,465,000 from 2023. The consolidated net loss before tax was NTD (615,067,000), a significant decrease of NTD 1,369,411,000 from 2023, which was mainly due to the recognition of interests in the demolition of mainland's merged subsidiaries in 2023, and the asset impairment loss was recognized in 2024. The operating performance of 2024 is summarized as follows:

I. Business plan and implementation

Unit: NTD thousand

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

II. Status of budget implementation

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

III. 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)
	Gross operating profit		476,638	1,149,322	(58.5)
	Net profit (loss) 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 (%)	(27.45)	(3.78)	626.3	(277.5)
		(23.75)	30.29	(178.4)	65.3
	Net profit margin (%)		(23.88)	11.65	(304.9)
	EPS (NTD)		(0.56)	3.20	(117.5)

IV. 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:

1. Continuing research on and improvement of the current product quality to keep the Company ahead of its competitors.
2. 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.

Chairman: CHING-FU HSIEH

Manager: CHIH-CHUN KO

Accounting Manager: YA-LING CHU

Attachment 2

KENMEC MECHANICAL ENGINEERING CO., LTD.
Audit Committee's Audit Report

The Company's 2024 separate and consolidated financial statements, prepared and submitted by the Board of Directors, were audited by Deloitte Taiwan with an audit report issued thereafter.

The above-mentioned separate and consolidated financial statements, the business report and the proposal for profit distribution were audited by the Audit Committee and deemed in compliance with the Company Act and other applicable laws. Therefore, in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we present this report for further examination.

To

2025 Annual General Meeting of KENMEC
MECHANICAL ENGINEERING CO., LTD.

Audit Committee Convener : YIH -YUH LEE

March 28, 2025

Attachment 3

KENMEC MECHANICAL ENGINEERING CO., LTD.

Report on the issuance and execution of the fifth domestic unsecured convertible corporate bond

1. Corporate bond handling

Types of corporate bonds	The fifth domestic unsecured convertible corporate bond
Date of board resolution	2024/4/19
Approval number of the competent authority	May 22, 2024, Financial Supervisory Authority Letter No. 11303425571
Issue date	2024/6/21
Par value	NT$100,000 per ticket
Issue price	The actual issuance price of each ticket is 118.47 yuan (by bidding auction)
Total amount	NT$600,000,000
Interest rate	The annual coupon rate is 0%
The term	Three-year term, expiration date: June 21, 2027
Repayment method	Pursuant to Article 6 of the Company's Fifth Domestic Unsecured Convertible Bond Issuance and Conversion Rules for 2024, unless the bondholder converts the bond into the Company's common stock in accordance with Article 10 of these Rules, or exercises the put right in accordance with Article 18 of these Rules, or the Company redeems the bond in advance in accordance with Article 17 of these Rules or repurchases and cancels the bond through a securities firm's over-the-counter business office, the bond shall be repaid in cash in a lump sum at maturity at 100% of the face value of the bond.
Outstanding amount	NT$600,000,000 (As of March 31, 2025)
Latest conversion price	NT$113.2 (As of March 31, 2025)

2. Implementation

The fifth domestic unsecured convertible corporate bond issued by our company was completed on June 20, 2024, and was executed in the first quarter of 2025.

3. Conversion Situation

As of March 31, 2025, no bondholder has exercised the conversion right for the fifth domestic unsecured convertible corporate bonds issued by our company.

Attachment 4

Independent Auditors' Report

To KENMEC MECHANICAL ENGINEERING CO., LTD.:

Audit opinion

We audited the parent company only balance sheets of KENMEC MECHANICAL ENGINEERING CO., LTD. as of December 31, 2024 and 2023, parent company only statements of comprehensive income, parent company only statements of changes in equity and parent company only statements of cash flows for the periods from January 1 to December 31, 2024 and 2023, and No. of Notes to notes to the parent company only financial reports (including the summary of significant accounting policies).

In our opinion, the said parent company only financial reports were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and thus presented fairly, in all material aspects, the parent company only financial positions of Kenmec Mechanical Engineering Co., Ltd. as of December 31, 2024 and 2023, and the parent company only financial performance and cash flows for the periods from January 1 to December 31, 2024 and 2023.

Basis of Audit Opinions

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. Our responsibilities under such standards are further described in the "CPA's responsibility for the audit of the parent company only financial reports" section in this report. We were independent of Kenmec Mechanical Engineering Co., Ltd. In accordance with the Norms of Professional Ethics for Certified Public Accountants and fulfilled all the other responsibilities thereunder. We believe that we acquired sufficient and appropriate audit evidence to use as the basis of our audit opinions.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the parent company only financial reports of Kenmec Mechanical Engineering Co., Ltd. for the year 2024. Such matters were addressed during the overall audit of the parent company only financial reports and the process of forming the audit opinions, and thus we did not provide opinions separately regarding such matters.

The key audit matters in the audit of the parent company only financial reports of Kenmec Mechanical Engineering Co., Ltd. for the year of 2024 are as follows:

Project incomes recognized on the basis of stage of completion

As KENMEC is mainly engaged in contracting automation projects, its project income is recognized based on the degree of the completion of contracts. The estimated total cost of projects is an important factor in calculating the percentage of completion. The estimated total costs of projects and contract items are evaluated and judged by management based on the nature of projects, estimated contract amounts, project approaches and work methods. However, due to the long duration of the work period, the contracts are likely to be affected by fluctuations in prices of raw materials and labor, as well as addition/reduction of projects, making them subject to inherent risks of complexity. As there is a certain degree of subjectivity in these estimates, the calculation of the percentage of revenue from the completion of some projects may have errors or have a significant impact on the misinterpretation of revenue in each period. Therefore, the total estimated cost for project contracts is a material estimate and judgment of the Company, hence it is considered a key audit item. For accounting policies and disclosure information relevant to the recognition of construction incomes, see Notes 4, 5 and 25 to the financial statements.

For the above key audit matters, the audit procedures we performed are as follows:

1. To understand and test the Company's internal control procedures relevant to the preparation of the estimated total project cost.
2. To select samples and examine the documents of the Company's projects to confirm the reasonableness of the estimated total project cost.

Responsibilities of the Management and Governing Bodies for Parent Company Only Financial Reports

The management was responsible for preparation of the parent company only financial reports with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and maintaining the necessary internal control related to the preparation of the parent company only financial reports to ensure that the parent company only financial reports were free of material misstatement due to fraud or error.

During preparation of the parent company only financial reports, the management was also responsible for evaluating Kenmec Mechanical Engineering Co., Ltd.'s ability as a going concern, disclosure of relevant matters, and application of the going concern basis of accounting unless the management intended to liquidate Kenmec Mechanical Engineering Co., Ltd. or terminate its operations, or there were no other actual or feasible solutions other than liquidation or termination of its operations.

Kenmec Mechanical Engineering Co., Ltd.'s governance unit (including the Audit Committee) was responsible for supervising the financial reporting procedures.

Responsibilities of the Accountants for the Audit of the Parent Company Only Financial Reports

The purpose of our audit of the parent company only financial reports is to obtain reasonable assurance about whether the parent company only financial reports were free of material misstatements due to fraud or error, with an audit report issued thereafter. Reasonable assurance is a high-level assurance but is not a guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement when it exists. The misstatements might be due to fraud or error. If an individual or total amount misstated was reasonably expected to have an impact on the economic decision-making of users of the parent company only financial reports, the misstatement was deemed as material.

As part of an audit in accordance with the auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also performed the following works:

1. We identified and assessed the risk of any misstatement in the parent company only financial reports due to fraud or error, designed and implemented response measures suitable for the evaluated risks, and acquired sufficient and appropriate audit evidence to use as the basis of our audit opinions. Fraud may involve collusion, forgery, omission on purpose, fraudulent statements or violation of internal control, and we did not find that the risk of material misstatement due to fraud was higher than the same due to error.
2. We understood the internal control related to the audit to an extent necessary to design audit procedures applicable to the current circumstances. However, the purpose of such work was not to express opinions regarding the effectiveness of Kenmec Mechanical Engineering Co., Ltd.'s internal control.
3. We evaluated the appropriateness of the accounting policies adopted by management and the rationality of the accounting estimates and relevant disclosure made by management.
4. We drew a conclusion about the appropriateness of the application of the going concern basis of accounting by the management and whether the events or circumstances which might cause major doubts about Kenmec Mechanical Engineering Co., Ltd.'s ability as a going concern had material uncertainties. If any material uncertainty was deemed to exist in such event or circumstance, we must provide a reminder in the parent company only financial reports for the users to pay attention to relevant disclosures therein, or amend our audit opinions when such disclosures were inappropriate. Our conclusion was drawn based on the audit evidence acquired as of the date of this audit report. However, future events or circumstances might result in a situation where Kenmec Mechanical Engineering Co., Ltd. would no longer have the ability to continue as a going concern.
5. We evaluated the overall presentation, structure, and contents of the parent company only financial reports (including relevant notes), and whether the parent company only financial reports presented the relevant transactions and events fairly.

6. We acquired sufficient and appropriate audit evidence for the financial information of the entities forming Kenmec Mechanical Engineering Co., Ltd. to provide opinions regarding the parent company only financial reports. We were responsible for instruction, supervision and implementation of the audit cases, as well as formation of the audit opinions on KENMEC Kenmec Mechanical Engineering Co., Ltd.

The matters for which we communicated with the governance unit include the planned audit scope and time, as well as major audit findings (including the significant deficiencies of the internal control identified during the audit).

We also provided a declaration of independence to the governance unit, which assured that we complied with the requirements related to independence in the Norm of Professional Ethics for Certified Public Accountant, and communicated all relationships and other matters (including relevant protective measures) which we deemed to be likely to cause an impact on the independence of CPAs to the governance unit.

We determined the key audit matters to be audited in Kenmec Mechanical Engineering Co., Ltd.'s parent company only financial reports in 2024 based on the matters communicated with the governance unit. We specified such matters in the audit report except when public disclosure of certain matters was prohibited by related laws or regulations, or when, in very exceptional circumstances, we determined not to cover such matters in the audit report as we could reasonably expect that the negative impact of the coverage would be greater than the public interest brought thereby.

Deloitte & Touche Taiwan

CPA Meng-Kuei Yu

CPA Li-Huang Li

Approval No. from the Financial Supervisory Commission
Jin-Guan-Zheng-Shen-Zi No. 1130357402

Approval No. from the Securities and Futures Commission
Tai-Cai-Zheng-Liu-Zi No. 0930128050

March 14, 2025

KENMEC MECHANICAL ENGINEERING CO., LTD.
Parent Company Only Balance Sheet
December 31, 2024 and 2023

Unit: NTD thousand

Code	Assets	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Current assets				
1100	Cash and cash equivalents (Note 6)	$ 1,443,795	15	$ 616,927	7
1110	Financial assets measured at fair value through profit or loss – current (Note 7)	11,091	-	177,277	2
1136	Financial assets measured at amortized cost – current (Note 9)	138,524	2	166,248	2
1140	Contract assets – current (Notes 23 and 25)	705,955	7	680,727	8
1150	Notes receivable – non-related parties (Note 10)	53	-	27	-
1170	Accounts receivable – non-related parties (Note 10)	307,524	3	376,079	4
1180	Accounts receivable – related parties (Notes 10 and 34)	127,535	1	43,207	-
1200	Other receivables (Note 10)	14,679	-	22,726	-
1210	Other receivables – related parties (Notes 10 and 34)	100,538	1	439	-
1220	Current income tax assets (Note 27)	9,670	-	6,852	-
130X	Inventory (Note 11)	350,530	4	237,782	3
1429	Prepayments (Note 16)	136,576	1	118,620	1
1470	Other current assets (Notes 16 and 35)	288,963	3	154,450	2
11XX	Total current assets	3,635,433	37	2,601,361	29
	Non-current assets				
1510	Financial assets measured at fair value through profit or loss – non-current (Note 7)	159,157	2	131,797	1
1517	Financial assets measured at fair value through other comprehensive income – non-current (Note 8)	87,294	1	59,167	1
1535	Financial assets measured at amortized cost – non-current (Note 9)	49,392	1	69,930	1
1550	Investment under the equity method (Note 12)	2,083,670	21	2,350,516	26
1600	Property, plants and equipment (Notes 13 and 35)	2,987,365	30	2,986,623	33
1755	Right-of-use assets (Note 14)	324,932	3	355,696	4
1780	Other intangible assets (Note 15)	5,972	-	10,021	-
1840	Deferred income tax assets (Note 27)	148,660	2	180,555	2
1990	Other non-current assets (Notes 16, 22, and 35)	329,916	3	282,254	3
15XX	Total non-current assets	6,176,358	63	6,426,559	71
1XXX	Total assets	$ 9,811,791	100	$ 9,027,920	100

Code	Liabilities and equity				
	Current liabilities				
2100	Short-term loans (Note 17)	$ 420,000	5	$ 510,000	6
2130	Contract liabilities – current (Notes 23 and 25)	744,862	8	481,272	5
2150	Notes payable – non-related parties (Note 18)	6,472	-	-	-
2170	Accounts payable – non-related parties (Note 18)	697,302	7	559,286	6
2180	Accounts payable – related parties (Note 18 and 34)	26,103	-	34,130	-
2219	Other payables (Note 20)	203,247	2	274,995	3
2220	Other payables – related parties (Notes 20 and 34)	1,733	-	489,237	6
2250	Liability reserve – current (Note 21)	17,962	-	43,838	1
2280	Lease liabilities – current (Note 14)	21,277	-	28,768	-
2313	Deferred income (Note 30)	25,097	-	35,000	-
2320	Long-term loans maturing within one year (Note 17)	26,659	1	77,122	1
2399	Other current liabilities	4,346	-	4,136	-
21XX	Total current liabilities	2,195,060	23	2,537,784	28
	Non-current liabilities				
2500	Financial liabilities measured at fair value through profit or loss – non-current (Note 7)	3,900	-	-	-
2530	Bonds payable (Note 19)	570,483	6	-	-
2540	Long-term loans (Note 17)	2,065,034	21	2,142,628	24
2580	Lease liabilities – non-current (Note 14)	239,677	2	255,422	3
2570	Deferred income tax liabilities (Note 27)	58,123	1	57,404	1
2650	Credit balance of investments accounted for using the equity method (Note 12)	122,651	1	10,381	-
2670	Other non-current liabilities (Note 20)	7,890	-	12,930	-
25XX	Total non-current liabilities	3,067,758	31	2,478,765	28
2XXX	Total liabilities	5,262,818	54	5,016,549	56
	Equity (Note 24)				
3110	Common stock capital	2,590,112	26	2,490,112	27
3200	Capital reserves	1,416,239	14	456,725	5
	Retained earnings				
3310	Legal reserves	247,047	3	182,797	2
3320	Special reserves	297,092	3	297,092	3
3350	Undistributed earnings	224,446	2	848,592	10
3300	Total retained earnings	768,585	8	1,328,481	15
	Other equity				
3410	Exchange differences on translation of financial statements of foreign operations	(217,796)	(2)	(255,739)	(3)
3420	Unrealized profit/loss on valuation of financial assets measured at fair value through other comprehensive income	(8,167)	-	(8,208)	-
3400	Total of other equity	(225,963)	(2)	(263,947)	(3)
31XX	Total equity	4,548,973	46	4,011,371	44
	Total liabilities and equity	$ 9,811,791	100	$ 9,027,920	100

The attached notes are part of the parent company only financial reports.

Chairman: Ching-Fu Hsieh Manager: Chih-Chun Ke Accounting Manager: Ya-Ling Chu

KENMEC MECHANICAL ENGINEERING CO., LTD.
Parent Company Only Statement of Comprehensive Income
January 1 to December 31, 2024 and 2023

Unit: NTD thousand; however earnings (loss) per share is in NTD

Code		2024 Amount	2024 %	2023 Amount	2023 %
	Operating revenue (Notes 25 and 34)				
4100	Sales revenue	$ 2,445	-	$ 4,224	-
4520	Project income	1,983,685	96	2,723,299	98
4600	Service income	78,936	4	56,592	2
4000	Total operating revenue	2,065,066	100	2,784,115	100
	Operating costs (Notes 11, 26 and 34)				
5110	Cost of sales	(1,088)	-	(168)	-
5520	Project cost	(1,404,879)	(68)	(1,916,799)	(69)
5600	Service cost	(70,092)	(3)	(65,119)	(2)
5800	Other operating costs	(18,891)	(1)	(46,896)	(2)
5000	Total operating costs	(1,494,950)	(72)	(2,028,982)	(73)
5900	Operating gross profit	570,116	28	755,133	27
5910	Unrealized profits/losses from subsidiaries, associates and joint ventures (Note 34)	(98,329)	(5)	(19,520)	(1)
5920	Realized profits/losses from subsidiaries, associates and joint ventures (Note 34)	26,205	1	25,556	1
5950	Realized operating gross profit	497,992	24	761,169	27
	Operating expenses (Notes 10, 26 and 34)				
6100	Marketing expense	(116,141)	(6)	(146,979)	(5)
6200	Administrative expense	(267,351)	(13)	(255,032)	(9)
6300	R&D expense	(246,922)	(12)	(168,929)	(6)
6450	Expected losses on credit impairment (gain on reversal)	(11,877)	-	13,860	-
6000	Total operating expenses	(642,291)	(31)	(557,080)	(20)

(Next page)

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Code		2024 Amount	2024 %	2023 Amount	2023 %
6900	Net operating gain (loss)	($ 144,299)	(7)	$ 204,089	7
	Non-operating revenue and expenses (Notes 26 and 34)				
7100	Interest income	23,883	1	41,552	1
7010	Other revenue	154,104	7	71,834	3
7020	Other profits and losses	23,107	1	48,225	2
7050	Financial costs	(68,780)	(3)	(34,684)	(1)
7070	Share of profit/loss of subsidiaries, associates and joint ventures under the equity method	(104,473)	(5)	470,188	17
7000	Total non-operating revenue and expenses	27,841	1	597,115	22
7900	Net profit (loss) before tax	(116,458)	(6)	801,204	29
7950	Income tax expense (Note 27)	(26,769)	(1)	(5,207)	-
8200	Current net profit (loss)	(143,227)	(7)	795,997	29
	Other comprehensive income (Notes 24 and 27)				
	Titles not reclassified as profit or loss:				
8311	Remeasurement of defined benefit plans	5,612	-	(2,907)	-
8316	Unrealized valuation profit/loss on investment in equity instruments measured at fair value through other comprehensive income	(1,825)	-	3,299	-

(Next page)

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Code		2024 Amount	2024 %	2023 Amount	2023 %
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures under the equity method	$ 3,144	-	$ 393	-
8349	Income tax relating to non-reclassified items	(240)	-	581	-
8310		6,691	-	1,366	-
	Titles likely to be reclassified as profit or loss subsequently:				
8361	Exchange differences on translation of financial statements of foreign operations	25,015	1	(11,020)	-
8380	Share of other comprehensive income of subsidiaries, associates and joint ventures under the equity method	18,044	1	(12,092)	(1)
8399	Income tax related to items likely to be reclassified	(5,116)	-	2,317	-
8360		37,943	2	(20,795)	(1)
8300	Total other comprehensive income (net) for the year	44,634	2	(19,429)	(1)
8500	Total comprehensive income for the year	($ 98,593)	(5)	$ 776,568	28
	Earnings (losses) per share (Note 28)				
9710	Basic	($ 0.56)		$ 3.20	
9810	Diluted	($ 0.56)		$ 3.19	

The attached notes are part of the parent company only financial reports.

Chairman: Ching-Fu Hsieh Manager: Chih-Chun Ke Accounting Manager: Ya-Ling Chu

KENMEC MECHANICAL ENGINEERING CO., LTD.
Parent Company Only Statement of Changes in Equity
January 1 to December 31, 2024 and 2023

Unit: NTD thousand

		Share capital			Retained earnings			Other equity			
Code		Number of shares (thousand shares)	Amount	Capital reserves	Legal reserves	Special reserves	Retained earnings	Exchange differences on translation of financial statements of foreign operations	Unrealized profit/loss on valuation of financial assets measured at fair value through other comprehensive income	Treasury stocks	Total equity
A1	Balance on January 1, 2023	249,011	$ 2,490,112	$ 293,869	$ 134,786	$ 319,117	$ 633,963	($ 229,740)	($ 11,507)	($ 22,792)	$ 3,607,808
	Allocation and distribution of earnings in 2022										
B1	Appropriation of legal reserve	-	-	-	48,011	-	(48,011)	-	-	-	-
B3	Reversal of special reserves	-	-	-	-	(22,025)	22,025	-	-	-	-
B5	Cash dividends to the shareholders of the Company	-	-	-	-	-	(401,885)	-	-	-	(401,885)
	Other changes in capital reserves										
C7	Changes regarding associates and joint ventures under equity method	-	-	(220)	-	-	-	-	-	-	(220)
M7	Changes in ownership interests in subsidiaries	-	-	122,144	-	-	(151,564)	(5,204)	-	-	(34,624)
N1	Employee stock options issued by the Company	-	-	40,932	-	-	-	-	-	22,792	63,724
D1	Net profit in 2023	-	-	-	-	-	795,997	-	-	-	795,997
D3	Other comprehensive income after tax in 2023	-	-	-	-	-	(1,933)	(20,795)	3,299	-	(19,429)
D5	Total comprehensive income in 2023	-	-	-	-	-	794,064	(20,795)	3,299	-	776,568
Z1	Balance on December 31, 2023	249,011	2,490,112	456,725	182,797	297,092	848,592	(255,739)	(8,208)	-	4,011,371
	Allocation and distribution of earnings in 2023										
B1	Appropriation of legal reserve	-	-	-	64,250	-	(64,250)	-	-	-	-
B5	Cash dividends to the shareholders of the Company	-	-	-	-	-	(423,319)	-	-	-	(423,319)
E1	Cash capital increase	10,000	100,000	800,000	-	-	-	-	-	-	900,000
	Other changes in capital reserves										
M5	Difference between the price of acquiring or disposing of the equity of the subsidiary and the book value	-	-	(511)	-	-	-	-	-	-	(511)
C5	The Company's convertible corporate bonds are recognized as equity	-	-	141,525	-	-	-	-	-	-	141,525
N1	Employee stock options issued by the Company	-	-	18,500	-	-	-	-	-	-	18,500
D1	Net loss in 2024	-	-	-	-	-	(143,227)	-	-	-	(143,227)
D3	Other comprehensive income after tax in 2024	-	-	-	-	-	6,650	37,943	41	-	44,634
D5	Total comprehensive income in 2024	-	-	-	-	-	(136,577)	37,943	41	-	(98,593)
Z1	Balance on December 31, 2024	259,011	$ 2,590,112	$ 1,416,239	$ 247,047	$ 297,092	$ 224,446	($ 217,796)	($ 8,167)	$ -	$ 4,548,973

The attached notes are part of the parent company only financial reports.

Chairman: Ching-Fu Hsieh Manager: Chih-Chun Ke Accounting Manager: Ya-Ling Chu

KENMEC MECHANICAL ENGINEERING CO., LTD.
Parent Company Only Statement of Cash Flow
January 1 to December 31, 2024 and 2023

Unit: NTD thousand

Code		2024	2023
	Cash flow from operating activities		
A10000	Net profit (loss) before tax for the current year	($ 116,458)	$ 801,204
A20010	Profit and expense/loss:		
A20100	Depreciation expenses	108,088	87,672
A20200	Amortization expenses	6,044	6,237
A20300	Expected losses on credit impairment (gain on reversal)	11,877	(13,860)
A20400	Net loss (profit) on financial assets and liabilities measured at fair value through profit or loss	3,703	(42,303)
A20900	Financial costs	68,780	34,684
A21200	Interest income	(23,883)	(41,552)
A21300	Dividend revenue	(2,675)	(2,113)
A21900	Compensation cost of employee stock options	18,500	40,993
A22500	Property, plant and equipment (profit) loss	(29)	35
A22400	Share of profit/loss of subsidiaries, associates and joint ventures under the equity method	104,473	(470,188)
A23700	Loss (reversal of loss) on inventory valuation and obsolescence	(6,668)	27,709
A23800	Property, plant and equipment impairment loss	-	14,052
A23900	Unrealized profits/losses from subsidiaries, associates and joint ventures	98,329	19,520
A24000	Realized profits/losses from subsidiaries, associates and joint ventures	(26,205)	(25,556)
A29900	Profit on lease modification	(48)	(1)
A30000	Net changes in operating assets and liabilities		
A31125	Contract assets	(25,640)	(140,153)
A31130	Notes receivable	(26)	3,167
A31150	Accounts receivable	73,175	(202,510)
A31160	Accounts receivable – related parties	(84,328)	(38,978)
A31180	Other receivables	7,493	(6,543)
A31190	Other receivables – related parties	(99)	12,457
A31200	Inventory	(106,080)	(39,354)
A31230	Prepayments	(17,956)	(26,170)
A31240	Other current assets	(7)	35,156

(Next page)

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Code		2024	2023
A31250	Other non-current assets	($ 222,344)	$ 512
A31990	Net defined benefit assets	6,801	-
A32125	Contract liabilities	263,590	(522,255)
A32130	Notes payable	6,472	(1,348)
A32150	Accounts payable	138,016	85,602
A32160	Accounts payable – related parties	(8,027)	8,314
A32180	Other payables	(74,164)	59,313
A32190	Other payables – related parties	(487,504)	489,237
A32200	Liability reserve	(25,876)	22,098
A32230	Other current liabilities	210	(4,453)
A32240	Net defined benefit liabilities	-	(59,932)
A32990	Deferred income	(9,903)	35,000
A33000	Cash generated from operations	(322,369)	145,693
A33100	Interest received	22,952	40,665
A33300	Interest paid	(62,519)	(34,684)
A33500	Income tax paid	(2,329)	(2,726)
AAAA	Net cash inflow (outflow) from operating activities	(364,265)	148,948
	Cash flows from investing activities		
B00010	Acquisition of financial assets measured at fair value through other comprehensive income	(29,952)	(17,500)
B00050	Disposal of financial assets measured at amortized cost	31,765	118,548
B00100	Acquisition of financial assets measured at fair value through profit or loss	(374,887)	(1,705,922)
B00200	Disposal of financial assets measured at fair value through profit or loss	511,570	1,818,496
B01800	Acquisition of investment under the equity method	(88,064)	(691,347)
B02700	Purchase of property, plants and equipment	(70,548)	(1,822,406)
B02800	Proceeds from disposal of property, plant and equipment	29	1,157
B03700	Increase in guarantee deposits paid	-	(72,949)
B03800	Decrease in guarantee deposits paid	14,289	-
B04100	Other receivables	1,485	3,956
B04300	Other receivables – related parties	-	431,400
B04500	Purchase of intangible assets	(1,995)	(2,620)
B05350	Acquisition of right-of-use assets	-	(75)
B07200	Decrease in prepaid equipment purchase	24,698	42,417
B07600	Dividends received	2,675	2,113
B09900	Dividends received from subsidiaries	236,275	49,335
BBBB	Net cash inflow (outflow) from investing activities	257,340	(1,845,397)

(Next page)

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Code		2024	2023
	Cash flows from financing activities		
C01200	Issuance of corporate bonds	$ 708,087	$ -
C01700	Repayment of long-term loans	(528,057)	(481,122)
C01600	Borrowing of long-term loans	400,000	1,830,000
C00100	Increase in short-term loans	-	510,000
C00200	Decrease in short-term loans	(90,000)	-
C03000	Increase in guarantee deposits received	-	7,318
C03100	Decrease in guarantee deposits received	(5,040)	-
C04020	Repayment of the principal of leases	(27,878)	(19,302)
C04500	Payment of dividends	(423,319)	(401,885)
C04600	Cash capital increase	900,000	-
C04900	Payment of costs of transactions in treasury stocks	-	(61)
C05100	Purchase of treasury stocks by employees	-	22,792
CCCC	Net cash inflow from financing activities	933,793	1,467,740
EEEE	Net increase (decrease) in cash and cash equivalents	826,868	(228,709)
E00100	Balance of cash and cash equivalents at beginning of the year	616,927	845,636
E00200	Balance of cash and cash equivalents at ending of the year	$ 1,443,795	$ 616,927

The attached notes are part of the parent company only financial reports.

Chairman: Ching-Fu Hsieh Manager: Chih-Chun Ke Accounting Manager: Ya-Ling Chu

Independent Auditors' Report

To KENMEC MECHANICAL ENGINEERING CO., LTD.:

Audit opinion

We audited the consolidated balance sheets of KENMEC MECHANICAL ENGINEERING CO., LTD. and its subsidiaries (Kenmec Group) as of December 31, 2024 and 2023, the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the periods from January 1 to December 31, 2024 and 2023, and the notes to the consolidated financial statements (including the summary of significant accounting policies).

In our opinion, the said consolidated financial reports were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and thus presented fairly, in all material aspects, the consolidated financial positions of the Kenmec Group as of December 31, 2024 and 2023, and the consolidated financial performance and cash flows for the periods from January 1 to December 31, 2024 and 2023.

Basis of Audit Opinions

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. Our responsibilities under such standards are further described in the "CPA's responsibility for the audit of the consolidated financial statements" section in this report. We were independent of Kenmec Group, in accordance with the Norms of Professional Ethics for Certified Public Accountants and fulfilled all other responsibilities thereunder. We believe that we acquired sufficient and appropriate audit evidence to use as the basis of our audit opinions.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of Kenmec Group for the year 2024. Such matters were addressed during the overall audit of the consolidated financial statements and the process of forming the audit opinions, and thus we did not provide opinions separately regarding such matters.

The key audit matters in the audit of the consolidated financial statements of Kenmec Group for the year of 2024 are as follows:

Project incomes recognized on the basis of stage of completion

As KENMEC is mainly engaged in contracting automation projects, its project income is recognized based on the degree of the completion of contracts. The estimated total cost of projects is an important factor in calculating the percentage of completion. The estimated total costs of projects and contract items are evaluated and judged by management based on the nature of projects, estimated contract amounts, project approaches and work methods. However, due to the long duration of the work period, the contracts are likely to be affected by fluctuations in prices of raw materials and labor, as well as addition/reduction of projects, making them subject to inherent risks of complexity. As there is a certain degree of subjectivity in these estimates, the calculation of the percentage of revenue from the completion of some projects may have errors or have a significant impact on the misinterpretation of revenue in each period. Therefore, the total estimated cost for project contracts is a material estimate and judgment of the Company, hence it is considered a key audit item. For accounting policies and disclosure information relevant to the recognition of project income, see Notes 4, 5 and 27 to the financial statements.

For the above key audit matters, the audit procedures we performed are as follows:

1. To understand and test the Company's internal control procedures relevant to the preparation of the estimated total project cost.
2. To select samples and examine the documents of the Company's projects to confirm the reasonableness of the estimated total project cost.

The verification of the revenue from shipment to certain customers

The Group's Tainergy Tech. Co., Ltd. mainly engages in the research, design, manufacturing and sales of solar cells, panels and related systems. Since we presumed that revenue recognition was a significant risk based on the materiality principle and the Statements on Auditing Standards, we considered that the occurrence of the sales revenue from parts of certain customers recognized by the company was significant to the financial statements. Therefore, the verification of the shipment with respect to the revenue from parts of certain customers was listed as the key audit matter of the year. For the description of revenue recognition policies, see Note 4.

We performed the following main audit procedures:

1. We knew and tested the design and implementation of the internal control related to the recognition of revenue from parts of certain customers.
2. We carried out population sampling for the revenue statements of the said parts of certain customers, reviewed relevant supporting documents, and examined the collection of payments to confirm the occurrence of sales transactions.
3. We reviewed any material sales returns and discounts occurring after the balance sheet date to make sure whether there was any material misstatement of the sales revenue from the parts of certain customers.

Property, plant and equipment impairment

As of December 31, 2024, the carrying value of the Kenmec Group's property, plant and equipment was NTD 3,766,141 thousand, accounting for 31.63% of total assets, which was significant. For accounting policies and related disclosures on asset impairment assessment, please refer to Notes 4, 5 and 14 on the consolidated financial statement.

- TAISIC MATERIALS CO.

  As the Group's Taisic Materials Co. is mainly engaged in the manufacturing and sale of silicon carbide products. Due to its investments in the field of silicon carbide, its current revenue is yet significant, resulting in idle production capacity. Management expects that the future economic benefits of property, plant and equipment will be reduced, resulting in its recoverable amount of property, plant and equipment being less than the carrying amount. Therefore, the Group recognized an impairment loss of NTD 51,753 thousand in 2024.

  Management evaluated the recoverable amount of the property, plant and equipment impairment mentioned above based on the model of fair value less cost to sell, while referring to the adoption of the opinions in the expert's report as the basis. As the method and key assumption parameters used in the evaluation of the expert's valuation report have a high degree of professional judgment, the evaluation of property, plant and equipment impairment is listed as a key audit item.

  Our principal audit procedures for the above description include:

  1. To understand management's process and approval process in evaluating the provision of impairment for property, plant and equipment.
  2. We evaluated the professional experience, suitability and independence of the independent valuation experts appointed by management and verified the qualifications of the independent valuation experts. We also adopted our financial advisors to assist in the evaluation of the appropriateness of the methods and assumptions used by the independent valuation experts in the evaluation of fair value.
  3. We have used our financial advisors to assist in sampling parameters and historic information or external information used by the independent valuation experts to ensure the reasonableness of the valuation parameters used.

- VIETNERGY COMPANY LIMITED

  Due to the rapid change of market demand for solar energy and technology, management expects that some of the property, plant and equipment of VIETNERGY Co., Ltd., subsidiary of Tainergy Group, may not be economically viable in the future due to the upgrade of product specifications. The operation of this year was affected by the unfavorable impact of the anti-dumping and countervailing order on solar cells and modules in the U.S., resulting in the recoverable amount of VIETNERGY less than the carrying amount. Therefore, the Group recognized an impairment loss of NTD 197,587 thousand in 2024.

  Management evaluated the recoverable amount of the property, plant and equipment impairment mentioned above based on the model of fair value less cost to sell, while referring to the adoption of the opinions in the expert's report as the basis. As the method and key assumption parameters used in the evaluation of the expert's valuation report have a high degree of professional judgment, the evaluation of property, plant and equipment impairment is listed as a key audit item.

  Our principal audit procedures for the above description include:

1. To understand management's process and approval process in evaluating the provision of impairment for property, plant and equipment.
2. We evaluated the professional experience, suitability and independence of the independent valuation experts appointed by management and then verified their qualifications. We also evaluated whether the methods and assumptions used by the independent evaluation experts to evaluate the fair value were appropriate.
3. We sampled and compared the valuation parameters used by the independent valuation experts with historical data or external information to verify the reasonableness of the parameters used.

Other Matters

For the parent company only financial reports prepared by Kenmec Mechanical Engineering Co., Ltd. in 2024 and 2023, we had an independent auditors' report issued with an unqualified opinion for reference.

Responsibility of the management and governance unit for the consolidated financial statements

Management was responsible for preparation of the consolidated financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, interpretations and the statements of interpretation approved and released by the Financial Supervisory Commission and maintaining the necessary internal control related to preparation of the consolidated financial statements to ensure that the consolidated financial statements were free of material misstatement due to fraud or error.

During preparation of the consolidated financial statements, management was also responsible for evaluating Kenmec Group's ability as a going concern, disclosure of relevant matters, and application of the going concern basis of accounting unless management intended to make Kenmec Group enter into liquidation or terminate its operations, or there were no other actual or feasible solutions other than liquidation or termination of its operations.

Kenmec Group's governance unit (including the Audit Committee) was responsible for supervising the financial reporting procedures.

CPA's responsibility for the audit of the consolidated financial statements

We audited the consolidated financial statements for the purpose of obtaining reasonable assurance about whether the consolidated financial statements were free of material misstatement due to fraud or error and issuing an audit report. Reasonable assurance is a high-level assurance but is not a guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement when it exists. The misstatements might be due to fraud or error. If the individual or total amount misstated was reasonably expected to have an impact on the economic decision-making of the users of the consolidated financial statements, the misstatement was deemed material.

As part of an audit in accordance with the auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also performed the following works:

1. We identified and assessed the risk of any misstatement in the consolidated financial statements due to fraud or error, designed and implemented response measures suitable for the evaluated risks, and acquired sufficient and appropriate audit evidence to use as the basis of our audit opinions. Fraud may involve collusion, forgery, omission on purpose, fraudulent statements or violation of internal control, and we did not find that the risk of material misstatement due to fraud was higher than the same due to error.
2. We understood the internal control related to the audit to an extent necessary to design audit procedures applicable to the current circumstances. However, the purpose of such work was not to express opinions regarding the effectiveness of Kenmec Group's internal control.
3. We evaluated the appropriateness of the accounting policies adopted by management and the rationality of the accounting estimates and relevant disclosure made by management.
4. We drew a conclusion about the appropriateness of the application of the going concern basis of accounting by management and whether the event or circumstances which might cause major doubts about Kenmec Group's ability as a going concern had a material uncertainty. If any material uncertainty was deemed to exist in such event or circumstance, we must provide a reminder in the audit report for the users of the consolidated financial statements to pay attention to the relevant disclosures therein, or amend our audit opinions when such disclosures were inappropriate. Our conclusion was drawn based on the audit evidence acquired as of the date of this audit report. However, future events or circumstances might result in a situation where Kenmec Group, would no longer have its ability as a going concern.
5. We evaluated the overall presentation, structure, and contents of the consolidated financial statements (including the relevant notes) and whether the consolidated financial statements presented relevant transactions and events fairly.
6. We acquired sufficient and appropriate audit evidence for the financial information of the entities forming the Group to provide opinions regarding the consolidated financial statements. We were responsible for instruction, supervision and conduct of the Group's audit cases, as well as the expression of the audit opinions for the Group.

The matters for which we communicated with the governance unit include the planned audit scope and time, as well as major audit findings (including the significant deficiencies of the internal control identified during the audit).

We also provided a declaration of independence to the governance unit, which assured that we complied with the requirements related to independence in the Norm of Professional Ethics for Certified Public Accountant, and communicated all relationships and other matters (including relevant protective measures) which we deemed to be likely to cause an impact on the independence of CPAs to the governance unit.

We determined the key audit matters to be audited in Kenmec Group consolidated financial statements in 2024 based on the matters communicated with the governance unit. We specified such matters in the audit report except when public disclosure of certain matters was prohibited by related laws or regulations, or when, in very exceptional circumstances, we determined not to cover such matters in the audit report as we could reasonably expect that the negative impact of the coverage would be greater than the public interest brought thereby.

Deloitte & Touche Taiwan

CPA Meng-Kuei Yu

CPA Li-Huang Li

Approval No. from the Financial Supervisory Commission

Jin-Guan-Zheng-Shen-Zi No. 1130357402

Approval No. from the Securities and Futures Commission

Tai-Cai-Zheng-Liu-Zi No. 0930128050

March 14, 2025

Kenmec Mechanical Engineering Co., Ltd. and Subsidiaries
Consolidated Balance Sheet
December 31, 2024 and 2023

Unit: NTD thousand

Code	Assets	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Current assets				
1100	Cash and cash equivalents (Note 6)	$ 2,379,762	20	$ 1,690,444	15
1110	Financial assets measured at fair value through profit or loss – current (Note 7)	252,314	2	456,717	4
1136	Financial assets measured at amortized cost – current (Note 9)	196,532	2	281,783	2
1140	Contract assets – current (Notes 25 and 27)	734,461	6	504,916	4
1150	Notes receivable – non-related parties (Note 10)	378	-	2,556	-
1170	Accounts receivable – non-related parties (Note 10)	408,164	3	512,174	4
1200	Other receivables (Notes 10 and 32)	109,284	1	41,874	-
1210	Other receivables – related parties (Notes 10 and 36)	25,435	-	82,842	1
1220	Current income tax assets (Note 29)	14,523	-	9,479	-
130X	Inventory (Note 11)	572,111	5	551,541	5
1421	Prepayments (Note 18)	219,344	2	201,887	2
1470	Other current assets (Notes 18 and 36)	333,689	3	242,419	2
11XX	Total current assets	5,245,997	44	4,578,632	39
	Non-current assets				
1510	Financial assets measured at fair value through profit or loss – non-current (Note 7)	159,457	1	131,797	1
1517	Financial assets measured at fair value through other comprehensive income – non-current (Note 8)	124,940	1	59,167	1
1535	Financial assets measured at amortized cost – non-current (Note 9)	71,622	1	89,676	1
1550	Investment under the equity method (Note 13)	575,822	5	574,181	5
1600	Property, plant and equipment (Note 14)	3,766,141	32	4,130,074	35
1755	Right-of-use assets (Note 15)	446,197	4	497,086	4
1760	Investment property (Note 16)	986,178	8	1,049,314	9
1780	Other intangible assets (Note 17)	10,840	-	14,665	-
1840	Deferred income tax assets (Note 29)	148,671	1	180,664	2
1915	Prepayment for equipment (Note 18)	33,586	-	83,430	1
1920	Guarantee deposits paid (Note 18)	95,940	1	111,921	1
1990	Other non-current assets (Notes 10 and 18)	242,322	2	172,119	1
15XX	Total non-current assets	6,661,716	56	7,094,094	61
1XXX	Total assets	$ 11,907,713	100	$ 11,672,726	100
Code	**Liabilities and equity**				
	Current liabilities				
2100	Short-term loans (Note 19)	$ 710,649	6	$ 933,350	8
2110	Short-term notes payable (Note 19)	-	-	37,000	-
2120	Financial liabilities measured at fair value through profit or loss – current (Note 7)	-	-	11	-
2130	Contract liabilities – current (Note 25 and 27)	808,732	7	677,550	6
2150	Notes payable – non-related parties (Note 20)	6,472	-	-	-
2170	Accounts payable – non-related parties (Note 20)	786,679	7	672,228	6
2180	Accounts payable – related parties (Note 20 and 36)	-	-	2,605	-
2200	Other payables (Note 22)	422,352	3	554,121	5
2220	Other payables – related parties (Notes 22 and 36)	4,539	-	2,362	-
2230	Current income tax liabilities (Note 29)	623	-	2,148	-
2250	Liability reserve – current (Note 23)	20,292	-	45,980	-
2280	Lease liabilities – current (Note 15)	38,865	-	51,287	1
2313	Deferred income (Notes 22 and 32)	28,304	-	47,399	-
2320	Long-term liabilities due within one year (Note 19)	65,585	1	103,735	1
2399	Other current liabilities (Note 22)	21,810	-	41,964	-
21XX	Total current liabilities	2,914,902	24	3,171,740	27
	Non-current liabilities				
2500	Financial liabilities measured at fair value through profit or loss – non-current (Note 7)	3,900	-	-	-
2530	Bonds payable (Note 21)	570,483	5	-	-
2540	Long-term loans (Note 19)	2,166,716	18	2,244,378	19
2550	Liability reserve – non-current (Note 23)	2,014	-	2,014	-
2570	Deferred income tax liabilities (Note 29)	59,453	1	58,604	-
2580	Lease liabilities – non-current (Note 15)	253,373	2	285,709	2
2630	Long-term deferred income (Notes 22 and 32)	58,779	1	58,665	1
2640	Net defined benefit liabilities – non-current (Note 24)	5,472	-	5,972	-
2670	Other non-current liabilities (Note 22)	41,368	-	64,994	1
25XX	Total non-current liabilities	3,161,558	27	2,720,336	23
2XXX	Total liabilities	6,076,460	51	5,892,076	50
	Equity attributable to the owner of the Company (Note 26)				
3110	Common stock capital	2,590,112	22	2,490,112	21
3200	Capital reserves	1,416,239	12	456,725	4
	Retained earnings				
3310	Legal reserves	247,047	2	182,797	2
3320	Special reserves	297,092	2	297,092	3
3350	Undistributed earnings	224,446	2	848,592	7
3300	Total retained earnings	768,585	6	1,328,481	12
	Other equity				
3410	Exchange differences on translation of financial statements of foreign operations	(217,796)	(2)	(255,739)	(2)
3420	Unrealized profit/loss on valuation of financial assets measured at fair value through other comprehensive income	(8,167)	-	(8,208)	-
3400	Total of other equity	(225,963)	(2)	(263,947)	(2)
31XX	Total equity of the Company's owner	4,548,973	38	4,011,371	35
36XX	Non-controlling interests (Note 26)	1,282,280	11	1,769,279	15
3XXX	Total equity	5,831,253	49	5,780,650	50
	Total liabilities and equity	$ 11,907,713	100	$ 11,672,726	100

The attached notes are part of the consolidated financial statement.

Chairman: Ching-Fu Hsieh Manager: Chih-Chun Ke Accounting Manager: Ya-Ling Chu

Kenmec Mechanical Engineering Co., Ltd. and Subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to December 31, 2024 and 2023

Unit: NTD thousand; however earnings (loss) per share is in NTD

		2024		2023	
Code		Amount	%	Amount	%
4100	Operating revenue (Note 27)	$ 2,697,025	100	$ 5,551,490	100
5110	Operating costs (Notes 11, 28 and 36)	(2,220,387)	(82)	(4,402,168)	(79)
5950	Operating gross profit	476,638	18	1,149,322	21
	Operating expenses (Notes 28 and 36)				
6100	Marketing expense	(157,417)	(6)	(170,230)	(3)
6200	Administrative expense	(609,847)	(23)	(637,948)	(12)
6300	R&D expense	(417,748)	(15)	(358,827)	(6)
6450	Expected credit impairment losses (Note 10)	(2,523)	-	(76,413)	(1)
6000	Total operating expenses	(1,187,535)	(44)	(1,243,418)	(22)
6900	Operating loss – net	(710,897)	(26)	(94,096)	(1)
	Non-operating revenue and expenses (Notes 13, 28 and 36)				
7100	Interest income	49,163	2	69,668	1
7010	Other revenue	280,156	10	943,950	17
7020	Other profits and losses	(134,675)	(5)	(95,218)	(2)
7050	Financial costs	(84,020)	(3)	(54,853)	(1)
7060	The share of the profit or loss of affiliated companies, joint ventures that adopt equity method	(14,794)	(1)	(15,107)	-
7000	Total non-operating revenue and expenses	95,830	3	848,440	15
7900	Net profit (loss) before tax	(615,067)	(23)	754,344	14
7950	Income tax expense (Note 29)	(29,012)	(1)	(107,324)	(2)
8200	Current net profit (loss)	(644,079)	(24)	647,020	12
	Other comprehensive income				
	Titles not reclassified as profit or loss:				
8311	Remeasurement of the defined benefit plan (Note 24)	$ 7,376	-	($ 2,551)	-

(Next page)

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Code		2024 Amount	2024 %	2023 Amount	2023 %
8316	Unrealized valuation profit/loss on investment in equity instruments measured at fair value through other comprehensive income (Note 26)	241	-	3,299	-
8349	Income tax relating to non-reclassified items (Note 29)	(240)	-	581	-
8310		7,377	-	1,329	-
	Titles likely to be reclassified as profit or loss subsequently:				
8361	Exchange differences on translation of financial statements of foreign operations (Note 26)	68,171	3	(62,949)	(1)
8399	Income tax related to items likely to be reclassified (Note 29)	(5,116)	-	2,317	-
8360		63,055	3	(60,632)	(1)
8300	Other comprehensive income (after tax) in the year	70,432	3	(59,303)	(1)
8500	Total comprehensive income for the year	($ 573,647)	(21)	$ 587,717	11
	Net profit (loss) attributable to:				
8610	The owner of the Company	($ 143,227)	(5)	$ 795,997	15
8620	Non-controlling equity	(500,852)	(19)	(148,977)	(3)
8600		($ 644,079)	(24)	$ 647,020	12
	Total comprehensive income attributable to:				
8710	The owner of the Company	($ 98,593)	(4)	$ 776,568	14
8720	Non-controlling equity	(475,054)	(17)	(188,851)	(3)
8700		($ 573,647)	(21)	$ 587,717	11
	Earnings (losses) per share (Note 30)				
9710	Basic	($ 0.56)		$ 3.20	
9810	Diluted	($ 0.56)		$ 3.19	

The attached notes are part of the consolidated financial statement.

Chairman: Ching-Fu Hsieh Manager: Chih-Chun Ke Accounting Manager: Ya-Ling Chu

Kenmec Mechanical Engineering Co., Ltd. and Subsidiaries
Consolidated Statement of Changes in Equity
January 1 to December 31, 2024 and 2023

Unit: NTD thousand

		Equity attributable to the owner of the Company											
		Share capital			Retained earnings			Other equity					
Code		Number of shares (thousand shares)	Common stock capital	Capital reserves	Legal reserves	Special reserves	Undistributed earnings	Exchange differences on translation of financial statements of foreign operations	Unrealized profit/loss on valuation of financial assets measured at fair value through other comprehensive income	Treasury stocks	Total	Non-controlling equity	Total equity
A1	Balance on January 1, 2023	249,011	$ 2,490,112	$ 293,869	$ 134,786	$ 319,117	$ 633,963	($ 229,740)	($ 11,507)	($ 22,792)	$ 3,607,808	$ 1,907,084	$ 5,514,892
	Allocation and distribution of earnings in 2022												
B1	Appropriation of legal reserve	-	-	-	48,011	-	(48,011)	-	-	-	-	-	-
B3	Reversal of special reserves	-	-	-	-	(22,025)	22,025	-	-	-	-	-	-
B5	Cash dividends to the shareholders of the Company	-	-	-	-	-	(401,885)	-	-	-	(401,885)	-	(401,885)
	Other changes in capital reserves:												
C7	Changes in affiliates recognized under the equity method	-	-	(220)	-	-	-	-	-	-	(220)	(13)	(233)
M7	Changes in ownership interests in subsidiaries	-	-	122,144	-	-	(151,564)	(5,204)	-	-	(34,624)	34,624	-
N1	Employee stock options issued by the Company	-	-	40,932	-	-	-	-	-	22,792	63,724	-	63,724
D1	Net profit in 2023	-	-	-	-	-	795,997	-	-	-	795,997	(148,977)	647,020
D3	Other comprehensive income after tax in 2023	-	-	-	-	-	(1,933)	(20,795)	3,299	-	(19,429)	(39,874)	(59,303)
D5	Total comprehensive income in 2023	-	-	-	-	-	794,064	(20,795)	3,299	-	776,568	(188,851)	587,717
O1	Changes in non-controlling interests (Note 26)	-	-	-	-	-	-	-	-	-	-	16,435	16,435
Z1	Balance on December 31, 2023	249,011	2,490,112	456,725	182,797	297,092	848,592	(255,739)	(8,208)	-	4,011,371	1,769,279	5,780,650
	Allocation and distribution of earnings in 2023												
B1	Appropriation of legal reserve	-	-	-	64,250	-	(64,250)	-	-	-	-	-	-
B5	Cash dividends to the shareholders of the Company	-	-	-	-	-	(423,319)	-	-	-	(423,319)	-	(423,319)
E1	Cash capital increase	10,000	100,000	800,000	-	-	-	-	-	-	900,000	-	900,000
	Other changes in capital reserves:												
M5	Actual acquisition or disposal of part of interests in subsidiaries	-	-	(511)	-	-	-	-	-	-	(511)	511	-
C5	The Company's convertible corporate bonds are recognized as equity	-	-	141,525	-	-	-	-	-	-	141,525	-	141,525
N1	Employee stock options issued by the Company	-	-	18,500	-	-	-	-	-	-	18,500	-	18,500
D1	Net loss in 2024	-	-	-	-	-	(143,227)	-	-	-	(143,227)	(500,852)	(644,079)
D3	Other comprehensive income after tax in 2024	-	-	-	-	-	6,650	37,943	41	-	44,634	25,798	70,432
D5	Total comprehensive income in 2024	-	-	-	-	-	(136,577)	37,943	41	-	(98,593)	(475,054)	(573,647)
O1	Changes in non-controlling interests (Note 26)	-	-	-	-	-	-	-	-	-	-	(12,456)	(12,456)
Z1	Balance on December 31, 2024	259,011	$ 2,590,112	$ 1,416,239	$ 247,047	$ 297,092	$ 224,446	($ 217,796)	($ 8,167)	$ -	$ 4,548,973	$ 1,282,280	$ 5,831,253

The attached notes are part of the consolidated financial statement.

Chairman: Ching-Fu Hsieh　　Manager: Chih-Chun Ke　　Accounting Manager: Ya-Ling Chu

Kenmec Mechanical Engineering Co., Ltd. and Subsidiaries
Consolidated Statement of Cash Flow
January 1 to December 31, 2024 and 2023

Unit: NTD thousand

Code		2024	2023
	Cash flow from operating activities		
A10000	Net profit (loss) before tax for the current year	($ 615,067)	$ 754,344
A20010	Profit and expense/loss:		
A20100	Depreciation expenses	365,332	415,165
A20200	Amortization expenses	9,285	8,983
A20300	Expected credit impairment losses	2,523	76,413
A20400	Profit or loss on financial assets and liabilities measured at fair value through profit or loss	(960)	(43,947)
A20900	Financial costs	84,020	54,853
A21200	Interest income	(49,163)	(69,668)
A21300	Dividend revenue	(2,675)	(4,406)
A21900	Compensation cost of employee stock options	18,500	40,993
A22300	The share of the profit or loss of affiliated companies, joint ventures that adopt equity method	14,794	15,107
A23000	Gains on disposal of non-current assets held for sale	-	(808,407)
A22500	Profit on disposal of property, plants and equipment	(1,302)	(98)
A22700	Disposal of investment property benefits	(50,423)	-
A22900	Profit on lease modification	(565)	(143)
A23700	Loss (reversal of loss) on inventory valuation and obsolescence	(22,828)	50,990
A23800	Impairment loss from non-financial assets	249,340	151,555
A29900	Reversal of deferred income	(15,048)	(2,161)
A30000	Net changes in operating assets and liabilities		
A31125	Contract assets	(95,765)	(104,838)
A31130	Notes receivable	2,178	56,585
A31140	Notes receivable – related parties	-	61,718
A31150	Accounts receivable	108,946	(197,081)
A31160	Accounts receivable – related parties	-	13,104
A31180	Other receivables	(70,215)	(4,633)
A31190	Other receivables – related parties	(712)	4,397
A31200	Inventory	2,258	385,332
A31230	Prepayments	(17,457)	27,870
A31240	Other current assets	(91,270)	32,630
A31990	Net defined benefit assets	10,760	(4,163)

(Next page)

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Code		2024	2023
A31990	Other non-current assets	($ 74,667)	$ 5,219
A32125	Contract liabilities	131,182	(601,880)
A32130	Notes payable	6,472	(1,348)
A32150	Accounts payable	114,451	38,188
A32160	Accounts payable – related parties	(2,605)	476
A32180	Other payables	(110,672)	(9,303)
A32190	Other payables – related parties	2,177	(1,393)
A32200	Liability reserve	(25,688)	21,642
A32230	Other current liabilities	(20,154)	(14,901)
A32240	Net defined benefit liabilities	-	(55,833)
A32250	Other non-current liabilities	(10,476)	-
A32990	Deferred income	(5,950)	(1,059,092)
A33000	Cash generated from operations	(161,444)	(767,731)
A33100	Interest received	50,483	65,979
A33300	Interest paid	(77,801)	(54,876)
A33500	Income tax paid	(8,095)	(109,292)
AAAA	Net cash outflow from operating activities	(196,857)	(865,920)
	Cash flows from investing activities		
B00010	Acquisition of financial assets measured at fair value through other comprehensive income	(64,952)	(17,500)
B00050	Disposal of financial assets measured at amortized cost	86,810	10,339
B00100	Acquisition of financial assets measured at fair value through profit or loss	(1,292,491)	(2,720,788)
B00200	Disposal of financial assets measured at fair value through profit or loss	1,473,264	2,848,950
B01800	Acquisition of long-term equity investment under the equity method	-	(68,625)
B02000	Increase in prepayments for investment	-	(580)
B02600	Proceeds from disposal of non-current assets held for sale	-	1,101,437
B02700	Purchase of property, plants and equipment	(254,756)	(2,125,665)
B02800	Proceeds from disposal of property, plant and equipment	1,467	1,290
B03700	Increase in guarantee deposits paid	-	(79,838)
B03800	Decrease in guarantee deposits paid	15,981	-
B04300	Other receivables – related parties	58,119	(17,395)
B04500	Purchase of intangible assets	(5,458)	(4,383)
B05350	Acquisition of right-of-use assets	(1,157)	(15,404)
B05500	Disposal of investment property price	74,911	-
B07100	Increase in prepayments for equipment	-	(15,561)

(Next page)

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Code		2024	2023
B07200	Decrease in prepaid equipment purchase	$ 48,741	$ -
B07600	Dividends received	2,675	4,406
BBBB	Net cash inflow (outflow) from investing activities	143,154	(1,099,317)
	Cash flows from financing activities		
C00100	Increase in short-term loans	-	599,668
C00200	Decrease in short-term loans	(222,701)	-
C00500	Increase in short-term notes payable	-	37,000
C00600	Decrease in short-term notes payable	(37,000)	-
C01200	Issuance of corporate bonds	708,087	-
C01600	Borrowing of long-term loans	450,000	1,850,000
C01700	Repayment of long-term loans	(565,812)	(524,580)
C03000	Increase in guarantee deposits received	-	12,363
C03100	Decrease in guarantee deposits received	(13,150)	-
C04020	Repayment of the principal of leases	(52,095)	(42,861)
C04500	Payment of dividends to the owner of the Company	(423,319)	(401,885)
C04600	Cash capital increase	900,000	-
C04900	Payment of costs of transactions in treasury stocks	-	(61)
C05100	Purchase of treasury stocks by employees	-	22,792
C05800	Changes in non-controlling interests	4,800	23,479
C09900	Payment of non-controlling equity cash dividends	(17,256)	(7,044)
CCCC	Net cash inflow from financing activities	731,554	1,568,871
DDDD	Effect of exchange rate changes on cash and cash equivalents	11,467	(16,485)
EEEE	Net increase (decrease) in cash and cash equivalents	689,318	(412,851)
E00100	Balance of cash and cash equivalents at beginning of the year	1,690,444	2,103,295
E00200	Balance of cash and cash equivalents at ending of the year	$ 2,379,762	$ 1,690,444

The attached notes are part of the consolidated financial statement.

Chairman: Ching-Fu Hsieh Manager: Chih-Chun Ke Accounting Manager: Ya-Ling Chu

Attachment 5

KENMEC MECHANICAL ENGINEERING CO., LTD.
Comparison table of articles before and after the revision of the Articles of Association

Clause	After amendment	Before amendment	Description
Article 2	The Company's business scope shall include the following: 001.B101010 Coal Mining 002.B601010 Quarrying 003. C801100 Synthetic Resin and Plastic Manufacturing . . 100.A301030 Aquaculture ~~101.E501011Tap Water Pipelines Contractors~~ 101. E602011 Refrigeration and Air Conditioning Engineering 102. E603040 Fire Fighting Equipment Construction	The Company's business scope shall include the following: 001.B101010 Coal Mining 002.B601010 Quarrying 003. C801100 Synthetic Resin and Plastic Manufacturing . . 100.A301030 Aquaculture 101.E501011Tap Water Pipelines Contractors 102. E602011 Refrigeration and Air Conditioning Engineering 103. E603040 Fire Fighting Equipment Construction	
Article 20	5%–15% of the Company's annual profits, if any, shall be appropriated as employee remuneration (Among them, the remuneration allocated to grassroots employees shall not be less than 1%)which may be distributed in shares or in cash as decided by the Board of Directors. Such employee remuneration may be distributed to the employees of affiliated companies who have met certain requirements. The Board of Directors may decide to appropriate 1%–3% of the amount of the said profits as directors' remuneration. The proposals for distribution of the remuneration for employees and directors shall be submitted in a report to the shareholders' meeting. If the Company has accumulated losses, an equivalent amount from the profits shall be reserved as compensation for such losses before the remuneration to employees and directors is appropriated by the aforementioned percentages. The profits under the preceding paragraph shall mean the net profits before tax of each fiscal year prior to deduction of the remuneration to employees and directors.	5%–15% of the Company's annual profits, if any, shall be appropriated as employee remuneration which may be distributed in shares or in cash as decided by the Board of Directors. Such employee remuneration may be distributed to the employees of affiliated companies who have met certain requirements. The Board of Directors may decide to appropriate 1%–3% of the amount of the said profits as directors' remuneration. The proposals for distribution of the remuneration for employees and directors shall be submitted in a report to the shareholders' meeting. If the Company has accumulated losses, an equivalent amount from the profits shall be reserved as compensation for such losses before the remuneration to employees and directors is appropriated by the aforementioned percentages. The profits under the preceding paragraph shall mean the net profits before tax of each fiscal year prior to deduction of the remuneration to employees and directors.	

Clause	After amendment	Before amendment	Description
Article 22	These Articles of Association were established on June 21, 1976. . . The 37th revision was on June 28, 2023. The 38th revision was on May 29, 2025.	These Articles of Association were established on June 21, 1976. . . The 37th revision was on June 28, 2023.	Add the revision number and date

Attachment 6

KENMEC MECHANICAL ENGINEERING CO., LTD.
Information on director and independent director candidates

Title	Name	Current shareholding		Main career (academic) achievements	Concurrent position in the Company and in other companies	Whether an independent director has served for three consecutive terms or more/reason
		Number of shares	%			
Director	CHING-FU HSIEH	14,267,707	5.51	EMBA, National Chengchi University Designer of Combined Logistics Command depot, salesman of Ye Niu Industrial Co., Ltd.	Note 1	Not applicable
Director	CHOU-HUANG PAI	4,587,086	1.77	Department of Drawing, Taipei Municipal Da-An Vocational High School Technician, Combined Logistics Command depot Salesman, Xin-Yong-Jia Industrial Co., Ltd.	Note 2	Not applicable
Director	YUEH-CHEN LIN	10,130,345	3.91	Hujiang Senior High School Accountant, president, assistant vice president, special assistant of president office of KENMEC MECHANICAL ENGINEERING CO., LTD., President, Operation and Management Center	Note 3	Not applicable

Title	Name	Current shareholding		Main career (academic) achievements	Concurrent position in the Company and in other companies	Whether an independent director has served for three consecutive terms or more/reason
		Number of shares	%			
Director	MING-KAI HSIEH	2,196,346	0.85	Master, Business Administration, National Chengchi University Master, Nankai Institute Of Economics, China Director of Tainergy Tech Co., Ltd. President of Tainergy Tech Co., Ltd.	1. Corporate director representative Tainergy Technology (Kunshan) Co., LTD. 2. Director of KENTEC INC. 3. CEO, Automation Business Group, KENMEC 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 Chief Global Logistics Co., Ltd. 9. Chairman of Jui Hsuan Investment Co., Ltd. 10. Chairman of TAI VISION CO., LTD. 11. Chairman of Thuntech Co., Ltd. 12. Legalepresentative of TERASOLAR ENERGY MATERIALS CORP. 13. Spokesman of Tainergy Tech Co., Ltd. 14. Independent director of Kingcan Holdings Limited.	Not applicable

Title	Name	Current shareholding		Main career (academic) achievements	Concurrent position in the Company and in other companies	Whether an independent director has served for three consecutive terms or more/reason
		Number of shares	%			
Independent director	Yi-Yu Li	--	--	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 of Concord Medical Co., Ltd. 2. Independent director of KEELGOAL ENERGY CO., LTD. 3. Independent director of Song Chuan Precision Co., Ltd.	No
Independent director	Chu-Ju Peng	--	--	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 Centre for Business Performance, Cranfield University, UK, Visiting Professor	Professor, Business Administration Department, National Chengchi University	No

Title	Name	Current shareholding		Main career (academic) achievements	Concurrent position in the Company and in other companies	Whether an independent director has served for three consecutive terms or more/reason
		Number of shares	%			
Independent director	CHIEN-CHOU CHU	--	--	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 CPA of i-trust Ac`counting firm CPA of Big Ding Ac`counting firm Financial manager of Biotop Technology Co., Ltd. Head of the Audit Department, Deloitte & Touche	1. CPA of Chuan-Hsing Accounting firm 2. Independent Director of Lungteh Shipbuilding Co., Ltd. 3. Independent Director of Taiwan Shin Kong Security Co., Ltd. 4. Independent Director of UNIPLUS ELECTRONICS CO.LTD.	Yes (see Note 4)

Note 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. Chairman of KENMEC VIETNAM COMPANY LIMITED.12. Chairman of TAINERGY VIETNAM COMPANY LIMITED. 13. Chairman of Shun-Zhong Assets Management Co., Ltd. 14. Chairman of Ming-Xuan Development Co., Ltd. 15. Chairman of Cheng-Feng Assets Management Co., Ltd. 16. Chairman and President of KENTEC Inc. 17. Chairman of Weixin Investment Co., Ltd. 18. Chairman of KENMEC AUTOMATION ENGINEERING (KUNSHAN).19. Chairman and President of Kunshan Kunfu Electronic Materials Co., Ltd 20. Chairman of Ming-Xuan Investment Co., Ltd. 21. Chairman and president of Suzhou KENMEC Property Development Ltd. 22. Legal representative of Kunshan SENSIC Electronic Materials Co., Ltd.23.Chairman and Chief Strategy Officer of KENMEC MECHANICAL ENGINEERING CO., LTD.

Note 2: 1. Chairman of Mega City Investment Co., Ltd.2. Director of Shun-Cheng Investment Co., Ltd. 3. Legal representative of Shun-Zhong Investment Co., Ltd. 4. Director of KENMEC MECHA-TRONICS (SUZHOU) CO., LTD. 5. Director of KENMEC TECHNOLOGY (SUZHOU) CO., LTD. 6. Director of Ming-Xuan Investment Co., Ltd. 7. Corporate director representative of KENTEC Inc.8. Corporate director representative of Dangjie Construction Co., Ltd.9. Director of Dawujiang Manor Co., Ltd.10. Corporate director representative of Dawujiang International Co., Ltd.

Note 3: 1. Chairman of Chieh Yi Co., Ltd. 2. Director of Shun-Cheng Investment Co., Ltd. 3. Corporate director representative 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 to the Chairman's Officeof 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 Weixin Investment Co., Ltd.

Note 4:

Reason for continuing to nominate Mr. Chien-Chou Chu as an independent director -

1. Mr. Chien-Chou Chu himself and his spouse do not hold any shares of the Company, have not worked for the

Company or its affiliates, and are not relatives of any of the Company's managers.

2. Mr. Chien-Chou Chu has been nominated as one of the independent directors candidates due to his professional qualifications as an accountant, his familiarly with applicable laws and regulations, his in-depth understanding of corporate governance, and the fact that he personally attended 54 of the 58 Board meetings in the most recent 3 terms, with an attendance rate of 93%. In the meetings, he provided an array of valuable advice, posing significant benefits to the Company.
3. As a means of implementing diversity of the Company's Board members, the composition of the Company's Board centers on professionalism and dedication. Two of the seven directors nominated for this term are women. The average age of the Board members is 63 years old, and they have professional backgrounds in automation technology, electrical, electronic and solar industries as well as specialized technical industries (e.g., accountants, school professors). They also possess financial, business and management expertise. The nomination of independent directors is on par with the Company's long-term development objectives as well as the operations of the Audit Committee and Remuneration Committee, while taking into account whether the expertise of candidates complements that of other directors. Candidates must also have expertise in accounting, corporate management, automation technology and electrical and electronic industries in order to enhance the functions, experience and specific expertise of the Board of Directors as a whole, achieving the goal of a diverse Board of Directors.

Attachment 7

KENMEC MECHANICAL ENGINEERING CO., LTD.
Information on lifting the restriction for new directors and their representatives from competition

2025.3.31

The Company		Concurrent employment in other companies	
Title	Name	Company name	Title
Director	CHING-FU HSIEH	1. Long-Zi Industrial Co., Ltd. 2. Shun-Zhong Assets Management Co., Ltd. 3. Ming-Xuan Development Co., Ltd. 4. Cheng-Feng Assets Management Co., Ltd. 5. Tainergy Tech. Co., Ltd. 6. KENTEC INC.	1. Chairman 2. Chairman 3. Chairman 4. Chairman 5. Chairman 6. Chairman and President
Director	CHOU-HUANG PAI	1.KENTEC INC. 2.Dangjie Construction Co., Ltd. 3.Dawujiang Manor Co., Ltd. 4.Dawujiang International Co., Ltd.	1.Corporate director representative 2.Corporate director representative 3. Director 4.Corporate director representative
Director	YUEH-CHEN LIN	1. Chieh Yi Co., Ltd. 2. Shun-Zhong Assets Management Co., Ltd. 3. Ming-Xuan Development Co., Ltd. 4. Cheng-Feng Assets Management Co., Ltd.	1. Chairman 2. Director 3. Director 4. Director
Director	Shun-Zhong Investment Co., Ltd. Representative: MING-KAI HSIEH	1. KENTEC INC. 2. Star Solar New Energy Co., Ltd. 3. TAISIC MATERIALS CO. 4. Chief Global Logistics Co., Ltd. 5. VISION CO., LTD. 6. Thuntech Co., Ltd. 7. Tainergy Tech. Co., Ltd. 8. TERASOLAR ENERGY MATERIALS CORP.	1. Director 2. Corporate director representative 3. Chairman 4. Chairman 5. Chairman 6. Chairman 7. Spokesman 8.Corporate director representative
Independent director	Yi-Yu Li	1. Concord Medical Co., Ltd. 2. KEELGOAL ENERGY CO., LTD. 3. Song Chuan Precision Co., Ltd.	1. Independent director 2. Independent director 3. Independent director
Independent director	Chu-Ju Peng	None	None

The Company		Concurrent employment in other companies	
Independent director	CHIEN-CHOU CHU	1. Lungteh Shipbuilding Co., Ltd. 2. Taiwan Shin Kong Security Co., Ltd. 3. UNIPLUS ELECTRONICS CO.LTD.	1.Independent director 2.Independent director 3.Independent director

Appendix 1. Legal Percentages and Numbers of Shares Held by All Directors

I. The paid-up capital of the Company is NTD 2,590,111,500, and the total number of shares issued is 259,011,150. In accordance with Paragraph 2, Article 26 of the Securities and Exchange Act, the minimum number of shares held by all directors of the Company is 12,000,000.

II. As of the book closure date for the shareholders' meeting (March 31, 2025), the shareholdings by individual and all directors, as recorded in the shareholder register, are as follows:

Title	Name	Current shareholding	
		Number of shares	Shareholding ratio
Chairman	CHING-FU HSIEH	14,267,707	5.51%
Director	YUEH-CHEN LIN	10,130,345	3.91%
Director	Representative of Shun-Zhong Investment Co., Ltd.: MING-KAI HSIEH	366,491	0.14%
Independent director	YIH -YUH LEE	-	-
Independent director	TZU-JU PENG	-	-
Independent director	CHIEN-CHOU CHU	-	-
Total directors		24,764,543	9.56%

Note: As of the book closure date for the shareholders' meeting (March 31, 2025), the total number of shares held by all directors as recorded in the shareholder register is 24,764,543, which has met the requirements under Article 26 of the Securities and Exchange Act.

Appendix 2

KENMEC MECHANICAL ENGINEERING CO., LTD.
Rules of Procedure for Shareholders' Meeting

Article 1: For the purposes of building a system for good governance of the shareholders' meeting of the Company, ensuring its sound supervisory functions and strengthening its management capability, these Rules of Procedure (hereinafter referred to as the "Rules") has been established in accordance with Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

Article 2: Except as otherwise provided by law or the Articles of Incorporation, the rules of procedure for the shareholders' meeting of the Company shall be governed by these Rules.

Article 3: Except as otherwise provided by law, the shareholders' meeting of the Company shall be convened by the Board of Directors.

Any change of the method of convening a shareholders' meeting shall be resolved by the Board of Directors. The change shall be made at the latest prior to sending the letter of notification of the shareholders' meeting.

A meeting agenda handbook shall be prepared for any regular shareholders' meeting convened, for which a 30-day prior notice shall be given to all shareholders. Any shareholder holding less than 1,000 registered shares may be given such 30-day prior notice by a public disclosure made on the MOPS.

The shareholders' meeting agenda handbook and supplemental materials shall be made available for the shareholders in the following manners on the day of a shareholders' meeting:

I. Where a physical shareholders' meeting is held, they shall be made available on-site at the meeting.

II. Where a hybrid shareholders' meeting is convened, they shall be made available on-site at the meeting and electronic files shall be sent to the meeting platform of the videoconference.

III. Where a videoconference is convened, electronic files shall be sent to the meeting platform of the videoconference.

For any special shareholders' meeting convened, a 15-day prior notice shall be given to all shareholders. Any shareholder holding less than 1,000 registered shares may be given such 15-day prior notice by a public disclosure made on the MOPS.

The notices and public announcements shall expressly provide the subjects of the meeting and may be served in electronic means subject to consent by the target addressees.

The election or discharge of directors, amendment to the Articles of Incorporation, capital reduction, application for cessation of public offering, approval for directors to compete with the Company, capital increase from retained earnings or capital reserve, the dissolution, merger or division of the Company or the matters set forth in Article 185, Paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act and Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be included in the notice to convene a meeting of shareholders and the essential content shall be explained, and it may not be proposed in the form of an extraordinary motion.

Any shareholder holding 1% or more of the total outstanding shares may submit to the Company a proposal for any regular shareholders' meeting. Such a proposal, however, shall be limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. Where any of the circumstances under Article 172-1, Paragraph 4 of the Company Act applies to a proposal submitted by any shareholder, the Board of Directors may exclude it from the meeting agenda. Any

shareholder may submit a proposal for suggestions on urging the Company to enhance public interest or fulfill social responsibility. Procedurally, a shareholder may submit only one such proposal in accordance with Article 172-1 of the Company Act, and no proposal will be included in the meeting agenda if more than one has been submitted.

The Company shall announce the accepting of proposals submitted by shareholders, the method for accepting proposals in writing or by way of electronic transmission, and the location and period for accepting proposals before the Company suspends the transfer of stocks before the convening of the regular shareholders' meeting. The period for accepting proposals shall not be shorter than 10 days.

An issue proposed by a shareholder shall not exceed the maximum of 300 Chinese characters and an issue that exceeds 300 Chinese characters shall not be entered into the agenda. A shareholder who poses a proposal shall participate in the shareholders' meeting either in person or through a proxy and shall participate in the discussion process of the issue so proposed.

The company shall, prior to preparing and delivering the shareholders' meeting notice, inform, by a notice, all the proposal-submitting shareholders of the proposal screening results, and shall list in the shareholders' meeting notice the proposals conforming to the requirements set out in this Article. On issues proposed by shareholders which are not entered into the agenda, the Board of Directors shall explain the reasons why during the shareholders' meeting.

Article 4: For each shareholder's meeting, a shareholder may issue a proxy in the standard form printed and provided by the Company, expressly specifying the scope of the powers bestowed to delegate a proxy to attend the shareholders' meeting on his or her behalf.

A shareholder may issue one proxy and may only delegate one proxy. The proxy shall be served to the Company 5 days prior to the date scheduled for the shareholders' meeting. In case of double proxies, the proxy shall be entertained on the first come first served basis unless the preceding proxy is declared withdrawn.

After a proxy is served to the Company, if a shareholder decides to participate in the shareholders' meeting in person or to exercise voting rights in writing or through electronic means,

he or she shall inform the Company in writing to withdraw the proxy 2 days prior to the date scheduled for the shareholders' meeting. In the event that such shareholder is overdue in withdrawing the notice, the voting rights exercised by the delegated proxy shall prevail.

After a proxy is served to the Company, if a shareholder decides to participate in the shareholders' meeting by video, he or she shall inform the Company in writing to withdraw the proxy 2 days prior to the date scheduled for the shareholders' meeting. In the event that such shareholder is overdue in withdrawing the notice, the voting rights exercised by the delegated proxy shall prevail.

Article 5: (Principles for the Location and Time of the Shareholders' Meeting)

The shareholders' meeting shall be held at the location where the Company is headquartered or a location convenient for the shareholders to attend the meeting and suitable for convening the meeting. The start time of the meeting shall be no earlier than 9 a.m. and no later than 3 p.m. The opinions of the independent directors shall be given full consideration regarding the location and time of the meeting.

The restrictions on the place of the meeting shall not apply when the Company convenes a virtual shareholders' meeting.

Article 6: (Preparation of Attendance Book and Other Documents)

The Company shall specify in its shareholders' meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters

for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel shall be assigned to handle the registrations. For virtual shareholders' meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attending the shareholders' meeting in person.

Shareholders shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall prepare an attendance book for any attending to sign in or, alternatively, the attending shareholder may hand in a sign-in card.

The Company shall provide any attending shareholder with a meeting agenda handbook, the annual report, an attendance card, speaker's slips, voting slips and other meeting materials. Where there is an election of directors, ballots shall also be provided.

Where the government or any juristic person is a shareholder, it may be represented by more than one person at the shareholders' meeting. Any juristic person attending the shareholders' meeting as a proxy may only be represented by one person at the meeting.

In the event of a virtual shareholders' meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.

In the event of a virtual shareholders' meeting, the Company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

Article 6-1 (Convening virtual shareholders' meetings and particulars to be included in the shareholders' meeting notice)

When convening a virtual shareholders' meeting, the Company shall include the following particulars in the shareholders' meeting notice:

I. How shareholders attend the virtual meeting and exercise their rights.

II. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:

(I) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.

(II) Shareholders who have not registered to attend the affected virtual shareholders' meeting shall not attend the postponed or resumed session.

(III) In case of a hybrid shareholders' meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on the meeting agenda of that shareholders' meeting.

(IV) Actions to be taken if the outcomes of all proposals have been announced but extraordinary motions have not been carried out.

III. To convene a virtual shareholders' meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online shall be specified.

Article 7: (Chairperson and Attendees of the Shareholders' Meeting)

Any shareholders' meeting convened by the Board of Directors shall be presided over by the Chairman. If the Chairman is on leave or unable to perform his/her duties for whatever reason, the Vice Chairman shall act on his/her behalf. In the absence of a Vice Chairman or where the Vice Chairman is also on leave or unable to perform his/her duties for whatever reason, the Chairman shall appoint one of the executive directors to act on his/her behalf. In the absence of any executive director, one of the directors shall be appointed to act on behalf of the Chairman. Where the Chairman fails to make such appointment, the executive directors or directors shall select one of them to act on behalf of the Chairman.

Any shareholders' meeting convened by the Board of Directors should be attended by a majority of the directors.

If a shareholders' meeting is convened by any person other than the Board of Directors who has the right to do so, the meeting shall be presided over by that person. Where there are two or more such persons, they shall select one of them to preside over the meeting.

Attorneys, certified public accountants or other related persons engaged by the Company may be appointed to attend a shareholders' meeting.

Article 8: (Documentation of the Shareholders' Meeting by Audio or Video)

Audio and video records of any shareholders' meeting shall be made and retained for at least one year by the Company. Where any shareholder files a lawsuit pursuant to Article 189 of the Company Act, such records shall be retained until conclusion of the lawsuit.

Where a shareholders' meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and make a continuous and uninterrupted audio and video recording of the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

Article 9: Shares shall be the basis for the calculation of attendees at a shareholders' meeting. The number of shares in attendance shall be calculated according to the number of shares indicated by the attendance book and the shares checked in on the virtual meeting platform ,or the sign-in cards handed in, plus the number of shares whose voting rights are exercised in a written or electronic form.

The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. If the attending shareholders do not represent a majority of the total outstanding shares, the chair may postpone the meeting twice at most, and the duration of such postponement may not exceed one hour in total. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders' meeting, the Company shall also declare the meeting adjourned on the virtual meeting platform.

If the attending shareholders after the second postponement, while still not meeting the quorum, represent at least one third of the total outstanding shares, a tentative

resolution may be adopted in accordance with Article 175, Paragraph 1 of the Company Act and communicated to the shareholders to notify them that the meeting will be convened again within one month. In the event of a virtual shareholders' meeting, shareholders intending to attend the meeting online shall re-register with the Company in accordance with Article 6.

If the attending shareholders before the end of the meeting already represent a majority of the total outstanding shares, the chairperson may re-propose the tentative resolution for voting at the meeting in accordance with Article 174 of the Company Act.

Article 10: (Discussion of Motions)

If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The meeting shall proceed in accordance with the set agenda, which may not be changed without a resolution of the meeting.

The provisions of the preceding paragraph shall apply mutatis mutandis to any shareholders' meeting convened by any person other than the Board of Directors who has the right to do so.

With respect to the set agenda under the preceding two paragraphs (including extempore motions), the chairperson may not unilaterally adjourn the meeting without a resolution before it ends. If the chairperson declares an adjournment in violation of these Rules, other members of the Board of Directors shall promptly assist the attending shareholders to, in accordance with legal procedures, elect a new chairperson by a majority of the voting rights held by the attending shareholders to continue the meeting.

The chairperson shall give sufficient opportunities for explanation and discussion of any proposal or any amendment or extempore motion submitted by a shareholder. If the chairperson determines that the proposal, amendment or motion can be put to a vote, he/she may end the discussion and submit the proposal, amendment or motion to a vote.

After the meeting is adjourned, the shareholders may not elect another chairperson to resume the meeting at the original or other venue.

Article 11: (Statements by Shareholders)

Before any attending shareholder delivers a statement, the shareholder shall submit a speaker's slip containing the subject of his/her statement and his/her account number (or attendance card number) and account name. The chairperson shall determine the order in which the shareholder delivers his/her statement.

Any shareholder who has submitted a speaker's slip without delivering his/her statement shall be deemed as not having delivered any statement at all. In the event of any inconsistency between the statement delivered and that contained in the speaker's slip, the statement delivered shall prevail.

Unless the chairperson gives consent, no shareholder may deliver his/her statement more than twice on the same proposal, and each statement may not be delivered for more than five minutes. If the shareholder's statement violates these Rules or exceeds the scope of the proposal, the chairperson may stop the delivery of his/her statement.

When a shareholder is delivering his/her statement, any other shareholder may not interrupt with his/her own statement without consent by both the chairperson and the shareholder delivering statement. The chairperson shall stop any such interruption.

Where any shareholder who is a juristic person is represented by two or more persons at the shareholders' meeting, only one of them may be selected to deliver a statement on a proposal.

After the attending shareholders have delivered their statements, the chairperson may give or have designated persons give responses.

Where a virtual shareholders' meeting is convened, shareholders attending the virtual meeting

online may raise questions in writing on the virtual meeting platform from the moment the chair declares the meeting open until the chair declares the meeting adjourned. No more than two questions for the same proposal may be raised. Each question may contain no more than 200 words. The regulations of Paragraphs 1 to 5 do not apply.
As long as questions raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable that the questions are disclosed to the public on the virtual meeting platform.

Article 12: (Calculation of Voting Shares and Recusal System)
Shares shall be the basis for calculating the votes at a shareholders' meeting.
With respect to any resolution of a shareholders' meeting, the number of shares held by any shareholder with no voting rights shall not be calculated as part of the number of the total outstanding shares.
Where any shareholder has a stake in any proposal at the meeting, and where the interest of the Company is likely to be prejudiced as a result, that shareholder may not vote on the proposal and may not exercise voting rights on behalf of any other shareholder.
The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by the attending shareholders.
Where one person has been appointed to act as a proxy for two or more shareholders, unless the person is a trust company or a stock transfer agency approved by the competent authority of securities, the voting rights exercised by the person may not exceed 3% of the voting rights of the total outstanding shares. Excessive voting rights shall not be calculated.

Article 13: A shareholder shall have one voting right for each share held, except for any shareholder whose shares are restricted or who is deemed as having no voting rights under Article 179, Paragraph 2 of the Company Act.
At a shareholders' meeting convened by the Company, voting rights may be exercised in writing or electronically. Where voting rights are exercised in writing or electronically, such means of exercise shall be expressly provided in the notice of the shareholders' meeting. Any shareholder exercising voting rights in a written or electronic form will be deemed as having attended the shareholders' meeting in person, but also deemed as having waived his/her rights with respect to the extempore motions and amendments to original proposals at that meeting.
Any shareholder exercising voting rights in a written or electronic form under the preceding paragraph shall deliver his/her intention to do so to the Company two days before the date of the shareholders' meeting. Where duplicate intentions are delivered, the one received first shall prevail, unless a statement has been made to withdraw the said intention.
Where any shareholder who has exercised voting rights in a written or electronic means intends to attend the shareholders' meeting in person, the shareholder shall withdraw his/her previous intention to exercise voting rights in the same way in which he/she has exercised voting rights at least two days before the date of the shareholders' meeting. If the said intention is withdrawn after that period, the voting rights exercised in a written or electronic form shall prevail. Where any shareholder who has exercised voting rights in a written or electronic form has appointed a proxy to attend the shareholders' meeting through a letter of attorney, the voting rights exercised by the appointed proxy at the meeting shall prevail.
Except as otherwise provided in the Company Act and the Articles of Incorporation of the Company, a proposal shall be adopted by a majority of the voting rights represented by the attending shareholders. At the time of a vote for each proposal, the

chairperson or any person designated by him/her shall first announce the total number of voting rights represented by the attending shareholders The shareholders vote for each proposal, and on the same day after the conclusion of the meeting, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

Where there is any amendment or alternative to a proposal, the chairperson shall determine the order in which the amended or alternative proposal together with the original one are put to a vote. If one of the proposals is adopted, the other proposal shall be deemed as rejected, and no further voting is required.

Persons responsible for monitoring and counting the votes on proposals shall be designated by the chairperson. Any vote monitor shall be a shareholder.

Votes shall be counted publicly at the venue of the shareholders' meeting, and the voting result shall be announced on-site and recorded.

When the Company convenes a virtual shareholders' meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the end of the voting session, or they will be deemed to have abstained from voting.

In the event of a virtual shareholders' meeting, votes shall be counted at once after the chair announces the end of the voting session, and the results of the votes and elections shall be announced immediately.

When the Company convenes a hybrid shareholders' meeting, if shareholders who have registered to attend the virtual meeting in accordance with Article 6 decide to attend the physical shareholders' meeting in person, they shall revoke their registration two days before the shareholders' meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the virtual shareholders' meeting.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the virtual shareholders' meeting, except for extraordinary motions, they may not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

Article 14: (Elections matters)

Any election of directors at a shareholders' meeting shall be held in accordance with the applicable rules of election established by the Company, and the election result shall be announced on-site, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of directors and not elected and number of votes they received.

The ballots for any election under the preceding paragraph shall be sealed with the signatures of the vote monitors and kept in proper custody for at least one year. Where any shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until conclusion of the lawsuit.

Article 15: (Resolutions)

Resolutions adopted by a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed by or stamped with the seal of the chairperson and distributed to all shareholders within 20 days after the conclusion of the meeting. The meeting minutes under the preceding paragraph may be produced and distributed in an electronic form.

The meeting minutes under paragraph 1 may be distributed by a public disclosure made on the MOPS.

The meeting minutes shall accurately record the year, month, day and venue of the meeting, the chairperson's name, the method of resolution, a summary of the meeting and the meeting results. The meeting minutes shall be retained permanently for the duration of the existence of the Company. The attendance book or sign-in cards of the

attending shareholders and the letters of attorney for proxy attendance shall be retained for at least one year. Where any shareholder files a lawsuit pursuant to Article 189 of the Company Act, the said records shall be retained until conclusion of the lawsuit.

Where a virtual shareholders' meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders' meeting, how the meeting is convened, the name of the chair and secretary, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the virtual meeting due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.

When convening a virtual shareholders' meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting.

Article 16: (Public Disclosure)

On the day of a shareholders' meeting, the Company shall compile, according to the specified format, statistics of the number of shares acquired by solicitors through solicitation and the number of shares represented by proxies, and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the venue of the shareholders' meeting. In the event of a virtual shareholders' meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

If the resolutions adopted by a shareholders' meeting include material information as provided by law or defined by Taiwan Stock Exchange Corporation (or Taipei Exchange), the Company shall upload the resolutions including such information to the MOPS within the specified time period.

Article 17: (Maintenance of Order at the Meeting)

Any person managing the administrative affairs of a shareholders' meeting shall wear an identification badge or armband.

The chairperson may direct disciplinary officers or security guards to help maintain order at the meeting. A disciplinary officer or security guard shall wear an identification armband marked with "Discipline" while maintaining order at the meeting.

Where the place of the shareholders' meeting has loudspeaker equipment, any shareholder speaking through any device other than the equipment provided by the Company may be stopped by the chairperson from doing so.

Where any shareholder violates these Rules and defies the chairperson's correction, obstructs the proceedings and refuses to heed calls to stop, the chairperson may direct disciplinary officers or security guards to escort the shareholder out of the meeting.

Article 18: (Break and Resumption of Meeting)

During the process of the meeting, the chairperson may announce a break at any time deemed appropriate by him/her. In the event of force majeure, the chairperson may suspend the meeting and announce a time for resumption of the meeting depending on the circumstances.

If the meeting venue is no longer available for continued use before all of the items (including extempore motions) on the meeting agenda have been completed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.

The shareholders' meeting may, in accordance with Article 182 of the Company Act, adopt a resolution to postpone or resume the meeting within five days.

Article 19: (Disclosure of information at virtual meetings)

In the event of a virtual shareholders' meeting, the Company shall disclose real-time

results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

Article 20: (Location of the chair and secretary of virtual shareholders' meeting)

When the Company convenes a virtual shareholders' meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.

Article 21: (Handling of disconnection)

In the event of a virtual shareholders' meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve technical issues in the communication.

In the event of a virtual shareholders' meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, Paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected virtual shareholders' meeting shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the second paragraph, the number of shares represented and voting rights and election rights exercised by the shareholders who have registered to participate in the affected virtual shareholders' meeting and have successfully signed in for the meeting but do not attend the postponed or resumed session, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders' meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or the list of elected directors.

When the Company convenes a hybrid shareholders' meeting, and the virtual meeting cannot continue as described in the second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting, still meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue, and postponement or resumption thereof under the second paragraph is not required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on the meeting agenda of that shareholders' meeting.

When postponing or resuming a meeting according to the second paragraph, the Company shall handle the preparatory work based on the date of the original shareholders' meeting in accordance with the requirements listed under Article 44-20, Paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For the date or period set forth under the second half of Article 12 and Article 13,

Paragraph 3 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, Paragraph 2, Article 44-15, and Article 44-17, Paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders' meeting that is postponed or resumed under the second paragraph.

Article 22:(Handling of the digital divide)

When convening a virtual-only shareholders' meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting.

Article 23: Supplementary Provisions:

I. Matters not provided in these Rules shall be subject to the Company Act, other applicable laws and the Articles of Incorporation.
II. These Rules and any amendment thereto shall be implemented after the adoption thereof by the shareholders' meeting.

Article 24: These Rules were established on April 23, 1999.
1st amendment on June 25, 2002.
2nd amendment on June 27, 2012.
3rd amendment on June 30, 2016.
4rd amendment on August 27, 2021.
5rd amendment on June 24, 2022.

Appendix 3

KENMEC MECHANICAL ENGINEERING CO., LTD.

Regulations Governing Elections of Directors

Article 1: Except as otherwise provided by laws and regulations or by the Company's Articles of Incorporation, elections of directors shall be conducted in accordance with these Regulations.

Article 2: Ballots for the Company's election of directors are issued by the Company and shall be numbered according to attendance card numbers, with voting rights separately calculated. However, no ballots are issued if voting rights are exercised by electronic means.

Article 2-1: The election of independent directors is conducted by adopting the candidate nomination system under Article 192-1 of the Company Act.

Article 3: The quota for the Company's directors is subject to the quota prescribed in the Articles of Incorporation.

Article 4: The Company's election of directors is conducted by adopting the cumulative voting method. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

For the Company's election of directors, each share will have voting rights equal in number to the number of directors to be elected. The Company shall prepare separate ballots or single ballots for directors in numbers corresponding to the directors to be elected. The ballots shall then be distributed to the shareholders and may be cast for a single candidate or split among multiple candidates.

When the Company prepares the ballots as mentioned in the preceding paragraph, the attendance card numbers shall be numbered and voting rights entered.

Article 5: Voters shall indicate the candidate name and account number in the "Candidate" column on the ballot. However, when the candidate is a government organization or a juristic person shareholder, the name of the government organization or juristic person shareholder and its representative shall be indicated in the column with the government organization's or juristic person shareholder's account number added.

Article 5-1: For the Company's election of directors, non-independent directors and independent directors are elected at the same time and the numbers of votes with which they are elected are calculated separately.

Article 6: Candidates with more votes are elected separately as non-independent directors and independent directors. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

Non-independent directors and independent directors elected in the preceding paragraph shall serve as non-independent directors or independent directors at their own discretion. After checking, if personal information of an elected non-independent director or independent director has been found to be inconsistent or in violation of applicable laws and regulations, his/her election as a non-independent director or independent director shall become invalid.

Article 7: Before the election starts, the chair shall appoint a number of persons to perform the respective duties of vote monitoring, vote calling and counting personnel.

Article 8: The ballot boxes shall be prepared by the Company and publicly checked by the vote monitoring personnel before voting commences.

Article 9: A ballot is invalid under any of the following circumstances:

I. The ballot was not prepared in accordance with these Regulations.
II. A blank ballot is placed in the ballot box.
III. The writing is unclear and indecipherable or has been altered.
IV. The name and shareholder account number of the candidate entered on the ballot does not conform to the director candidate list.
V. If the candidate is a shareholder and his/her name is the same as that of other shareholders, and the shareholder account number is not entered for identification.
VI. Other words or marks are entered in addition to the candidate's name, title, shareholder account number or identification number (Unified Business Number).
VII. The candidate entered is not a shareholder and the name or identification number of the candidate is not specified.

Article 10: The voting rights shall be calculated combined with written and electronic means on site after the end of the voting, and the results shall be announced by the chair on the spot.

Article 10-1: If an elected director violates Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act, their election as a director shall become invalid.

Article 10-2: The Board of Directors of the Company shall issue notifications to the persons elected as directors.

Article 11: Matters not provided for in these Regulations are handled in accordance with the Company's Articles of Incorporation, the Company Act and applicable laws and regulations.

Article 12: These Regulations and any amendments thereto shall be implemented after the adoption thereof by the shareholders' meeting.

Article 13: These Regulations were established on April 23, 1999.
1st amendment on June 25, 2002.
2nd amendment on April 15, 2003.
3rd amendment on June 10, 2004.
4th amendment on June 13, 2007.
5th amendment on June 30, 2016.

Appendix 4

KENMEC MECHANICAL ENGINEERING CO., LTD.

Articles of Incorporation

Chapter 1. General Provisions

Article 1: The Company has been duly incorporated in accordance with the provisions of the Company Act under the name of "廣運機械工程股份有限公司", and its English name is "KENMEC MECHANICAL ENGINEERING CO., LTD.".

Article 2: The Company's business scope shall include the following:

001. B101010 Coal Mining
002. B601010 Quarrying
003. C801100 Synthetic Resin and Plastic Manufacturing
004. C901020 Glass and Glass Products Manufacturing
005. CA01020 Iron and Steel Rolling and Extruding
006. CA01050 Steel Secondary processing
007. CA02010 Manufacture of Metal Structure and Architectural Components
008. CA04010 Surface Treatments
009. CB01010 Mechanical Equipment Manufacturing
010. CB01020 Affairs Machine Manufacturing
011. CB01030 Pollution Controlling Equipment Manufacturing
012. CB01990 Other Machinery Manufacturing
013. CC01010 Manufacture of Power Generation, Transmission and Distribution Machinery
014. CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing
015. CC01040 Lighting Equipment Manufacturing
016. CC01060 Wired Communication Mechanical Equipment Manufacturing
017. CC01070 Wireless Communication Mechanical Equipment Manufacturing
018. CC01080 Electronics Components Manufacturing
019. CC01090 Manufacture of Batteries and Accumulators
020. CC01101 Restrained Telecom Radio Frequency Equipment and Materials Manufacturing
021. CC01110 Computer and Peripheral Equipment Manufacturing
022. CC01120 Data Storage Media Manufacturing and Duplicating
023. CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing
024. CD01020 Rail Vehicle and Parts Manufacturing
025. CE01010 General Instrument Manufacturing
026. CE01030 Optical Instruments Manufacturing
027. CE01990 Other Optics and Precision Instrument Manufacturing
028. CQ01010 Mold and Die Manufacturing
029. D101050 Combined Heat and Power
030. D401010 Thermal Energy Supply
031. E599010 Piping Engineering
032. E601010 Electric Appliance Construction
033. E601020 Electric Appliance Installation
034. E603020 Elevator Installation Engineering
035. E603050 Automatic Control Equipment Engineering
036. E603080 Traffic Signs Installation Engineering
037. E603090 Lighting Equipment Construction

038. E604010 Machinery Installation
039. E605010 Computer Equipment Installation
040. E701030 Controlled Telecommunications Radio-Frequency Devices Installation Engineering
041. E801010 Indoor Decoration
042. E801040 Glass Installation Engineering
043. EZ05010 Instrument and Meters Installation Engineering
044. EZ99990 Other Engineering
045. F106010 Wholesale of Hardware
046. F111090 Wholesale of Building Materials
047. F113010 Wholesale of Machinery
048. F113020 Wholesale of Electrical Appliances
049. F113030 Wholesale of Precision Instruments
050. F113050 Wholesale of Computers and Clerical Machinery Equipment
051. F113070 Wholesale of Telecommunication Apparatus
052. F113090 Wholesale of Traffic Sign Equipment and Materials
053. F113100 Wholesale of Pollution Controlling Equipment
054. F113110 Wholesale of Batteries
055. F113990 Wholesale of Other Machinery and Tools
056. F114080 Wholesale of Track Vehicle and Component Parts Thereof
057. F118010 Wholesale of Computer Software
058. F119010 Wholesale of Electronic Materials
059. F206010 Retail Sale of Hardware
060. F211010 Retail Sale of Building Materials
061. F213010 Retail Sale of Electrical Appliances
062. F213030 Retail Sale of Computers and Clerical Machinery Equipment
063. F213040 Retail Sale of Precision Instruments
064. F213060 Retail Sale of Telecommunication Apparatus
065. F213080 Retail Sale of Other Machinery and Equipment
066. F213100 Retail Sale of Pollution Controlling Equipment
067. F213110 Retail Sale of Batteries
068. F213990 Retail Sale of Other Machinery and Tools
069. F214080 Retail Sale of Track Vehicle and Component Parts Thereof
070. F218010 Retail Sale of Computer Software
071. F219010 Retail Sale of Electronic Materials
072. F301010 Department Stores
073. F399990 Retail sale of Other Integrated
074. F401010 International Trade
075. F401021 Restrained Telecom Radio Frequency Equipment and Materials Import
076. G202010 Parking area Operators
077. G801010 Warehousing
078. H701010 Housing and Building Development and Rental
079. H701020 Industrial Factory Development and Rental
080. H701040 Specific Area Development
081. H701050 Investment, Development and Construction in Public Construction
082. H701060 New Towns, New Community Development
083. H703090 Real Estate Business
084. H703100 Real Estate Leasing
085. H703110 Senior Citizen Residence
086. I301010 Information Software Services
087. I301020 Data Processing Services
088. I301030 Electronic Information Supply Services

089. I501010 Product Designing
090. E606010 Power Consuming Equipment Inspecting and Maintenance
091. IG01010 Biotechnology Services
092. IG02010 Research and Development Service
093. IG03010 Energy Technical Services
094. J101060 Wastewater (Sewage) Treatment
095. JA02010 Electric Appliance and Electronic Products Repair
096. JA02990 Other Repair
097. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
098. F108031 Wholesale of Medical Devices
099. F208031 Retail Sale of Medical Apparatus
100. A301030 Aquaculture
101. E501011 Tap Water Pipelines Contractors
102. E602011 Refrigeration and Air Conditioning Engineering
103. E603040 Fire Fighting Equipment Construction

Article 2-1: The total amount of investments made by the Company may exceed 40% of its paid-up capital. The Company may, based on its business needs, provide guarantees externally to other companies in the industry.

Article 3: The Company's headquarters shall be located in New Taipei City, and branches may be established domestically or abroad subject to resolutions by the Board of Directors if necessary.

Article 4: (Deleted).

Chapter 2. Shares

Article 5: The total capital of the Company shall be NTD4,020,000,000, divided into 402,000,000 shares at NTD10 per share and issued in tranches subject to a resolution by the Board of Directors, as authorized. Of the said total capital, an amount of NTD 20,000,000 shall be retained and divided into 2,000,000 shares at NTD 10 per share for exercising stock options against stock option certificates, preferred stocks with stock options or corporate bonds with stock options.

Article 5-1: In accordance with Articles 56-1 and 76 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the Company may, subject to approval by at least two-thirds of the voting rights held by the shareholders attending a shareholders' meeting at which shareholders representing a majority of the total outstanding shares are present, issue employee stock option certificates at a price lower than the closing price on the issue date.

Article 5-2: Article 5-2: In accordance with Articles 10-1 and 13 of the Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies, the Company may, subject to approval by at least two-thirds of the voting rights held by the shareholders attending the most recent shareholders' meeting at which shareholders representing a majority of the total outstanding shares are present, transfer shares to employees at a price lower than the actual average price of their repurchase.

Article 6: In accordance with the Company Act, shares bought back by the Company, employee share subscription warrants and new restricted employee stock, and additional shares may be transferred, distributed, or subscribed to employees of parents or subsidiaries of the Company meeting certain specific requirements. The criteria shall be determined by the Board of Directors.

Article 7: The Company's shares are registered and are issued in accordance with the Company Act and other applicable laws and regulations. The shares issued by the Company are exempted from printing, provided that such shares are kept in custody by or registered with a securities depository body, and shall be handled in accordance with the

requirements of such depository body. The Company shall manage its shares and related matters in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" promulgated by the competent authority.

Article 8: There shall be no change to the name of any shareholder or transfer of any share within 60 days before a regular shareholders' meeting is convened or 30 days before a special shareholders' meeting is convened, or within 5 days before the record date on which the Company has decided to distribute dividends and bonuses or other benefits.

Chapter 3. Shareholders' Meeting

Article 9: The shareholders' meeting may be convened on a regular or special basis. A regular meeting shall be convened at least annually within six months after the end of each fiscal year. A special meeting may be convened whenever necessary.

The Company's shareholders' meeting may be convened by videoconference or other means announced by the central competent authority. In case of natural disasters, accidents, or other force majeure events, the central competent authority may promulgate a ruling that authorizes a company which does not have above provision in its Articles of Incorporation to hold its shareholders' meeting by means of videoconference or other promulgated methods within a certain period of time.

In case a shareholders' meeting is proceeded via videoconference, the shareholders taking part in such videoconference shall be deemed to have attended the meeting in person.

For the preceding two paragraphs, a public company shall be subject to prescriptions provided for by the competent authority in charge of securities affairs.

Article 10: A shareholder may appoint a proxy to attend a shareholders' meeting by presenting a letter of attorney which indicates the scope of authorization. Any company whose shares are publicly listed shall be subject to the requirements of the competent authority of securities, if any.

Article 11: A shareholder of the Company shall have one voting right for each share held, except for any share legally held by the Company itself, which shall have no voting rights.

Article 12: Except as otherwise provided by the Company Act, any resolution of a shareholders' meeting shall be adopted by a majority of the voting rights held by the shareholders attending the meeting at which shareholders representing a majority of the total outstanding shares are present.

Article 12-1: If the Company subsequently proposes the withdrawal of the public listing of its shares, such a proposal shall be approved by a resolution of the shareholders' meeting. This provision shall remain unchanged during the period in which the shares of the Company are publicly listed.

Chapter 4. Directors and the Audit Committee

Article 13: The Company shall have seven to eleven directors serving a three-year term, who shall be elected under a candidate nomination system by the shareholders' meeting from a list of candidates. The directors may be re-elected for consecutive terms. The number of directors shall be determined by the Board of Directors.

The Company shall establish an Audit Committee consisting of all the independent directors, one of whom shall be the convener, and at least one of whom shall possess accounting or financial expertise. The duties, organizational rules, performance of functions and other requirements of the Audit Committee shall be subject to the regulations of the competent authority.

Article 13-1: Upon the expiration of the term of directors, if no new election has been held in time, their term shall be extended for performing their duties until newly elected directors take office. Notwithstanding the foregoing, the competent authority may, by its authority, order the Company to hold a new election within a limited period. If no new

election has been held before the expiration of such a period, the directors shall be discharged upon the expiration thereof.

Article 13-2: Where at least one-third of the seats of directors are vacant or where all the independent directors have been discharged, the Board of Directors shall convene a special shareholders' meeting within 60 days to hold a by-election. The term of each director elected as such shall be limited to the remaining term of his/her predecessor.

Article 13-3: At least three of the directors of the Company shall be independent directors. The professional competence, shareholdings, restrictions on concurrent positions, methods of nomination and election and other requirements of the independent directors shall be subject to Article 192-1 of the Company Act and the applicable regulations of the competent authority of securities.

Article 14: The Board of Directors shall consist of the Company's directors. The Chairman shall be elected by a majority of the directors attending a meeting of the Board of Directors at which at least two-thirds of directors are present. The Chairman shall represent the Company externally.

Article 14-1: A recommended list of directors for the next term of office may be provided by any shareholder who has the right to do so to the Company as reference for the election of directors.

Article 15: Where the Chairman is on leave or unable to perform his/her duties for whatever reason, an acting Chairman shall be designated in accordance with Article 208 of the Company Act.

Article 15-1: Any director who is unable to attend a meeting of the Board of Directors may appoint any other director to act on his/her behalf by presenting a letter of attorney which indicates the scope of authorization regarding the reasons for convening the meeting. For the sake of consistency in practice, I have deleted some of the text.

Article 15-2: The Chairman of the Board of Directors shall preside over a shareholders' meeting. If the Chairman is on leave or is absent for whatever reason, the Chairman shall appoint one of the directors to act on his/her behalf. Where the Chairman fails to make such appointment, the directors shall select one of them to act on behalf of the Chairman. If a shareholders' meeting is convened by any person other than the Board of Directors who has the right to do so, the meeting shall be presided over by that person. Where there are two or more such persons, they shall select one of them to preside over the meeting.

Article 16: The directors of the Company may have their traveling expenses reimbursed, and the directors actually conducting business shall be paid remuneration. The Board of Directors shall be authorized to determine the remuneration to the directors based on the extent of their participation in and contributions to the operations of the Company, taking into consideration the general standards of the industry.
The Company may take out liability insurance for its directors covering the liability they are legally required to bear in relation to the performance of their duties during their term of office.

Chapter 5. Manager

Article 17: The Company shall have a number of managers. Their appointment, discharge and remuneration shall be subject to Article 29 of the Company Act.

Chapter 6. Accounting

Article 18: At the end of each fiscal year of the Company, the Board of Directors shall prepare the following documents and submit them to the shareholders' meeting for ratification: (1) Business report; (2) Financial statements; and (3) Proposal for profit distribution or loss compensation.

Article 19: (Deleted).

Article 20: 5%–15% of the Company's annual profits, if any, shall be appropriated as employee remuneration which may be distributed in shares or in cash as decided by the Board of Directors. Such employee remuneration may be distributed to the employees of affiliated companies who have met certain requirements. The Board of Directors may decide to appropriate 1%–3% of the amount of the said profits as directors' remuneration. The proposals for distribution of the remuneration for employees and directors shall be submitted in a report to the shareholders' meeting. If the Company has accumulated losses, an equivalent amount from the profits shall be reserved as compensation for such losses before the remuneration to employees and directors is appropriated by the aforementioned percentages.

The profits under the preceding paragraph shall mean the net profits before tax of each fiscal year prior to deduction of the remuneration to employees and directors.

Article 20-1:

I. The Company's earnings, if any, in its annual final account shall be first used to pay taxes and make compensation for its accumulated losses, and then 10% of the said profits shall be set aside as legal reserves, unless the amount of such legal reserves has reached the paid-up capital of the Company. The remaining amount of the said profits shall be set aside or reversed as special reserves as required by law or the competent authority. Any balance thereof still available shall, together with the undistributed earnings accumulated at the year's beginning and the "adjusted amount of the annual undistributed earnings", be submitted by the Board of Directors in the form of a proposal for distribution to the shareholders' meeting for ratification.

   Distribution of earnings or legal reserves and capital reserves in the preceding paragraph in the form of cash is authorized to a Board meeting attended by more than two-thirds of the directors and resolution by a majority of the directors present at the meeting, and shall be reported to the shareholders' meeting.

   When the Company provides special reserves in accordance with the law, the insufficient amounts in "net increase in fair value of investment property accumulated in prior periods" and "net decrease in other equity accumulated in prior periods" shall be provided by the same amount from the special reserves of prior years' undistributed earnings prior to the distribution of earnings. If the amount is still insufficient, the same amount shall be provided from current net income after tax plus items other than current net income after tax.

II. Dividend policy:

   1. 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.
   2. 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.

Chapter 7. Supplementary Provisions

Article 21: Matters not provided in this Articles of Incorporation shall be subject to the Company Act and other applicable laws.

Article 22: This Articles of Incorporation was established on June 21, 1976.

1st amendment on November 3, 1977.
2nd amendment on April 6, 1982.
3rd amendment on February 26, 1987.
4th amendment on November 8, 1988.
5th amendment on December 22, 1988.
6th amendment on February 22, 1989.
7th amendment on December 18, 1989.
8th amendment on June 11, 1990.
9th amendment on February 14, 1994.
10th amendment on August 15, 1995.
11th amendment on July 10, 1996.
12th amendment on July 28, 1997.
13th amendment on August 22, 1997.
14th amendment on November 13, 1997.
15th amendment on June 25, 1998.
16th amendment on December 31, 1998.
17th amendment on April 30, 1999.
18th amendment on June 9, 2000.
19th amendment on April 18, 2001.
20th amendment on July 25, 2001.
21st amendment on June 25, 2002.
22nd amendment on April 15, 2003.
23rd amendment on April 15, 2003.
24th amendment on June 10, 2004.
25th amendment on May 5, 2006.
26th amendment on June 13, 2007.
27th amendment on May 27, 2008.
28th amendment on April 22, 2009.
29th amendment on October 14, 2009.
30th amendment on June 27, 2012.
31st amendment on June 19, 2013.
32nd amendment on June 25, 2015.
33rd amendment on June 30, 2016.
34th amendment on June 23, 2020.
35th amendment on August 27, 2021.
36th amendment on June 24, 2022.
37th amendment on June 28, 2023.

Appendix 5

The Effect of the Current Bonus Shares on the Operating Performance, EPS and Return on Shareholder's Investment

Item \ Year			2025 (Estimated)
Initial paid-up capital (NTD thousand)			2,590,111.5
Annual allotments and dividends	Cash dividends per share (NTD)		0.7
	Stock dividends distributed per share from capital increase by profit (NTD)		0
	Allotment per 1,000 shares from capital increase by capital reserve		0
Change in operating performance	Operating profit (NTD thousand)		Not applicable
	Percentage of increase (decrease) in operating profit from the same period of the previous year		Not applicable
	Net income after tax (NTD thousand)		Not applicable
	Percentage of increase (decrease) in net income after tax from the same period of the previous year		Not applicable
	EPS (NTD)		Not applicable
	Percentage of increase (decrease) in EPS from the same period of the previous year		Not applicable
	Annual average ROI (annual average PE ratio)		Not applicable
Pro forma EPS and PE	If all surplus is transferred to capital Distributed in cash dividends instead	Pro forma EPS	Not applicable
		Pro forma annual average ROI	Not applicable
	If no capital increase is by capital reserve	Pro forma EPS	Not applicable
		Pro forma annual average ROI	Not applicable
	If there is no capital reserve and surplus Change to capital increase to cash dividend payment	Pro forma EPS	Not applicable
		Pro forma annual average ROI	Not applicable

Chairman: CHING-FU HSIEH Manager: CHIH-CHUN KO Accounting Manager: Ya-Ling Chu

Other Information

The following is information regarding shareholder proposals to the annual general meeting:

Descriptions:
1. According to Article 172-1 of the Company Act, any shareholder holding 1% or more of the total outstanding shares may submit to the Company a proposal for any regular shareholders' meeting, provided that such a proposal is limited to one item and a maximum of 300 words.
2. The Company made an announcement on the Market Observation Post System, as required by law, that it would accept shareholder proposals for the annual general meeting this year during the period from March 20 to March 31, 2025.
3. The Company did not receive any shareholder proposal.