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KENMEC MECHANICAL ENGINEERING CO., LTD.

2025 Annual Report

Printed on April 24, 2026

Notice to readers

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

I. Information of spokesperson and deputy spokesperson

	Spokesperson	Deputy Spokesperson
Name	Gloria Shen	Sharon Chiou
Title	President	Director
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1.Headquarters

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Deloitte & Touche

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V.Overseas Securities Exchange：None

VI.Corporate Website：https://www.kenmec.com

KENMEC MECHANICAL ENGINEERING CO., LTD.

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I. Letter to Shareholders

1. 2025 business results

It has been 50 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 2025, the consolidated operating revenue was NTD 3,335,829 thousand, an increase of NTD 638,804 thousand from 2024. The consolidated net loss before tax was NTD (309,091) thousand, reflecting an improvement in profitability of NTD (305,976) from 2025 from Guangyun's three core business segments: intelligent manufacturing and logistics, semiconductor logistics, and public engineering projects. The operating performance of 2025 is summarized as follows:

(1) Business plan and implementation

Unit: NTD thousand

Item	2025	2024	Increase (Decrease)
	Amount	Amount	%
Operating income	3,335,829	2,697,025	23.7
Gross profit from operations	595,006	476,638	24.8
Operating loss	(448,974)	(710,897)	(36.8)
Loss Before Tax	(309,091)	(615,067)	(49.7)

(2) Status of budget implementation

The Company was not required to disclose its financial forecast in 2025.

(3) Revenues, expenses, and profitability analysis

Unit: NTD thousand

			2025	2024	% of increase (decrease)
Revenues and expenses	Operating revenue		3,335,829	2,697,025	23.7
	Operating gross profit		595,006	476,638	24.8
	Net profit before tax		(309,091)	(615,067)	(49.7)
Profitability	Return on assets		(2.07)	(4.89)	(57.7)
	Return on equity (%)		(5.24)	(11.09)	(52.7)
	Ratio to paid-up capital (%)	Operating profit	(17.33)	(27.45)	(36.8)
		Net income before tax	(11.93)	(23.75)	(49.7)
	Net profit margin (%)		(9.13)	(23.88)	(61.8)
	EPS (NTD)		0.10	(0.56)	(117.9)

(4) Performance in research and development

As one of the few professional companies in Taiwan with turnkey integration of automated logistics systems, the Company possesses over 50 years of rich experience and has nearly 100 expert technical engineers. Our great R&D team has continued to put efforts into R&D and innovation to keep maximizing benefits for the Company and shareholders.

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

Our future R&D projects include the following:

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

B. Enhancing process automation to increase productivity and reduce costs.

In summary, the Company has gained recognition from its industry peers and earned the trust of its customers in terms of industry positioning, profitability, production, and R&D technologies. Looking ahead, how to effectively seize business opportunities amid rapidly changing market competition, while advancing a development blueprint centered on intelligent manufacturing and logistics, semiconductor logistics, public engineering, digital twins, robotics applications, and AI product agency and system integration, and thereby maximize profits for shareholders, will be the primary objective of all employees of the Company.

2. Summary of the business plan for 2026

(1) Operational guidelines

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

(2) Expected sales volume and its basis

The Company's expected business goals for major products for 2026 include: semiconductor (especially third-generation semiconductor) automation equipment, logistics automation equipment, public construction, liquid cooling and heat dissipation system equipment and smart automation equipment. As the integration of automation systems is designed according to the customer's demand, each system will require different parts; hence, there is no point in calculating the quantity.

(3) Key marketing policies

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

3. Future development strategy

- Expand our overseas market with determination.
- Dedicate ourselves to developing in the market of smart automation equipment and automatic equipment for logistics.

A. Costs are effectively controlled, analyzed and reviewed in a timely manner to insist on reducing manufacturing costs.
B. Continue to keep up with international standards and quality. By doing this, not only are total solutions provided to customers, but we can also meet the market trends.

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

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

KENMEC MECHANICAL ENGINEERING CO., LTD.

Chairman
MING-KAI HSIEH

II. Corporate Governance Report

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

(1) Information on directors

March 23, 2026

Title	Nationality or Record of Birth	Name	Gender Age	Date elected	Term (years)	Date first elected	Shareholding when elected		Current shareholding		Shareholdings of spouse and underage children		Shares held by proxy		Main career (academic) achievements	Concurrent position in the Company and in other companies	Spouse or second-degree relative acting as directors, supervisors, or department heads		
							Share	%	Share	%	Share	%	Share	%			Title	Name	Relation
Chairman	Taiwan	MING-KAI HSIEH	Male 49 years old	2025.05.29	3	2019.06.25	2,196,346	0.85	2,196,346	0.85	8,032	0.00	0	0	Master, Business Administration, National Chengchi University Master, Nankai Institute Of Economics, China	1. Chairman of Tainergy Tech. Co., LTD 2. Corporate director representative Tainergy Technology (Kunshan) Co., LTD. 3. Chairman of Kentec Inc. 4. Sustainable of KENMEC MECHANICAL ENGINEERING CO., LTD. 5. Corporate director representative of Star Solar New Energy Co., Ltd. 6. Supervisor of TKT CORPORATION 7. Remuneration Committee member of Visual Photonics Epitaxy Co., Ltd. 8. Chairman of TAISIC MATERIALS CO. 9. Chairman of Jui Hsuan Investment Co., Ltd. 10. Chairman of Chief Global Logistics Co., Ltd. 11. Chairman of TAI VISION CO., LTD. 12. Independent Directors of KINGCAN HOLDINGS LIMITED TAIWAN BRANCH 13. Corporate director representative TERASOLAR ENERGY MATERIALS CORP 14. Chairman of Thuntech Co., Ltd. 15. Director of KENMEC VIETNAM COMPANY LIMITED 16. Director of VIETNERGY COMPANY LIMITED 17. Director of KENMEC MECHA-TRONICS (SUZHOU) CO., LTD. 18. Director of KENMEC TECHNOLOGY (SUZHOU) CO., LTD. 19. Chairman and president of Kentec USA Corporation. 20. Corporate director representative of TMY TECHNOLOGY INC.	Director and CSO/ Director and Special assistant at the Chairman Office/Vice President of Automation Business Group	CHING-FU HSIEH/YUEH-CHEN LIN/MING-CHIH HSIEH	Father-son Mother-son Brothers

Title	Nationality or Record of Birth	Name	Gender Age	Date elected	Term (years)	Date first elected	Shareholding when elected		Current shareholding		Shareholdings of spouse and underage children		Shares held by proxy		Main career (academic) achievements	Concurrent position in the Company and in other companies	Spouse or second-degree relative acting as directors, supervisors, or department heads		
							Share	%	Share	%	Share	%	Share	%			Title	Name	Relation
Director	Taiwan	CHING-FU HSIEH	Male 74 years old	2025.05.29	3	2002.01.23	14,267,707	5.51	14,267,707	5.51	10,330,345	3.99	20,242,541	7.82	EMBA, National Chengchi University Graduated from the Department of Drawing, Taipei Municipal Da-An Vocational High School; designer, Combined Logistics Command depot Salesman of Ye Niu Industrial Co., Ltd.	1. CSO of KENMEC Mechanical Engineering Co., Ltd. 2. CSO of Tainergy Tech. Co., LTD. 3. Chairman of Long-Zi Industrial Co., Ltd. 4. Chairman of Shun-Cheng Investment Co., Ltd. 5. Chairman of Shun-Zhong Investment Co., Ltd. 6. Chairman of KENMEC International Holding (BVI) Co., Ltd. 7. Chairman of KENMEC Communication Holding (BVI) Co., Ltd. 8. Chairman of TAINERGY TECH HOLDING (SAMOA) CO., LTD. 9. Director of Kentec Inc. 10. Chairman of Wei Shin Investment CO., LTD. 11. Chairman of Ming-Xuan Investment Co., Ltd. 12. Director and president of Tainergy Technology (Kunshan) Co., Ltd.	Director and Special assistant at the Chairman Office/Chairman and Sustainable/Vice President of Automation Business Group	YUEH-CHEN LIN/MING-KAI HSIEH/MING-CHIH HSIEH	Spouse/ Father-son/ Father-son
Director	Taiwan	YUEH-CHEN LIN	Female 70 years old	2025.05.29	3	2004.06.10	10,330,345	3.99	10,330,345	3.99	14,267,707	5.51	0	0	Graduated from Hujiang Senior High School Accountant, Manager, Deputy GM, GM Special Assistant, and GM of Operations Center at Kenmec Mechanical Engineering Co., Ltd.	1. Chairman of Chieh Yi Co., Ltd. 2. Director of Shun-Cheng Investment Co., Ltd. 3. Director of Shun-Zhong Investment Co., Ltd. 4. Special assistant at the Chairman Office of KENMEC Mechanical Engineering Co., Ltd. 5. Director of Ming-Xuan Investment Co., Ltd. 6. Supervisor of Chairman of Wei Shin Investment CO., LTD.	Director and CSO / Chairman and Sustainable/Vice President of Automation Business Group	CHING-FU HSIEH/MING-KAI HSIEH/MING-CHIH HSIEH	Spouse/ Mother-son/ Mother-son
Director	Taiwan	CHOU-HUANG PAI	Male 73 years old	2025.05.29	3	2007.01.23	4,587,086	1.77	4,587,086	1.77	1,205,606	0.48	13,414,651	5.18	Graduated from the Department of Drawing, Taipei Municipal Da-An Vocational High School Technician, Combined Logistics Command depot; Salesman, Xin-Yong-Jia Industrial Co., Ltd.	1. Chairman of MegaCity Investment CO., LTD. 2. Director of Shun-Cheng Investment Co., Ltd. 3. Director of Shun-Zhong Investment Co., Ltd. 4. Director of KENMEC MECHA-TRONICS (SUZHOU) CO., LTD. 5. Director of KENMEC TECHNOLOGY (SUZHOU) CO., TD. 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 DA WU JIANG INTERNATIONAL CO.,LTD.	None	None	None
Independent director	Taiwan	YI-YU LI	Male 70 years old	2025.05.29	3	2022.06.24	-	-	-	-	-	-	-	-	Doctorate, Kansas State University, USA Retired Associate Professor, Business Administration Department, National Chengchi University (2021/8/1) Independent director/Risk Committee member of South China Insurance Independent director/Remuneration Committee convener of Celxpert Energy Corporation Independent director/Remuneration Committee convener of Eversol Corporation	1. Independent Director, Concord Medical Co., Ltd. 2. Independent Director, Keelgoal Energy Co., Ltd. 3. Independent Director, Songchuan Precision Co., Ltd.	None	None	None

Title	Nationality or Record of Birth	Name	Gender Age	Date elected	Term (years)	Date first elected	Shareholding when elected		Current shareholding		Shareholdings of spouse and underage children		Shares held by proxy		Main career (academic) achievements	Concurrent position in the Company and in other companies	Spouse or second-degree relative acting as directors, supervisors, or department heads		
							Share	%	Share	%	Share	%	Share	%			Title	Name	Relation
Independent director	Taiwan	CHU-JU PENG	Female 61 years old	2025.05.29	3	2022.06.24	-	-	-	-	-	-	-	-	Doctor of Business Administration, National Chengchi University Professor, Business Administration Department, National Chengchi University Director, College of Business Administration, National Chengchi University Chair, Business Administration Department, National Chengchi University Associate Dean, College of Commerce, National Chengchi University Director, PERDO Office, College of Commerce, National Chengchi University Member and Convener, Financial Supervisory Committee, National Chengchi University Center for Business Performance, Cranfield University, UK, Visiting Professor	1.Professor, Business Administration Department, National Chengchi University 2.Independent Director,Chicony Electronics Co., Ltd.	None	None	None
Independent director	Taiwan	CHIEN-CHOU CHU	Male 52 years old	2025.05.29	3	2008.6.19	-	-	-	-	-	-	-	-	The Department and Graduate Institute of Accounting Department of Shipping and Transportation Management, Ocean University Passed the Taiwan's CPA examination Passed the internal auditor examination; accountant of Chen-Hsin Accounting Firm Accountant of Da-Ding Accounting Firm Financial manager of Biotop Technology Co., Ltd. Head of the Audit Department, Deloitte & Touche	1. Accountant of ITrust Certified Public Accounting firm 2. Independent Director of Lungtech, Co., Ltd. 3. Independent Director of Taiwan Shin Kong Security Co., Ltd. 4. Independent Director of Spectrum Electrics Corporation	None	None	None

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

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

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

Qualifications / Name	Basic composition									Industrial experience			Professional competence		State of independence (Note)	Number of public companies in which concurrently serves as an independent director
	Nationality	Gender	With employee status	Age				Years of service of independent directors		Business and supply	Mechanical and engineering	Financial affairs and finance	Financial affairs	Risk management		
				40–50 years old	51–60 years old	61–70 years old	71–80 years old	4–6 years	Over 9 years							
MING-KAI HSIEH	Taiwan	Male	V	V						V				V	The Company has 7 directors, including 5 male directors and 2 female director. All directors are Taiwanese, with an average age of 64 years. Of these directors, 3 are independent directors, accounting for 43% of the Board of Directors. There were no circumstances specified in Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act (a spouse or second-degree relative between directors).	1
CHING-FU HSIEH		Male	V				V			V	V			V		0
YUEH-CHEN LIN		Female	V			V						V	V			0
CHOU-HUANG PAI		Male					V			V	V			V		0
YI-YU LI		Male				V		V		V		V	V	V		3
CHU-JU PENG		Female				V		V		V		V	V	V		1
CHIEN-CHOU CHU		Male			V				V			V	V	V		3

B. Diversity and Independence of the Board

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

a.Operational judgment ability.
b.Accounting and financial analysis ability.
c.Business management ability.
d.Crisis handling ability.
e.Industry knowledge.
f.International market perspective.
g.Leadership ability.
h.Decision-making ability.

In the spirit of diversity, the Board of Directors of the company is composed of industry elites and experts from various fields. The Board consists of 7 members, including 3 independent directors (43%), of which no more than two consecutive terms (67%) are allowed. Currently, the number of female directors has not yet reached one-third of the total number of directors, mainly due to the continuation of the existing Board composition. In future

Board elections or by-elections, female candidates will be taken into consideration to enhance gender diversity on the Board.

Among the directors, 5 are aged 60 or above, 1 is aged between 50-59, and 1 are aged below 50. To promote gender equality and enhance the participation of women in decision-making and the soundness of the board structure, the company emphasizes gender equality in the composition of board members, with the goal of maintaining at least one female director. Currently, there are 2 female directors (29%), meeting the target.

Considering the 7 directors of the company (including 3 independent directors), they all possess abilities such as business judgment, leadership decision-making, business management, international market perspective, and crisis handling, as well as industry experience and professional capabilities. Chairman Ming-Kai Hsieh, Director Ching-Fu Hsieh, and Director Chou-Huang Pai have experience in mechanical and engineering; Director Yueh-Chen Lin excels in finance ; Independent Directors Yi-Yu Li and Chu-Ju Peng are professors in the Department of Business Administration at National Chengchi University; Independent Director Chien-Chou Chu possesses professional accounting and financial capabilities and practical experience in practice and management.

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

Note 2：All independent directors meet the following conditions:

(1)Compliance with the provisions of Article 14-2 of the Securities Exchange Act and the "Regulations Governing the Establishment and Compliance Matters for Independent Directors of Public Issuers" promulgated by the Financial Supervisory Commission, subparagraphs 5 to 8 of Article 3, Section 1.

(2)Neither the individual (or using another person's name), spouse, nor minor children hold company shares.

(3)No compensation has been received in the past two years for business, legal, financial, or accounting services provided to the company or its affiliates.

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

March 23, 2026

Title	Nationality	Name	Gender	Date elected	Shareholding		Shareholdings of spouse and underage children		Shares held by proxy		Main career (academic) achievements	Concurrent positions in other companies	Spouse or second-degree relative acting as managers		
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship
Chief Strategy Officer	Taiwan	CHING-FU HSIEH	Male	2025.05.29	14,267,707	5.51	10,330,345	3.99	20,242,541	7.82	EMBA, National Chengchi University Graduated from the Department of Drawing, Taipei Municipal Da-An Vocational High School; designer, Combined Logistics Command depot Salesman of Ye Niu Industrial Co., Ltd.	1. Director of KENMEC Mechanical Engineering Co., Ltd. 2. CSO of Tainergy Tech. Co., LTD. 3. Chairman of Long-Zi Industrial Co., Ltd. 4. Chairman of Shun-Cheng Investment Co., Ltd. 5. Chairman of Shun-Zhong Investment Co., Ltd. 6. Chairman of KENMEC International Holding (BVI) Co., Ltd. 7. Chairman of KENMEC Communication Holding (BVI) Co., Ltd. 8. Chairman of TAINERGY TECH HOLDING (SAMOA) CO., LTD. 9. Director of Kentec Inc. 10.Chairman of Wei Shin Investment CO., LTD. 11.Chairman of Ming-Xuan Investment Co., Ltd. 12.Director of Tainergy Technology (Kunshan) Co., Ltd.	Director and Special assistant in the Chairman Office / Chairman & Sustainability Officer /Vice President of Automation Business Group	YUEH-CHEN LIN/MING-KAI HSIEH/MING-CHIH HSIEH	Spouse/ Father-son/ Father-son
Chairman and Sustainable	Taiwan	MING-KAI HSIEH	Male	2025.05.29	2,196,346	0.85	8,032	0.00	-	-	Master, Business Administration, National Chengchi University Master, Nankai Institute Of Economics, China	1. Chairman of Tainergy Tech. Co., LTD 2. Corporate director representative Tainergy Technology (Kunshan) Co., LTD. 3. Chairman of Kentec Inc. 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 CORP. 8. Chairman of Jui Hsuan Investment Co., Ltd. 9. Chairman of Chief Global Logistics Co., Ltd. 10.Chairman of TAI VISION CO., LTD. 11.Independent Directors of KINGCAN HOLDINGS LIMITED TAIWAN BRANCH 12.Corporate director representative TERASOLAR ENERGY MATERIALS CORP 13.Chairman of Thuntech Co., Ltd. 14.Director of KENMEC VIETNAM COMPANY LIMITED 15.Director of VIETNERGY COMPANY LIMITED 16.Director of KENMEC MECHA-TRONICS (SUZHOU) CO., LTD. 17.Director of KENMEC TECHNOLOGY (SUZHOU) CO., LTD. 18.Chairman and president of Kentec USA Corporation. 19.Corporate director representative of TMY TECHNOLOGY INC.	Director & Strategy Officer /Director and Special assistant in the Chairman Office /Vice President of Automation Business Group	CHING-FU HSIEH YUEH-CHEN LIN MING-CHIH HSIEH	Father-son Mother-son Brothers

Title	Nationality	Name	Gender	Date elected	Shareholding		Shareholdings of spouse and underage children		Shares held by proxy		Main career (academic) achievements	Concurrent positions in other companies	Spouse or second-degree relative acting as managers		
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship
President	Taiwan	CHIH-CHUN KO	Male	2023.05.05	220,486	0.09	3,502	0.00	-	-	Master of Business Administration, Royal Roads University, Canada Graduated from China University of Science and Technology Engineer, executive, deputy manager, manager, assistant vice president, vice president of Business Department,President of Automation Business Group of KENMEC MECHANICAL ENGINEERING CO., LTD. Salesman, Pai-Hung Industrial Co., Ltd. Engineer of R&D Department, Up-safe Industrial Corporation.	1. Director of eCATCH Automation Co., LTD. (Legal Representative) 2. Director of Chief Global Logistics Co., Ltd. (Legal Representative)	None	None	None
Special assistant in the Chairman Office	Taiwan	YUEH-CHEN LIN	Female	1986.05.15	10,330,345	3.99	14,267,707	5.51	-	-	Graduated from Hujiang Senior High School Accountant, President, Assistant Vice President, Special Assistant of President Office, President of the Operation and Management Center of KENMEC MECHANICAL ENGINEERING CO., LTD.	1. Chairman of Chieh Yi Co., Ltd. 2. Director of Shun-Cheng Investment Co., Ltd. 3. Director of Shun-Zhong Investment Co., Ltd. 4. Director of KENMEC Mechanical Engineering Co., Ltd. 5. Director of Ming-Xuan Investment Co., Ltd. 6. Supervisor of Chairman of Wei Shin Investment CO., LTD.	Director & Strategy Officer / Chairman & Sustainability Officer /Vice President of Automation Business Group	CHING-FU HSIEH MING-KAI HSIEH MING-CHIH HSIEH	Spouse/ Mother-son/Mother-son
President, Operation and Managemen t Center	Taiwan	LI-CHUAN SHEN	Female	2023.05.05	220,779	0.08	-	-	-	-	Graduated from Department of Business Administration, National Taipei University of Business Graduated from National Taipei University EMBA Department of Business Administration (Master) Accountant, secretary, section chief, assistant manager of management department, manager,Vice President, the Operation and Management Cente of KENMEC MECHANICAL ENGINEERING CO., LTD.	1. Director (Legal Representative), United Information System Service Co., Ltd. 2. Supervisor of T Chairman of TAI VISION CO., LTD. 3. Director of Tao Garden Hotel Co., Ltd. (Legal Representative) 4. Supervisor of Chief Global Logistics Co., Ltd. 5. Director (Legal Representative), Tainergy Tech. Co., Ltd. 6. Director (Legal Representative), TAISIC MATERIALS CORP.	None	None	None
Vice President, Automation Business Group	Taiwan	MING-CHIH HSIEH	Male	2016.01.01	512,262	0.20	133,883	0.05	-	-	Graduated from the Department of Information of Christchurch Polytechnic Institute of Technology Administrator, executive, deputy manager, manager, assistant vice president of Business Department of KENMEC MECHANICAL ENGINEERING CO., LTD. Deputy manager, assistant vice president, vice president of KENMEC MECHA-TRONICS (SUZHOU) CO., LTD.	1. Director of Ming-Kai Investment Co., Ltd. 2. Director of Kai-Xuan Investment Co., Ltd. 3. Chairman and president of Suzhou Kenmec Property Development Ltd. 4. Director of Tainergy Tech. Co., Ltd. 5. Director of TKT CORPORATION 6. Vice Chairman of Anhui Rongyun Real Estate Development Co., Ltd. 7. Chairman and president of Tainergy Technology (Kunshan) Co., Ltd. 8. Chairman of KENMEC MECHA-TRONICS (SUZHOU) CO., LTD. 9. Chairman of KENMEC TECHNOLOGY (SUZHOU) CO., LTD. 10. Chairman of KENMEC AUTOMATION ENGINEERING (KUNSHAN) 11. Chairman and president of Kunshan Kunfu Electronic Materials Co.,	Director & Strategy Officer /Director and Special assistant in the Chairman Office /Chairman & Sustainability Officer	CHING-FU HSIEH YUEH-CHEN LIN MING-KAI HSIEH	Father-son Mother-son Brothers

Title	Nationality	Name	Gender	Date elected	Shareholding		Shareholdings of spouse and underage children		Shares held by proxy		Main career (academic) achievements	Concurrent positions in other companies	Spouse or second-degree relative acting as managers		
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship
Vice President, Automation Business Group	Taiwan	LIEN-YUAN WENG	Male	2014.07.01	25,000	0.01	-	-	-	-	Graduate from National Kaohsiung University of Applied Sciences, Department of Mechanical Engineering Deputy chief, chief, manager of Manufacturing Department, manager of Sales Department, director and vice president of KENMEC MECHANICAL ENGINEERING CO., LTD. Draftsman of Ching Fu Enterprise Co., Ltd.	1. President of Chief Global Logistics Co., Ltd. 2. Director of Chief Global Logistics Co., Ltd. (Legal Representative) 3. Director of First Ten Pages Enterprise Co., Ltd. (Legal Representative)	None	None	None
Assistant vice president Automation Business Group	Taiwan	CHIH-MAO CHANG	Male	2023.06.01	-	-	-	-	-	-	Graduated from Ruifang High School of Mechanical Engineering. Assistant Section Chief of Production Control Team, Deputy Manager of Procurement Department, Deputy Manager of Manufacturing Department, Manager, Ruifang Factory Director, Engineering Department Director, Integration Department Director of KENMEC MECHANICAL ENGINEERING CO., LTD.	None	None	None	None
Finance Division Director	Taiwan	CHU YA-LING	Female	2024.05.31	11,598	0.00	258	0.00	-	-	Fu Jen Univ. / M.Fin. Kenmec / Finance Dept.: Accountant → Manager	Corporate Governance Manager of KENMEC Mechanical Engineering Co., Ltd.	None	None	None

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

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

(1) Remuneration to general directors and independent directors

December 31, 2025; Unit: NTD thousand

Title	Name (Note 1)	Remuneration to directors								Sum of A, B, C, and D as Percentage of Net Income (Note 10)		Remuneration to Employees Holding Concurrent Positions								Sum of A, B, C, D, E, F and G as Percentage of Net Income (Note 10)		Remuneration from parent company or invested businesses other than subsidiaries (Note 11)
		Remuneration (A) (Note 2)		Retirement pension (B)		Remuneration to directors (C) (Note 3)		Business execution expenses (D) (Note 4)				Salaries, bonuses, special allowances, etc. (E) (Note 5)		Retirement pension (F)		Remuneration to employees (G) (Note 6)						
																The Company		All the companies included in the financial reports (Note 7)				
		The Company	All the companies included in the financial reports (Note 7)	The Company	All the companies included in the financial reports (Note 7)	The Company	All the companies included in the financial reports (Note 7)	The Company	All the companies included in the financial reports (Note 7)	The Company	All the companies included in the financial reports (Note 7)	The Company	All the companies included in the financial reports (Note 7)	The Company	All the companies included in the financial reports (Note 7)	Amount paid in cash	Amount paid in shares	Amount paid in cash	Amount paid in shares	The Company	All the companies included in the consolidated financial reports (Note 8)	
Director	MING-KAI HSIEH CHING-FU HSIEH CHOU-HUANG PAI YUEH-CHEN LIN	1,650	2,227	0	0	249	249	100	228	1,999 7.6363%	2,704 10.3283%	20,170	33,213	216	319	8,329	0	12,220	0	30,714 117.3185%	48,456 185.0861%	0
Independent Director	YI-YU LI CHU-JU PENG CHIEN-CHOU CHU	1,800	1,800	0	0	107	107	85	85	1,992 7.6081%	1,992 7.6081%	0	0	0	0	0	0	0	0	1,991 7.6081%	1,991 7.6081%	0

a) Please describe in detail the policy, system, standards and structure of remuneration to independent directors, and describe the association of the amount of remuneration to the responsibilities, risks, time invested and other factors:
The Company's remuneration to independent directors includes reimbursement for carrying out work duties, travel allowances and remuneration distributed to directors.
The Company must pay remuneration regardless of earnings or losses in accordance with the Charter. The remuneration is handled according to the Company's "Regulations for Remuneration to Directors".
The remuneration distribution of the Company's annual profit is determined by reference to the number of times directors attend board meetings or his/her contribution to the Company
(including, but not limited to, the number of the Company's shares held and providing endorsement/guarantee for the Company) during his/her term. Therefore, the policy and determination of remuneration to independent directors is positively linked to operating performance and risk exposure.
The Company has purchased liability insurance for all directors and supervisors to minimize the risk of them being charged for their due execution of duties by shareholders or other related parties.

b) In addition to the disclosure in the above table, remuneration received by directors in the most recent fiscal year (e.g., for serving as a consultant for a non-employee of the parent company/companies included in the financial reports/investment businesses): None.

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

(1) A company that has posted after-tax deficits in the parent company only financial reports or individual financial reports within the three most recent fiscal years shall disclose the remuneration paid to "individual" directors. This requirement, however, shall not apply if the company has posted net income after tax in the parent company only financial report or individual financial report for the most recent fiscal year and such net income after tax is sufficient to offset the accumulated deficits.

(2) A company that has had an insufficient director shareholding percentage for three consecutive months or longer during the most recent fiscal year shall disclose the remuneration of individual directors.

(3) A company that has had an average ratio of share pledging by directors in excess of 50 percent in any three months during the most recent fiscal year shall disclose the remuneration paid to each individual director having a ratio of pledged shares in excess of 50 percent for each such month.

(4) If the total amount of remuneration received by all of the directors in their capacity as directors of all of the companies listed in the financial reports exceeds 2 percent of the net income after tax, and the remuneration received by any individual director or supervisor exceeds NTD 15 million, the company shall disclose the remuneration paid to that individual director. (Note: The remuneration to directors and supervisors is calculated based on "remuneration of supervisors" adding "remuneration of directors" in the table above, excluding remuneration received by part-time employees.)

(5) A company listed on the Taiwan Stock Exchange (TWSE) or the Taipei Exchange (TPEx) is ranked in the last tier in the corporate governance evaluation for the most recent fiscal year, or in the most recent fiscal year or up to the date of publication of the annual report for that year, the company's securities have been placed under an altered trading method, suspended from trading, delisted from the TWSE or the TPEx, or the Corporate Governance Evaluation Committee has resolved that the company shall be excluded from evaluation.

(6) The average annual salary of the full-time non-supervisory employees in a TWSE or TPEx Listed company is less than NTD 500,000 for the most recent fiscal year.

(7) For listed and over-the-counter (OTC) companies, if the net profit after tax for the most recent fiscal year has increased by more than ten percent, but the average annual salary of full-time employees not in managerial positions has not increased compared to the previous year.

(8) For listed and over-the-counter (OTC) companies, if the net profit after tax has declined by more than ten percent and exceeded NT$5 million in the most recent fiscal year, and if the average remuneration per director (excluding remuneration for concurrent employee roles) has increased by more than ten percent and exceeded NT$100,000.

2. If the circumstance in sub-item “(1)” or in sub-item “(5)” of the preceding item applies to a company listed on the TWSE or the TPEx, it shall disclose the individual remuneration paid to each of its top five management personnel (e.g., the president, vice president, chief executive officer or finance manager).
3. Whether director retirement benefits were paid in the most recent fiscal year: The Company did not actually pay any retirement benefits to directors in FY2025.
4. Provision for retirement pension expenses in the most recent fiscal year: In FY2025, the Company recognized NT$20,230 thousand as retirement pension expenses.
5. Chairman Ming-Kai Hsieh and Director Ching-Fu Hsieh was provided with a company car for official use, and the depreciation expense for the period was included in his compensation.
6. The FY2025 earnings distribution and compensation proposals were approved by the Board on March 4, 2026, but are pending shareholder approval. Amounts are set per the Articles of Incorporation.

Range of Remuneration

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

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

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

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

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

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

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

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

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

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

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

Note 11:
a. This field represents all forms of remuneration that the presidents and vice presidents received from the Company's invested businesses other than subsidiaries (if none, please fill in "none").
b. For directors who received remuneration from invested businesses other than subsidiaries or the parent company, amounts received from these invested businesses or the parent company have been added to columns I and J of the remuneration brackets table. In which case, columns I and J will be renamed "all invested businesses".
c. Remuneration refers to any returns, remuneration (including remuneration received as an employee, director and supervisor) and professional service fees which the director received for serving as directors, supervisors or managerial officers in invested businesses or the parent company other than subsidiaries.

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

(2) Remuneration to the President and Vice President

December 31, 2025; Unit: NTD thousand

Title	Name (Note 1)	Salary (A) (Note 2)		Retirement pension (B)		Bonuses, special allowances, etc. (C) (Note 3)		Employee remuneration amount (D) (Note 4)				Sum of A, B, C, and D as Percentage of Net Income (%) (Note 8)		Remuneration from invested businesses other than subsidiaries or the parent company (Note 9)
								The Company		All the companies included in the financial reports (Note 5)				
		The Company	All the companies included in the financial reports (Note 5)	The Company	All the companies included in the financial reports (Note 5)	The Company	All the companies included in the financial reports (Note 5)	Amount paid in cash	Amount paid in shares	Amount paid in cash	Amount paid in shares	The Company	All the companies included in the financial reports (Note 5)	
Chairman and Sustainable (Note 1)	MING-KAI HSIEH	30,910	48,000	666	748	17,437	24,763	327	0	327	0	49,340 188.47%	73,838 282.04%	None
Director and and Chief Strategy Officer (Note 1)	CHING-FU HSIEH													
Special Assistant, Chairman Office (President Level)	YUEH-CHEN LIN													
President (Note 1)	CHIH-CHUN KO													
President, Management Center	LI-CHUAN SHEN													
Vice President, Automation Business Group (Note 1)	LIEN-YUAN WENG													
Vice President, Automation Business Group	MING-CHIH HSIEH													

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

Range of Remuneration

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

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

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

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

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

profit shown in the latest financial reports of the consolidated/standalone entity.

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

Note 6: The amount of remuneration made by the Company to its Presidents and Vice Presidents; the names of Presidents and Vice Presidents have been disclosed separately in ranges.

Note 7: The disclosure includes the sum of amounts paid by the consolidated entity (including the Company) to the Company's president and president; the names of president and vice president have been disclosed separately in ranges.

Note 8: The net income after tax refers to the net income after tax of the most recent fiscal year; if IFRSs have been adopted, the net income after tax refers to the net income after tax of the most recent year for parent company only or individual financial reports.

Note 9: a. This field represents all forms of remuneration that the presidents and vice presidents received from the Company's invested businesses other than subsidiaries.

b. For presidents and vice presidents who receive remuneration from invested businesses other than subsidiaries, the amount of remuneration from these invested businesses or the parent company have been added to column E of the remuneration brackets table. In which case, Column E will be renamed "all invested businesses".

c. Remuneration refers to any returns, remuneration (including remunerations received as an employee, director and supervisor) and professional service fees which the Company's presidents and vice presidents received for serving as directors, supervisors, or managerial officers in invested businesses or the parent company other than subsidiaries.

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

A.Names of the managers receiving employee remuneration and the distribution thereof

December 31, 2025; Unit: NTD thousand

	Job title (Note 1)	Name (Note 1)	Amount paid in shares	Amount paid in cash	Total	Ratio of total amount to profit after tax (%)
Manager	Director and Chief Strategy Officer	CHING-FU HSIEH	0	327	327	1.25%
	Special Assistant of the Chairman(President Level)	YUEH-CHEN LIN				
	Chairman and Sustainable	MING-KAI HSIEH				
	President, the Operation and Management Center	LI-CHUAN SHEN				
	President	CHIH-CHUN KO				
	Vice President, Automation Business Group	MING-CHIH HSIEH				
	Vice President, Automation Business Group	LIEN-YUAN WENG				
	Assistant vice president, Automation Business Group	CHIH-MAO CHANG				
	Section Chief Department of Finance & Corporate Governance Manager	CHU YA-LING				

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

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

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

Note 1: Names and titles have been disclosed separately, whereas the amount of profit has been disclosed in aggregate amount.

Note 2: The average closing price of the last month of the accounting period is used for the calculation of the net worth of TWSE/TPEx companies.

Note 3: Pursuant to FSC Letter No. Tai-Cai-Zheng-3-0920001301 dated March 27, 2003; the role of managerial officer covers the following positions:

(1)President or other equivalent position

(2)Vice president or other equivalent position

(3)Assistant vice president or other equivalent position

(4)Chief finance officer

(5)Chief accounting officer

(6)Others with the right to manage affairs and sign for the Company

Note 4: If the directors, president and vice president have received employee remuneration (including stock and cash), other than filling in Table 1-2, this Table must also be filled in.

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

Title	Remuneration as a percentage of net income after tax			
	2024		2025	
	The Company	All the companies included in the financial statements	The Company	All the companies included in the financial statements
Director	-16.68%	-27.20%	124.93%	192.69%
President and Vice President	-27.57%	-39.68%	188.47%	282.04%

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

3. Corporate governance implementation

(1) Functionality of the Board of Directors

A. Information on the functionality of the Board of Directors

The Board of Directors held 5 (A) meetings in the most recent year (2025); the attendance of directors is summarized as follows:

Title	Name (Note 1)	Actual Attendance B	Attendance by proxy	Actual attendance rate [B/A]	Remarks	Election date
Chairman	CHING-FU HSIEH	2	0	100	Former	2025.5.29
Chairman	MING-KAI HSIEH	3	0	100	Newly elected	2025.5.29
Director	CHING-FU HSIEH	3	0	100	Newly elected	2025.5.29
Director	YUEH-CHEN LIN	5	0	100	Reelected	2025.5.29
Director	CHOU-HUANG PAI	3	0	100	Newly elected	2025.5.29
Director	Shun-Zhong Investment Co., Ltd. Legal Representative – MING-KAI HSIEH	0	1	0	Former	2025.5.29
Independent director	YI-YU LI	5	0	100	Reelected	2025.5.29
Independent director	CHIEN-CHOU CHU	4	1	80	Reelected	2025.5.29
Independent director	CHU-JU PENG	5	0	100	Reelected	2025.5.29

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

Note 2: (1) If a director or supervisor resigns before the end of the year, the resignation date shall be indicated in the Remarks field. The actual attendance rate (%) was calculated on the basis of the number of board meetings held during each director's term and the number of meetings actually attended by that director.

(2) If there is a reelection of directors and supervisors before the end of the year, the new and old directors and supervisors must be stated in the Remarks field, and indicate if such director and supervisor is old, new, or reelected, as well as the reelection date. The percentage of actual (proxy) attendance (%) will be calculated based on the number of Board of Directors' meetings held during active duty and the number of actual (proxy) attendance.

B. Evaluation of the Board of Directors:

Number	Evaluation cycle	Evaluation method	Evaluation period	Evaluation scope	Evaluation content	Evaluation result	Remarks
1	Once a year	Internal self-evaluation of the Board of Directors	Start: January 1, 2025 End: December 31, 2025	The Board as a whole	Participation in the operation of the Company; improvement of the quality of the Board of Directors' decision making; composition and structure of the Board of Directors; election and continuing education of the director, and internal control, reported to the directors on March 4, 2026.	The internal self-evaluation of the Board of Directors: all evaluation item results were excellent; however, the following items require improvement: 1. For independent directors who have served three consecutive terms, consideration should be given to whether this compromises their independence. 2. Members of the Board should strengthen their objective and independent operation	
2		Self-evaluation of the Director□		Individual Board Member	Alignment of the goals and missions of the company; awareness of the duties of a director; participation in the operation of the company; management of internal relationship and communication; the director's professionalism and continuing education; and internal control, reported to the directors on March 4, 2026.	The self-evaluation of the individual Board member: all evaluation item results were generally good; however, the following items are expected to be improved: 1. The attendance rate of directors at board meetings (excluding attendance by delegation) 2. Adequacy of time devoted by directors to Board-related matters 3. Directors also serving as a director/supervisor at multiple companies	
3		Internal self-evaluation of the Board of Directors		The Functional Committee	Participation in the operation of the company; awareness of the duties of the audit committee; improvement of quality of decisions made by the audit committee; makeup of the audit committee and election of its members and internal control, reported to the directors on March 4, 2026.	The internal self-evaluation of the Audit Committee: all evaluation item results were excellent; however, the following items require improvement: 1. The Audit Committee still needs to strengthen the assessment and supervision of various risks existing or potential within the company.	
4		Internal self-evaluation of the Board of Directors		The Functional Committee	Participation in the operation of the company; awareness of the duties of the remuneration committee; improvement of quality of decisions made by the remuneration committee; makeup of the remuneration committee and election of its members and internal control, reported to the directors on March 4, 2026.	The internal self-evaluation of the Remuneration Committee: all evaluation item results were excellent; however, the following items require improvement: 1. The Remuneration Committee has not yet set the salary and remuneration of directors based on performance evaluation results	

(2) Information on the functionality of the Audit Committee

A. Audit Committee Attendance

In the most recent year (2025), the Audit Committee had 4 meetings (A), the attendance is as follows:

Title	Name	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%) (B/A) (Note 1, Note 2)	Remarks	Election date
Independent director	YI-YU LI	4	0	100	Reelected	2025.5.29
Independent director	CHIEN-CHOU CHU	3	1	75	Reelected	2025.5.29
Independent director	CHU-JU PENG	4	0	100	Reelected	2025.5.29

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

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

B. Annual Work Priorities

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

The Audit Committee held four meetings in 2025; primary matters for reviews included:

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

- Review of financial reports

We, the Undersigned Supervisors, hereby acknowledge that the Board of Directors has prepared and submitted hereto the Business Report, Consolidated Financial Statements, and Proposed Allocation of Earnings of KENMEC Mechanical Engineering Co., Ltd. of 2025 and that among them, the Financial Statements have been duly audited by the Deloitte & Touche Taiwan as duly delegated by the Board of Directors which already issued the Audit Report. These business report statements have been audited by the Audit Committee to be accurate.

- Evaluation of the internal control system effectiveness

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

- Appointment of CPAs

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

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

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

Bulletin No. 10 "Integrity, Impartiality, Objectivity and

Independence" to evaluate the independence, professionalism and appropriateness of the

CPAs, while also assessing Has they are related parties or have business or financial interest with the Company. The Audit Committee meeting held on March 7, 2025 and the Board meeting held on March 7, 2025 reviewed and approved that YOU,MENG-GUEI and LI-HUANG LI, of Deloitte Touche Taiwan, met the independence evaluation criteria and are qualified to serve as the Company's financial and tax CPAs.

C. Information on the functionality of the Audit Committee

Date of session/time of meeting	Resolution	Matters stipulated in §14-5 of the Securities and Exchange Act	Opinions of the independent directors and the Company's handling of their opinions	Resolutions made by the Board of Directors or Audit Committee
15th meeting of the 3rd term 2025/03/07	1. Motion for the acknowledgment of the Company's 2024 business report, financial statements and consolidated financial statements.	V	None	Reviewed and passed by the Audit Committee
	2. Motion for the issuance of the Company's 2024 internal control system declaration.	V	None	Reviewed and passed by the Audit Committee
	3. Motion for the appointment of the Company's CPAs and the evaluation of their independence.	V	None	Reviewed and passed by the Audit Committee
	4. Proposal for the adoption of the Company's 'Sustainability Development Committee Charter.		None	Reviewed and passed by the Audit Committee
	5. Proposal for the disposal of the Company's entire 100% shareholding in its subsidiary, Kenmec Construction Co. , Ltd.	V	None	Reviewed and passed by the Audit Committee
	6. Motion for the proposed loaning of funds of NTD75 million to the Company's subsidiary – Taisic Materials Co., Ltd.	V	None	Reviewed and passed by the Audit Committee
	7. Proposal to ratify the Company's endorsement and guarantee in the amount of NT$40 million for Kentec Inc.	V	None	Reviewed and passed by the Audit Committee
	8. Proposal for the business integration of the Company's Thermal Division into Kentec Inc.	V	None	Reviewed and passed by the Audit Committee
	9. Proposal for the definition of the scope of 'junior employees' and the revision of the Company's Internal Control System.	V	None	Reviewed and passed by the Audit Committee
	10. Motion for the proposed loaning of funds of RMB 20 million to the Company's subsidiary – KENMEC Mecha-Tronics (Suzhou) Co., Ltd.	V	None	Reviewed and passed by the Audit Committee
	11. Proposal to formulate a supplementary agreement to the share transfer agreement between the Company and Kentec Inc.	V	None	Reviewed and passed by the Audit Committee
16th meeting of the 3rd term 2025/05/09	1. Ratification of the motion for the Company's consolidated financial statements for Q1 2025.	V	None	Reviewed and passed by the Audit Committee
	2. Motion for the proposed loaning of funds of NTD120 million to the Company's subsidiary –Taisic Materials Co., Ltd.	V	None	Reviewed and passed by the Audit Committee
1st meeting of the 4rd term 2025/08/08	1. Motion for the election of the convener and chair of the Audit Committee meeting.		None	Reviewed and passed by the Audit Committee
	2. Ratification of the motion for the Company's consolidated financial statements for Q2 2025.	V	None	Reviewed and passed by the Audit Committee
	3. Proposal for the Issuance of the Company's 2024 Sustainability Report		None	Reviewed and passed by the Audit Committee
	4. Proposal for the Appointment of the Company's Chief Sustainability Officer		None	Reviewed and passed by the Audit Committee
	5. Proposal to ratify the Company's endorsement and guarantee in the amount of NT$30 million for Kentec Inc.	V	None	Reviewed and passed by the Audit Committee
	6. Proposal to ratify the Company's endorsement and guarantee in the amount for Kentec Inc.	V	None	Reviewed and passed by the Audit Committee
	7. Motion for the proposed loaning of funds of RMB 20 million to the Company's subsidiary – KENMEC Mecha-Tronics (Suzhou) Co., Ltd.	V	None	Reviewed and passed by the Audit Committee

Date of session/time of meeting	Resolution	Matters stipulated in §14-5 of the Securities and Exchange Act	Opinions of the independent directors and the Company's handling of their opinions	Resolutions made by the Board of Directors or Audit Committee
	8. Motion for the proposed loaning of funds of NTD195 million to the Company's subsidiary –Taisic Materials Co., Ltd.	V	None	Reviewed and passed by the Audit Committee
	9. Proposal for the Appointment of Mr. Su Sheng-Che, Senior Manager, as the Company's Head of Internal Audit.	V	None	Reviewed and passed by the Audit Committee
2nd meeting of the 4rd term 2025/11/07	1. To propose the replacement of the Company's Certified Public Accountant.	V	None	Reviewed and passed by the Audit Committee
	2. Proposal for the Pre-Approval of Non-Assurance Services Provided by the External Auditor		None	Reviewed and passed by the Audit Committee
	3. Ratification of the motion for the Company's consolidated financial statements for Q3 2025.	V	None	Reviewed and passed by the Audit Committee
	4. Motion for the 2026 audit plan.		None	Reviewed and passed by the Audit Committee
	5. Motion for the Amendment to the Company's Articles of Incorporation		None	Reviewed and passed by the Audit Committee
	6. Proposal to ratify the Company's endorsement and guarantee in the amount of NT$30 million for Kentec Inc.	V	None	Reviewed and passed by the Audit Committee
3rd meeting of the 4rd term 2026/03/04	1. Motion for the acknowledgment of the Company's 2025 business report, financial statements and consolidated financial statements.	V	None	Reviewed and passed by the Audit Committee
	2. Motion for the Company's 2025 earnings distribution; please review.		None	Reviewed and passed by the Audit Committee
	3. Proposal for distribution of dividends to shareholders from capital surplus, submitted for review and approval.		None	Reviewed and passed by the Audit Committee
	4. Motion for the issuance of the Company's 2025 internal control system declaration.	V	None	Reviewed and passed by the Audit Committee
	5. Passed the Company's 2026 budget.		None	Reviewed and passed by the Audit Committee
	6. Motion for the recognition of 2025 related parties, specific companies and enterprise groups.		None	Reviewed and passed by the Audit Committee
	7. Proposal for Full Participation in the Cash Capital Increase of Taisic Materials Co., Ltd.	V	None	Reviewed and passed by the Audit Committee
	8. Motion for the proposed loaning of funds of NTD150 million to the Company's subsidiary –TAI VISION CO., LTD.	V	None	Reviewed and passed by the Audit Committee
	9. Motion for the proposed loaning of funds of NTD70 million to the Company's subsidiary – Taisic Materials Co., Ltd.	V	None	Reviewed and passed by the Audit Committee
	10. Proposal to Authorize the Company to Dispose of Its Shareholdings in Kentec Inc. in Tranches and to Waive Participation in Its Cash Capital Increase in Connection with Its Listing (or OTC Listing) Plan	V	None	Reviewed and passed by the Audit Committee
	11. Motion for the cancellation of the proposed loaning of remaining funds of RMB 20 million to subsidiary – KENMEC Mecha-Tronics (Suzhou) Co., Ltd.	V	None	Reviewed and passed by the Audit Committee
	12. Motion for the proposed loaning of funds of RMB 20 million to the Company's subsidiary – KENMEC Mecha-Tronics (Suzhou) Co., Ltd.	V	None	Reviewed and passed by the Audit Committee
	13. Motion for amendment to the Company's "Operating Procedures of Acquisition or Disposal of Assets."		None	Reviewed and passed by the Audit Committee

D. Communication between Independent Directors, the Head of Internal Audit, and the Auditors

(1) Communication Policy among Independent Directors, the Head of Internal Audit, and the Auditors

- Independent Directors and the auditors hold at least two regular meetings each year. The auditors, as necessary, discuss with the Independent Directors the Company's financial condition, the operations of domestic and overseas subsidiaries, overall business performance, and the results of internal control audits, and communicate fully on whether there are any material adjusting journal entries or impacts arising from amendments to laws and regulations. Meetings may be convened at any time in the event of significant irregularities.
- Independent Directors may engage professional accountants to review the Company's financial statements and issue audit opinions for their reference.
- The Head of Internal Audit holds at least quarterly meetings with the Independent Directors to report on the implementation of internal audit activities and the status of internal control operations. Meetings may be convened at any time in the event of significant irregularities.

(2) Summary of Communications among Independent Directors, the Auditors, and Internal Audit in 2025

Date	Key Communication Matters	Communication Results
2025/03/07	1. The auditors discussed the financial position and operating results for Q4 2024. 2. Communication matters： Explanation of audit results for October to December 2024 Explanation of the results of the 2024 self-assessment of internal control systems Explanation of the Audit Quality Indicators (AQI) report	No objections were raised by the Independent Directors at this meeting.
2025/05/09	1. The auditors discussed the financial position and operating results for Q1 2025. 2. Communication matters： Explanation of audit results for January to March 2025	No objections were raised by the Independent Directors at this meeting.
2025/08/08	1. The auditors discussed the financial position and operating results for Q2 2025 2. Communication matters： Explanation of audit results for April to May 2025 Handling of matured intercompany receivables/payables between KENMEC TECHNOLOGY (SUZHOU) CO., LTD. and Anhui Rongyun Real Estate Development Co.	No objections were raised by the Independent Directors at this meeting.
2025/11/07	1. The auditors discussed the financial position and operating results for Q3 2025. 2. Communication matters： Explanation of audit results for June to August 2025 Litigation matters relating to intercompany transactions between KENMEC TECHNOLOGY (SUZHOU) CO., LTD. and Anhui Rongyun Real Estate Development Co. Planning of the 2026 internal audit plan for Kenmec Machinery	No objections were raised by the Independent Directors at this meeting.

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

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

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

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

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

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

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

A. Information on members of the Remuneration Committee

Identity (Note 1)	Qualifications / Name	Years of service of independent directors		Industrial experience (Note 2)			Professional competence (Note 2)		State of independence (Note 3)	Number of public companies in which concurrently serves as an independent director
		4–6 years	Over 9 years	Business and supply	Mechanical and engineering	Financial affairs and finance	Financial affairs	Risk management		
Independent director (Convener)	YI-YU LI	V		V		V	V	V	The members of the Company's Remuneration Committee are independent directors of the Board. As of March 23, 2026, the members themselves, their spouses or second-degree relatives held a total of 0 shares of the Company. No members of the Remuneration Committee served as directors, supervisors or employees in companies which have specific relationships with the Company.	3
Independent director	CHU-JU PENG	V		V		V	V	V		1
Independent director	CHIEN-CHOU CHU		V			V	V	V		3

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

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

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

B. Information on the functionality of the Remuneration Committee:

Remuneration Committee	Motion content and follow-up	Resolution	The Company's handling of the Remuneration Committee's resolution
10th meeting of the 5th term 2025/03/07	1. Motion for the distribution of the Company's 2024 remuneration to employees and directors.	All committee members approved and passed the motion	The motion was submitted to the Board of Directors' meeting and approved by all directors present at the meeting
	2. Motion for the Amendment to the Company's Articles of Incorporation	All committee members approved and passed the motion	The motion was submitted to the Board of Directors' meeting and approved by all directors present at the meeting
1st meeting of the 6th term 2025/08/08	1. Motion for the election of the convener and chair of the Remuneration Committee meeting.	All committee members approved and passed the motion	None
	2. Proposal for the Appointment of the Company's Chief Sustainability Officer	All committee members approved and passed the motion	The motion was submitted to the Board of Directors' meeting and approved by all directors present at the meeting
2nd meeting of the 6th term 2025/11/07	1. Motion for reviewing the annual and long-term performance goal of the directors and managers, and the policy, system, standard and structure of the remuneration, for ratification.	All committee members approved and passed the motion	The motion was submitted to the Board of Directors' meeting and approved by all directors present at the meeting
	2. Motion to discuss the distribution principle of the 2025 year-end bonus to the Company's managers and above.	All committee members approved and passed the motion	The motion was submitted to the Board of Directors' meeting and approved by all directors present at the meeting
3rd meeting of the 6th term 2026/03/04	1. Motion for the distribution of the Company's 2025 remuneration to employees(including rank-and-file employees) and directors.	All committee members approved and passed the motion	The motion was submitted to the Board of Directors' meeting and approved by all directors present at the meeting

C. Remuneration Committee Attendance

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

II. Members' term of office: From May 29, 2025, to May 28, 2028; the Committee held 3 (A) meetings in the most recent year, and the qualifications and attendance of the members are as follows:

Title	Name	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%) (B/A) (Note)	Remarks	Election date
Convener	YI-YU LI	3	0	100	Reelected	2025.5.29
Committee member	CHU-JU PENG	3	0	100	Reelected	2025.5.29
Committee member	CHIEN-CHOU CHU	2	1	67	Reelected	2025.5.29

Note:

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

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

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

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

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

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

Item	State of operation			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
IV. Has the Company established a full- or part-time corporate governance unit or personnel to oversee corporate governance affairs (including but not limited to furnishing information required for business execution by directors and supervisors, handling matters relating to board meetings and shareholders' meetings according to laws, producing (or recording) minutes of board meetings and shareholders' meetings)?	V		The Company's Board meeting held on March 7, 2025, resolved to appoint assistant manager CHU YA-LING as the head of corporate governance responsible for protecting the rights of shareholders and strengthening Board functions. Assistant manager CHU YA-LING has more than three years of experience in financial and stock affairs in public companies. The head of corporate governance is mainly responsible for matters relating to board meetings and shareholders meetings according to laws, producing minutes of board meetings and shareholders meetings, assisting in onboarding and continuous education of directors and supervisors, furnishing information required for business execution by directors and supervisors, assisting directors and supervisors with legal compliance, maintaining communication between directors and senior executives, assisting in arranging meetings with auditors and CPAs, and formulating annual education and training plans according to the nature of the Company's industry and academic qualifications of directors. See Item 10 for further education of the Chief Governance Officer in 2025.	None.
V. Has the company established communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers), establishment of investors' relations office on websites and proper response to stakeholders' concerns of corporate social responsibility?	V		We have established a spokesperson and acting spokesperson as the Company's communication channels with stakeholders, and have set up a section on the Company's official website dedicated to stakeholders to provide answers to stakeholders' concerns on corporate social responsibility.	None.
VI. Has the company entrusted professional organizations for handling shareholder meeting matters?	V		The Company has commissioned professional organizations for matters regarding shareholders' meetings.	None.

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

Item	State of operation			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			order to fulfill our social responsibility.	

IX. Please specify the status of the correction based on the corporate governance assessment report released by the Corporate Governance Center of TWSE in the most recent year, and the priority corrective actions and measures against the remaining deficiencies.

The Company's corporate governance rankings were 21%–35% in 2017 to 2021, 36%–50% in 2022. , and 21%–35% in 2023 to 2024. The Company has established and detailed a reporting system on its website to disclose illegal (including corruption) and unethical conduct by internal and external personnel. We, as a company, strive for the development of sustainability in economic, environmental and social aspects, and will continue to uphold our core corporate values of integrity, while holding the long-term sustainable responsibility to our stakeholders and society.

X. Further education of the Chief Governance Officer in 2025 is as follows

Number	Institution	Name of course	Duration		Course
			Start	End	Number of hours
1	TPEx	Investor Relations Engagement Sharing Session	2025/06/30	2025/06/30	3
2	Taiwan Corporate Governance Association	Corporate Governance, Securities Regulations, and Disclosure of Material Information	2025/08/08	2025/08/08	3
3	Taiwan Corporate Governance Association	Corporate Governance, Securities Regulations, and Sustainable Development Action Plan	2025/11/06	2025/11/06	3
4	TAISE-TCCS	The 8th GCSF Global Corporate Sustainability Forum (2-2)	2025/11/26	2025/11/26	3

XI. Intellectual Property Management Plan

A report is presented to the Board of Directors annually. The implementation status for the year 2025 was reported to the Board of Directors on November 7, 2025 as a reporting item.

(1) Intellectual Property Inventory and Achievements

As of October 2025, the intellectual property inventory and achievements of the Company and its subsidiaries are as follows:

A total of 40 patents have been granted, and 10 trademarks have been registered.

(2) Implementation of Intellectual Property Management

In 2025, the Company’s Legal Department conducted intellectual property-related training sessions as follows:

On May 5, 2025, a weekly session was held on practical strategies for protecting technical trade secrets under the Trade Secrets Act.

On July 3, 2025, a weekly session was held on information security and the protection of trade secrets.

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

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

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

Promotion item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
I. Has the company constructed a governance structure to promote sustainable development and established a dedicated (concurrent) unit for the promotion of sustainable development, which is managed by senior management by authorization of the board of directors and is supervised by the board of directors?	V		The company established a "Sustainable Development Committee" in March of Year 114 (2025) following a resolution by the Board of Directors. This committee serves as the dedicated unit responsible for promoting sustainable development, overseeing the planning, implementation, and execution of related policies, systems, and initiatives. The committee is chaired by the Chairman of the Board, with participation from senior executives of relevant departments. The company identifies environmental, social, and governance (ESG) issues related to its operations based on the principle of materiality. Through the Sustainable Development Committee and a cross-departmental coordination mechanism, it conducts risk assessments and formulates corresponding risk management policies, strategies, and action plans. To advance sustainability-related initiatives, the company has established dedicated (or part-time) units for sustainable development. Based on functional responsibilities, it has also formed working groups for corporate governance, environmental sustainability, social engagement, and sustainability information disclosure. These groups are responsible for promoting relevant initiatives, managing risks, and integrating information, and they regularly report their implementation progress to the Sustainable Development Committee. Based on the aforementioned risk assessment results, the company promotes initiatives such as greenhouse gas inventory and verification scheduling, carbon reduction measures, and sustainability information disclosure. It also continuously tracks implementation performance to ensure the achievement of its sustainable development goals. The "Sustainable Development Committee" reports the status of sustainability implementation to the Board of Directors on a quarterly basis. The Board oversees and reviews sustainability strategies, objectives, and implementation performance. In addition, the Committee convenes at least once annually. The most recent meeting was held on February 25, Year 115 (2026). The main agenda items include: (1) Identifying key sustainability issues of concern and formulating corresponding action plans; (2) Reviewing the implementation status of sustainability-related matters (such as risk management and	In line with the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies".

Promotion item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
			ethical business practices); (3) Supervising the promotion of sustainability initiatives and evaluating their effectiveness.	
II. Has the company implemented the risk assessment of environmental, social, and corporate governance issues related to corporate operation and established relevant risk management policies or strategies based on the principle of materiality? (Note 2)	V		The company has established risk management policies and procedures as the basis for its overall risk management framework. In accordance with the principle of materiality and across its overall operational scope, the company conducts risk assessments covering environmental, social, and governance (ESG) issues involved in its major business activities. Through processes such as risk identification, analysis and evaluation, monitoring, and response, the company assesses the likelihood of various risks and their potential impact on operations, thereby identifying material issues and incorporating them into management. For the significant risks identified through assessment, the company has formulated corresponding risk management policies and response strategies. These are implemented and managed by the respective responsible units to mitigate the impact of risks on operations. In accordance with internal regulations, the company reports the status of its risk management operations to the Board of Directors and the Audit Committee at least once annually. The most recent report was presented on March 7, Year 114 (2025), to ensure the effective operation of the risk management mechanism.	In line with the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies".
III. Environmental issues (I) Has the company implemented environmental policies suitable for the Company's industry characteristics?	V		(I)The company has established an appropriate environmental management system based on industry characteristics, such as promoting 6S environmental management audits.	In line with the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies".
(II) Is the company committed to enhancing the use of energy efficiency and use recycled materials that pose low impact on the environment?	V		(II)The company is committed to enhancing environmental awareness among all employees and ensuring that the products produced by the company comply with environmental regulations, while actively working to improve the efficiency of various resources in the long term. 1. Product lightweighting: Efforts are made to reduce product weight by using lighter materials while ensuring product quality is not compromised. 2. Greening the supply chain: Collaboration with suppliers to select environmentally friendly products and reduce carbon footprint. 3. Efficient use of resources: By improving design and production processes, waste of materials and energy consumption are reduced. 4. Adoption of efficient equipment: The use of energy-saving and efficient production and transportation equipment to reduce unnecessary energy loss.	

Promotion item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
			5. Maintenance and upgrading of existing equipment: Keeping equipment in optimal operating condition through regular maintenance and upgrades to ensure maximum energy efficiency. 6. Optimization of production scheduling: Proper scheduling of production to reduce energy waste and transportation costs. 7. Encouraging employee participation: Training employees on energy-saving awareness and encouraging their participation in carbon reduction and energy-saving activities to play an active role.	
(III) Does the Company assess the present and future potential risk and opportunities of climate change in relation to the Company and adopt countermeasures related to climate issues?	V		(III) We have evaluated the current and future potential risks and opportunities of climate change posed on the Company and incorporated it into risk management. At the same time, we proactively promote energy saving and carbon reduction, and have installed a solar power system and smart power saving control system.	
(IV) Does the Company gather statistics of the greenhouse gas emissions, water consumption and the gross weight of waste in the past two years and establish policies for the reduction of greenhouse gas emissions and water consumption or other waste management?	V		(IV) We continue to promote energy-saving and carbon reduction strategies to effectively reduce greenhouse gas (GHG) emissions and water consumption. We have set improvement objectives for ourselves and will make gradual improvements in the future. Other specific measures include adding smart current indicators to facilitate electricity control, replacing old lighting with energy-saving lighting, replacing old air conditioners with energy-saving ones, installing water-saving valves to reduce unnecessary waste of resources, and installing solar power systems. The products produced by our subsidiary, Tainergy, utilize the infinite sunlight and transform it into energy, both energy-saving and eco-friendly. By doing so, the subsidiary is also making an effort to fulfill the social responsibility as a global citizen. The direct and indirect greenhouse gas emissions statistics for our company in the year 2025 are as follows:	

<table>
<tr><td rowspan="2">Promotion item</td><td colspan="3">Implementation status (Note 1)</td><td rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof</td></tr>
<tr><td>Yes</td><td>No</td><td>Summary</td></tr>
<tr><td></td><td></td><td></td><td>
The total direct greenhouse gas emissions volume
<table>
<tr><td rowspan="2"></td><td colspan="5">Category 1</td></tr>
<tr><td>Fixed emissions</td><td>Mobile emissions</td><td>Fugitive emissions</td><td>Process emissions</td><td>Land use</td></tr>
<tr><td rowspan="2">Emissions intensity (metric tons CO2e/year)</td><td colspan="5">569.1819</td></tr>
<tr><td>53.2769</td><td>14.2096</td><td>372.2491</td><td>129.4463</td><td>0.0000</td></tr>
<tr><td rowspan="2">Percentage distribution by gas type</td><td colspan="5">59.22%</td></tr>
<tr><td>1.48%</td><td>38.73%</td><td>13.47%</td><td>0.00%</td><td>5.54%</td></tr>
</table>
Total indirect greenhouse gas emissions
<table>
<tr><td></td><td>Category 2</td><td>Category 3</td><td>Category 4</td><td>Category 5</td><td>Category 6</td></tr>
<tr><td></td><td>Indirect GHG emissions from energy generation</td><td>Indirect GHG emissions from transportation</td><td>Indirect GHG emissions from products used by the organization</td><td>Indirect GHG emissions associated with products used by the organization</td><td>Indirect GHG emissions from other sources</td></tr>
<tr><td>Emissions intensity (metric tons CO2e/year)</td><td>391.9700</td><td>0.0000</td><td>0.0000</td><td>0.0000</td><td>0.0000</td></tr>
</table>
</td><td></td></tr>
</table>

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

The seven types of greenhouse gas emissions from direct sources

	CO2	CH4	N2O	HFCs	PFCs	SF6	NF3	Annual total greenhouse gas emissions equivalent for the seven types of greenhouse gases
Emissions intensity (metric tons CO2e/year)	427.8237	19.6899	9.3207	112.3476	0.0000	0.0000	0.0000	569.1819
Percentage distribution by gas type	75.16%	3.46%	1.64%	19.74%	0.00%	0.00%	0.00%	100.00%

Greenhouse gas emission intensity	Annual revenue (millions of yuan)	Total emissions of Guangyun Company (metric tons CO2e)	Unit revenue intensity(metric tons/million yuan)
2024	2,065.06	1,789.61	0.87
2025	2,681.13	961.15	0.36

Plant Location	Indicators	2024	2025	Change
Taipei	Water Consumption (m³)	2,831	2,734	-97
	Number of Employees (persons)	293	265	-28
Ruifang	Water Consumption (m³)	8,487	11,201	2,714
	Number of Employees (persons)	161	179	18
Kaohsiung	Water Consumption (m³)	1,159	2,001	842
	Number of Employees (persons)	34	35	1

Promotion item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
IV. Social issues (I) Does the Company develop management policies and procedures in accordance with the relevant regulations and international human rights conventions?	V		(I) In an effort to fulfill our corporate social responsibility and to protect the human rights of our employees, customers and stakeholders, at KENMEC we abide by the principles of the International Bill of Human Rights including the "United Nations Global Compact" and the "Universal Declaration of Human Rights". Furthermore, we also respect the basic human rights recognized internationally, and have formulated the human rights policy in accordance with applicable labor laws and regulations where the Company operates. The Company's human rights policy applies to the Company and its domestic and foreign subsidiaries, joint ventures, and other groups or affiliated organizations over which the Company holds substantial control. Our implementation guidelines are 1. diverse inclusion and equal job opportunities; 2. providing a safe and healthy working environment; 3. respecting the freedom of assembly and association of employees; and 4. providing employee education and training. The Company's Human Rights Policy is formulated, revised, and coordinated by the General Administration Division, which also serves as the internal supervisory and grievance-handling unit. Department heads are responsible for implementing the policy within their respective departments and ensuring effective communication. Senior management oversees the overall implementation of the policy and conducts regular reviews of its execution. In addition, internal and external stakeholders, including individuals and social groups, may exercise oversight or file complaints through the relevant mechanisms.	In line with the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies".
(II) Does the company establish and implement proper employee benefit measures (including the salary, holidays, and other benefits) and reflect the corporate business performance or achievements in the employee remuneration?	V		(II) We have a rigorous system in place with comprehensive management rules, including salary management rules and leave management rules, to clearly specify regulations regarding remuneration, leave and employee benefits. Employees also receive an annual health examination, three major festival allowances, wedding and bereavement support payment, and group insurance. For newcomers, we also provide special leave that is better than the provisions prescribed in the Labor Standards Act. In addition, we allocate 5% to 15% of our profits as remuneration to employees, so that the remuneration and the Company's business are growing together. By taking such an approach, we also promote a harmonious labor–management relationship and fulfill corporate social responsibility.	
(III) Does the Company provide employees with a safe and healthy work environment, and provide safety and health	V		(III) In 2025, the Company introduced the ISO 45001 Occupational Health and Safety Management System to establish a safety management framework, implement risk control measures, and create a healthy and safe working environment. Occupational safety and health promotions and toolbox meetings are conducted for outsourced vendors before they go to the company's relevant sites for construction work to ensure a safe and healthy working environment. The total number of	

Promotion item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
education to employees regularly?			occupational accidents in 2025 was 10 (10 due to occupational accidents), Strengthen workplace safety inspections and occupational health and safety training for personnel. No fire accidents occurred in 2025 , and relevant preventive measures have been implemented: continuous training of dedicated fire prevention management personnel, regular inspections of fire protection equipment, employee fire drills, and electrical safety control.	
(IV) Does the Company have an effective career capacity development training program established for the employees?	V		(IV) KENMEC has formulated the “Employee Development Plan Rules”, and passed the Taiwan Training Quality System (TTQS) standards. We conduct systematic and structured talent cultivation and enhance the career development of our employees in a planned manner to help improve the Company’s business performance. Professional training for functions is provided depending on the needs of different duties. We hold exchange activities for newcomers, annual supervisor training courses for middle management cadres, and annual strategy-based activities for senior management.	
(V) Does the company comply with relevant laws and international standards with regard to issues of customer health and safety, privacy, marketing and labeling in relation to products and services and establish relevant policies and complaint procedures to protect the rights of consumers or customers?	V		(V) We comply with applicable laws and regulations and international standards in respect of the marketing and labeling of our products and services. We have attained the ISO9001 2008 quality management verification and we comply with confidentiality agreements and personal data protection laws when it comes to the privacy of our customers. To ensure consumer rights, we have a customer service unit in place and an outlet for stakeholders to make complaints.	

Promotion item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
(VI) Has the company established the supplier management policy to require the supplier to comply with relevant regulations on issues of environmental protection, occupational safety and health or labor rights and provide its status of implementation?	V		(VI) The Company has formulated the "Supplier Management Rules" and contracts with our suppliers that include regulations related to environmental protection, intellectual property rights and integrity provisions to protect the rights and interests of all stakeholders. Moreover, there is also the "Supplier Evaluation Survey" formulated demanding our suppliers to abide by rules on environmental protection, occupational safety and health or labor rights issues. At the same time, we continue to keep sound and interactive contact with our suppliers in order to maintain the partnership to achieve mutual benefit. In addition, we regularly promote to our internal employees and our subsidiaries, as well as customers, suppliers and contractors, hoping that the supply chain manufacturers agree with the Company on the CSR policy and are willing to comply with related operations. The Company evaluates the impact of procurement and manufacturing practices on environment and society of the supply source community while strengthening the partnership between supply chain manufacturers to jointly make an effort to enhance CSR.	
V. Has the company taken reference from the internationally accepted reporting standards or guidance when preparing sustainability reports to disclose non-financial information? Has the report mentioned above been assured, verified, or certified by a third party?		V	Our practices towards sustainability are handled in accordance with the regulations of the competent authorities and related laws. The Company has also set up a section dedicated to CSR on its website , and will prepare the 2024 sustainability report in 2025 in accordance with the regulations, and will provide relevant information based on actual operations. Disclosed on the company's website and the corporate governance area of the Public Information Observatory. (https://mops.twse.com.tw)	In line with the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies".
VI. If the company has established its own Sustainable Development Best Practice Principles based on the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies", please describe any discrepancies between the principles and their implementation: The company's "Sustainable Development Code of Practice" was approved by the board of directors on March 10, 2023, and its operation is no different from the established code.				
VII. Other important information to facilitate better understanding of the company's practices toward the promotion of sustainable development implementation: (I) Sustainable management: We set high ethical standards for ourselves alongside the Company's management philosophy "ethical management and compassionate service", and adhere to the labor and retirement laws and regulations of the government and competent authorities. Our employees all sign an "Integrity Commitment" and comply with the principles of integrity, confidentiality obligations and avoid conflict of interest. Our employees perform corporate activities upholding the concept of "prosperous company and happy employees" to fulfill CSR. (II) Human capital: KENMEC provides a motivating reward system, performance bonus, year-end bonus, comprehensive and open promotion channel; provides employees with a healthy and safe workplace with a breastfeeding room in place; plans annual health examinations, health education consultation and labor safety and health management to				

Promotion item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
prevent occupational disasters and diseases; and organizes all-inclusive employee activities, such as departmental dinners, year-end meals, domestic and overseas employee trips, birthday parties, and special store discounts. (III) Environmental management: We conduct maintenance on water, electricity and air-conditioning equipment each year to save energy and reduce carbon emissions so that they stay on top form. At each plant, we promote environmental operation such as garbage classification, food waste recycling and recycling of waste scraps, and have installed a solar power system on the roof or ground to cut down power consumption. We do our utmost to implement environmental protection policies while at the same time raising employees' environmental awareness. (IV) Social contribution: We have been taking a proactive approach on social contributions since 2013. Each year, Participated in the scholarship sponsorship program for the children of employees of the Taipei City Police Department. Through mutual support with the police community, the Company enhances its social impact, cares for the well-being of police families, and supports the education and development of the next generation. At the plant at Ruifang Industrial Park, we have also adopted the maintenance of trees, and give priority to purchasing products from public welfare organizations for the three major festival gifts and birthday cards for employees in order to show support to charities. In 2025, the Company spent NTD 353,000 ,A total of 10 manufacturers have benefited, As we care for the health of people, Supporting the Taiwan Urban and Rural Sustainability Care Association. We are regularly involved in an array of public welfare activities, including participation in blood donation organized by the Taipei Blood Center. In 2025, we donated 240 bags of blood; in 2024, we donated 219 bags of blood. We regularly invite young scholars, including faculty and students from the Department of Statistics at National Chengchi University, to engage in corporate visits, we work with schools to cultivate talented students for society. We support learning programs in remote areas, such as donating books to Yu Da University of Science and Technology to achieve the effect of wisdom circulation, love and sharing. Meanwhile, we also make an effort to invest in the sustainable development of local arts creation. We provide a number of jobs to the physically and mentally challenged in an effort to protect and promote their employment opportunities. We also offer assistance in their employment so that they are able to support themselves in carrying out tasks. The implementation has been outstanding, and the Company has been given an excellent image honor by the Ministry of Interior. (V) Supply chain management: Internally: We arrange a labor–management meeting on a quarterly basis and performance appraisal interviews every six months for supervisors to review work performance and communicate with employees regarding work issues. By doing so, we establish communication channels for our employees and at the same time we also encourage our employees to directly talk to management. Externally: Sufficient business and financial information is disclosed on the Company website and MOPS for investors or stakeholders. (VI) Product features: Through our green manufacturing capabilities, we are engaged in green product manufacturing. We install solar power systems on roofs of office buildings and plants, public agencies, schools, outlying islands and residential homes as well as developing streetlight integrated solar power systems. We care very much about environmental protection and are doing what we can to save energy and reduce carbon, steadily creating value.				

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

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

Climate-Related Information Implementation Status:

Item	Implementation Status
1.Describe the Board's and management's oversight and governance of climate-related risks and opportunities.	Climate risk management of Kenmec Machinery is overseen by the Sustainability Committee, which is responsible for the identification, assessment, and decision-making of climate-related issues. The implementation status is regularly reported by the Chairperson of the Committee to senior management, along with performance results and recommendations for improvement. The Board of Directors reviews the annual results and the following year's work plan in the fourth quarter each year and makes necessary adjustments to continuously enhance the climate risk management mechanism. Climate-related issues and management objectives are also incorporated into the Company's overall sustainability strategy. In accordance with the "Sustainable Development Roadmap for TWSE/TPEx Listed Companies" issued by the Financial Supervisory Commission in March 2022, the Company, with paid-in capital below NT$5 billion, falls under the third phase of greenhouse gas (GHG) management requirements. The Company plans to complete its GHG inventory in 2026 and obtain verification in 2028. The Company will continue to follow regulatory requirements and guidelines to enhance disclosure quality and climate governance transparency.
2.Describe how identified climate risks and opportunities affect the Company's business, strategy, and financial planning (short-, medium-, and long-term).	To assess the potential impacts of climate-related risks and opportunities on business strategy and operations, the Company adopts both qualitative and quantitative analyses based on the TCFD framework. The "2°C scenario (2DS)" is used as the primary benchmark. The Company defines short-term (1–3 years), medium-term (4–6 years), and long-term (7–10 years) horizons for evaluation.

	Climate risks are categorized into transition risks (including policy and regulatory, technology, market, and reputational risks) and physical risks (acute and chronic). Climate-related opportunities are assessed across five dimensions: resource efficiency, energy transition, product and service innovation, market expansion, and organizational resilience, to enhance sustainable competitiveness.
3.Describe the financial impacts of extreme climate events and transition actions.	(1) Transition Risks: The Company has identified two major transition risks, primarily related to policy and regulatory changes. With the amendment of the Greenhouse Gas Reduction and Management Act into the Climate Change Response Act in 2024, carbon fees may be imposed, potentially increasing operating costs. Additionally, increasing demand for low-carbon products may lead to technology substitution risks. However, as the Company is not a high carbon-emission industry, the overall financial impact is expected to be limited. Mitigation measures include conducting GHG inventories, evaluating renewable energy procurement, installing energy-saving equipment, and setting carbon reduction targets. Regulatory compliance and training will be strengthened, and low-carbon product development will be pursued in collaboration with customers. (2) Physical Risks: Two major physical risks have been identified: acute and chronic risks. Increased extreme weather events (e.g., typhoons and heavy rainfall) may cause flooding and equipment damage, leading to increased costs. To mitigate these risks, climate considerations have been

	incorporated into facility design, including installation of flood barriers. Operational measures such as partial power shutdown during non-essential periods are also implemented to enhance resilience and energy efficiency.
4.Describe how the processes for identifying, assessing, and managing climate risks are integrated into the overall risk management system.	Step1： The Sustainability Committee collects climate-related data and defines disclosure scope and risk assessment. Step2： Establish a list of climate risks and opportunities. Step3： Analyze the impact of risks and opportunities on operations and identify material risks. Step4： Develop response strategies and set targets. Step5： Conduct annual rolling reviews of strategies and performance through the Sustainability Committee.
5.If scenario analysis is used, describe assumptions, parameters, and financial impacts.	Currently, no scenario analysis has been conducted to assess climate resilience.
6.If transition plans exist, describe them and related metrics and targets.	Currently, no transition plan has been established for managing climate-related risks.
7.If internal carbon pricing is used, describe the basis.	Currently, no internal carbon pricing mechanism is in place.
8.If climate-related targets are set, describe scope, timeline, and progress.	Currently, no climate-related targets have been established.
9.GHG inventory and assurance status, and reduction strategies (see Tables 1-1 and 1-2).	The status of GHG inventory and assurance is presented in the following tables.

1-1 Greenhouse Gas Inventory and Assurance Status for the Most Recent Two Years

1-1-1 Greenhouse Gas Inventory Information

Please disclose the greenhouse gas emissions (in metric tons of CO_2e), emission intensity (metric tons of CO_2e per NT$1 million), and the scope of data coverage for the most recent two years.

Year	Scope 1	Scope 2	Emission Intensity	Scope of Data Coverage	GHG Inventory Standard
2024	838.2	951.4	0.8700	Parent Company	ISO 14064-1:2018
2025	569.2	392.0	0.36	Parent Company	GHG PROTOCOL

1-1-2 Greenhouse Gas Assurance Information

Please describe the assurance status for the most recent two years as of the date of publication of this annual report, including the scope of assurance, assurance provider, assurance standards, and assurance opinion.

As the Company is the parent company of a TPEx-listed company with paid-in capital of less than NT$5 billion, it is required to complete disclosure of greenhouse gas inventory information starting from 2026 and disclosure of assurance information starting from 2028.

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

Please describe the base year and related data for greenhouse gas reduction, reduction targets, strategies, specific action plans, and the status of achievement of such targets.

The Company has adopted 2022 as the baseline year for emissions and continues to promote emission reduction. The Company aims to reduce greenhouse gas emission intensity by 1% annually, with a commitment to achieving an environmentally friendly policy characterized by low pollution and low energy consumption.
Strategy:
In fulfillment of its corporate social responsibility, the Company actively promotes its ESG initiatives. Through its products, the Company strives to contribute to environmental sustainability and the long-term sustainable development of the Group.
Specific Action Plans:
1.Promote energy-saving and water conservation policies, adopt water-efficient equipment, replace lighting with energy-efficient fixtures, and implement lights-off measures during lunch breaks.
2.Actively promote digitalization by adopting electronic approval systems to reduce paper consumption.

3.Replace outdated and low-efficiency energy-consuming equipment to improve energy efficiency.
4.Install solar panels on factory rooftops to generate renewable energy.
The target for reducing greenhouse gas emission intensity has not yet been achieved. The Company will continue to implement carbon reduction initiatives and progressively reduce emissions.

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

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

Item	State of operation			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
(III) Does the Company specify the operating procedures, behavior guidelines, discipline of violation and complaint system in the prevention program for unethical conduct, and implement the program accordingly? Does the Company regularly review and modify the program mentioned above?	V		(III) The Company has established policies and procedures to prevent unethical conduct, including codes of conduct, disciplinary measures, and complaint mechanisms, and ensures their implementation. To promote effective enforcement, the Company conducts regular training and awareness programs covering ethical business practices, legal compliance, information security, and internal control. In 2025, a total of 3,899 training attendances were recorded, with approximately 6,892 training hours. Monthly ethics briefings are also conducted to strengthen employees' compliance awareness. The Company regularly reviews and updates its Code of Ethical Conduct and related systems in response to operational needs and regulatory changes.	No deviation
II. Implementation of ethical business				
(I) Does the company have the integrity record of the trading counterparty assessed and the clauses of ethical conduct expressed in the contract signed between them?	V		(I) The Company requires its stakeholders with business relationships (including suppliers) to comply with its ethical standards and integrity policies, and regularly promotes its ethical management principles to prevent unethical conduct. In 2025, the Company had 164 suppliers, of which 143 (approximately 87%) had signed the "Supplier Code of Conduct" and "Integrity Commitment Statement."	No deviation
(II) Does the Company establish a specific unit for the board of directors to promote corporate ethical business and regularly (at least once a year) report the ethical corporate management policy, prevention program of unethical conduct and implementation status of supervision to the board of directors?		V	(II) The Company has established the "Procedures for Ethical Management and Guidelines for Conduct," with the Office of the General Manager serving as the dedicated unit to coordinate integrity management efforts across departments. At least once a year, a report is submitted to the Board of Directors. On March 7, 2025, the Company reported the implementation status of its ethical management system to the Board.	No deviation
(III) Has the company formulated a conflict of interest prevention policy, provided appropriate reporting channels, and implemented it?	V		(III) All new employees are required to commit, upon signing their employment contracts, not to engage in any illegal or unethical business conduct and to sign relevant integrity and ethical commitment statements, with a signing rate of 100%. Directors and senior management have also signed integrity declarations to strengthen corporate governance.	No deviation

Item	State of operation			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			The Company has established procedures for handling reports of illegal, unethical, or dishonest conduct and has set up reporting channels (e.g., email: kenmec@kenmec.com) for employees and relevant parties to raise concerns.	
(IV) Does the Company establish an effective accounting system and internal control system to implement ethical business and draft relevant audit plans by the internal audit unit based on the risk assessment results of the unethical conduct? Is the compliance of the prevention program for unethical conduct audited accordingly by the audit office or committed accountants?	V		(IV) The Company has established its accounting system and internal control system in accordance with applicable regulations. Internal audits are conducted based on risk assessments and implemented according to the audit plan, with results reported to the Board of Directors. All financial statements are audited by certified public accountants to ensure fairness and accuracy.	
(V) Does the company organize regular internal and external education and training for corporate ethical corporate management?	V		(V) The Company has established "Integrity, Ethics and Confidentiality Clauses" and related ethical management policies, embedding integrity into its corporate culture and daily operations, and using them as the basis for training and awareness programs. In addition to regular internal training on ethical management, employees are encouraged to participate in external professional courses as needed to enhance compliance and integrity awareness. Monthly ethics briefings and internal meetings are also conducted to reinforce employees' understanding and implementation of ethical conduct, thereby ensuring effective execution of the Company's integrity policies.	
III. The operation of reporting system				
(I) Has the company established reporting and reward systems, convenient reporting channels and had a representative assigned to handle such issues?	V		(I) The Company has established the "Procedures for Handling Reports of Illegal, Unethical, or Dishonest Conduct" and set up a dedicated whistleblowing mailbox and hotline for internal and external use. The audit unit is the primary responsible department for handling such reports.	No deviation
(II) Has the company implemented any standard procedures and/or subsequent measures after carrying out an investigation or confidentiality measures for handling reported misconduct?	V		(II) In the event of an integrity violation, the Company convenes a material disciplinary committee made up of senior executives from across departments to review the matter. If the integrity violation is significant, the Company will report the matter to the Board of Directors' meeting in accordance with related laws and operating procedures, while enforcing related the confidentiality mechanism.	No deviation

Item	State of operation			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
(III) Has the company adopted measures for protecting whistle-blowers from inappropriate disciplinary actions due to whistle-blowing?	V		(III) Our whistle-blowing process is strictly confidential, and no disciplinary action will be taken against the whistle-blower.	No deviation
IV. Enhancing Information Disclosure Does the company have the contents of the Ethical Corporate Management Best Practice Principles and its implementation disclosed on the website and MOPS?	V		The Company discloses its integrity philosophy, core values of "Integrity, Accountability, Improvement, and Innovation," and specific codes of conduct on its official website. The "Code of Integrity Management" is also published online, and the Company's efforts in implementing integrity practices are disclosed in the annual report.	No deviation
V. If the Company has established its own "Code of Integrity Management" in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies," please explain its implementation and any differences from the recommended guidelines: The Company's "Code of Integrity Management" was approved by the Board of Directors on March 10, 2023, and is fully implemented in compliance with the relevant principles.				
VI. Other important information to help understand the Company's implementation of integrity management (e.g., review or amendment of the Company's Code of Integrity Management): The Company will revise its "Code of Integrity Management" as needed, based on operational developments and relevant regulations, to ensure timely compliance and effective governance.				

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

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

(8) Implementation of the internal control system

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

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

(9) Material resolutions of a shareholders' meeting or a Board of Directors' meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

A. The Company's 2025 Annual General Meeting was held on May 29, 2025. Resolutions made by the shareholders present at the meeting and the status of implementation are as follows:

Item	Resolutions made by shareholders' meeting	Implementation status
1	Passed the motion for 2024 business report and financial statements.	The resolution was passed and implemented.
2	Passed the motion for 2024 earnings distribution.	There are no proposals for earnings distribution as we suffered losses in 2024.
3	Motion for amendments to the Company's "Articles of Incorporation."	It was passed by resolution and has been handled in accordance with the established procedures.
4	Motion for election of directors (including independent directors); List of directors elected: Ming-Kai Hsieh, Ching-Fu Hsieh, Chou-Huang Pai, Yueh-Chen Lin. List of independent directors elected: Yi-Yu Li, Chu-Ju Peng, Chien Chou-Chu	The registration of the lists was approved by the competent authority and announced on the Company's website on July 11, 114.
5	Approved the motion for lifting the restriction for new directors and their representatives from competition.	Approved by resolution.

B. The following is a summary of the significant resolutions made by the Company's Board of Directors from January 1, 2025 to the publication of the annual report:

Year - session	Date of meeting	Resolution	Matters stipulated in §14-3 or §14-5 of the Securities and Exchange Act	Opinions of the independent directors and the Company's handling of their opinions
2025-1	2025/03/07	1. Motion for the acknowledgment of the Company's 2024 business report, financial statements and consolidated financial statements.	V	None
		2. Motion for the issuance of the Company's 2024 internal control system declaration.		None
		3. Motion for the Company's 2024 earnings distribution; please review.		None
		4. Proposal for distribution of dividends to shareholders from capital surplus, submitted for review and approval.		None
		5. Motion for the issuance of the Company's 2024 internal control system declaration.	V	None
		6. Motion for the appointment of the Company's CPAs and the evaluation of their independence.	V	None
		7. Passed the Company's 2025 budget.		None
		8. Motion for the recognition of 2024 related parties, specific companies and enterprise groups.		None
		9. Motion for the Amendment to the Company's Articles of Incorporation		None
		10. Date, time, location and motions for the convening the Company's 2025 Annual General Meeting		None
		11. Motion to conduct a full re-election of the Board of Directors.		None
		12. Proposal for the approval of the list of director and independent director candidates, as nominated and reviewed by the Board.		None
		13. Motion to release newly appointed directors and their representatives from restrictions on engaging in competing businesses.		None
		14. Proposal to establish the 'Organizational Charter of the Sustainability Development Committee' of the Company.		None
		15. Proposal for the disposal of the Company's entire 100% shareholding in its subsidiary, Kenmec Construction Co. , Ltd.	V	None
		16. Motion for the proposed loaning of funds of NTD75 million to the Company's subsidiary –Taisic Materials Co., Ltd.	V	None
		17. Proposal to ratify the Company's endorsement and guarantee in the amount of NT$40 million for Kentec Inc.	V	None
		18. Proposal for the business integration of the Company's Thermal Division into Kentec Inc.	V	None
		19. Proposal to fully waive participation in the cash capital increase of Kentec Inc.	V	None
		20. Proposal for the definition of the scope of 'junior employees' and the revision of the Company's Internal Control System.	V	None
		21. Motion for the proposed loaning of funds of RMB 20 million to the Company's subsidiary – KENMEC Mecha-Tronics (Suzhou) Co., Ltd.	V	None
		22. Proposal to replace the Company's Chief Financial Officer and Corporate Governance Officer.	V	None
		23. Proposal to formulate a supplementary agreement to the share transfer agreement between the Company and Kentec Inc.	V	None

Year - session	Date of meeting	Resolution	Matters stipulated in §14-3 or §14-5 of the Securities and Exchange Act	Opinions of the independent directors and the Company's handling of their opinions
2025-2	2025/05/09	1. Ratification of the motion for the Company's consolidated financial statements for Q1 2025.	V	None
		2. Motion for the proposed loaning of funds of NTD120 million to the Company's subsidiary –Taisic Materials Co., Ltd.	V	None
2025-3	2025/08/08	1. Ratification of the motion for the Company's consolidated financial statements for Q2 2025.	V	None
		2. Proposal for the Issuance of the Company's 2024 Sustainability Report		None
		3. Proposal for the Appointment of the Company's Chief Sustainability Officer		None
		4. Proposal to ratify the Company's endorsement and guarantee in the amount of NT$30 million for Kentec Inc.	V	None
		5. Proposal to ratify the Company's endorsement and guarantee in the amount for Kentec Inc.	V	None
		6. Motion for the proposed loaning of funds of RMB 20 million to the Company's subsidiary – KENMEC Mecha-Tronics (Suzhou) Co., Ltd.	V	None
		7. Motion for the proposed loaning of funds of NTD195 million to the Company's subsidiary –Taisic Materials Co., Ltd.	V	None
		8. Proposal for the Appointment of Mr. Su Sheng-Che, Senior Manager, as the Company's Head of Internal Audit.	V	None
2025-4	2025/11/07	1. To propose the replacement of the Company's Certified Public Accountant.	V	None
		2. Proposal for the Pre-Approval of Non-Assurance Services Provided by the External Auditor	V	None
		3. Ratification of the motion for the Company's consolidated financial statements for Q3 2025.	V	None
		4. Motion for the 2026 audit plan.		None
		5. Motion for the Amendment to the Company's Articles of Incorporation		None
		6. Proposal to ratify the Company's endorsement and guarantee in the amount of NT$30 million for Kentec Inc.	V	None
2026-1	2026/03/04	1. Motion for the acknowledgment of the Company's 2025 business report, financial statements and consolidated financial statements.	V	None
		2. Motion for the distribution of the Company's 2025 remuneration to employees(including rank-and-file employees) and directors.		None
		3. Motion for the Company's 2025 earnings distribution; please review.		None
		4. Proposal for distribution of dividends to shareholders from capital surplus, submitted for review and approval.		None
		5. Motion for the issuance of the Company's 2025 internal control system declaration.	V	None
		6. Passed the Company's 2026 budget.		None
		7. Motion for the recognition of 2025 related parties, specific companies and enterprise groups.		None
		8. Proposal for Full Participation in the Cash Capital Increase of Taisic Materials Co., Ltd.	V	None
		9. Motion for the proposed loaning of funds of NTD150 million to the Company's subsidiary –TAI VISION CO., LTD.	V	None

Year - session	Date of meeting	Resolution	Matters stipulated in §14-3 or §14-5 of the Securities and Exchange Act	Opinions of the independent directors and the Company's handling of their opinions
		10. Motion for the proposed loaning of funds of NTD70 million to the Company's subsidiary –Taisic Materials Co., Ltd.	V	None
		11. Date, time, location and motions for the convening the Company's 2026 Annual General Meeting		None
		12. Proposal to Authorize the Company to Dispose of Its Shareholdings in Kentec Inc. in Tranches and to Waive Participation in Its Cash Capital Increase in Connection with Its Listing (or OTC Listing) Plan	V	None
		13. Motion for the cancellation of the proposed loaning of remaining funds of RMB 20 million to subsidiary – KENMEC Mecha-Tronics (Suzhou) Co., Ltd.	V	None
		14. Motion for the proposed loaning of funds of RMB 20 million to the Company's subsidiary – KENMEC Mecha-Tronics (Suzhou) Co., Ltd.	V	None
		15. Motion for the acknowledgment of the Company's 2025 business report, financial statements and consolidated financial statements.		None

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

None.

4. Independent Auditor Fee Information

Accounting firm	Name of CPA		Audit period	Remark
Deloitte & Touche Taiwan	Willy M Yu	LI-HUANG LI	2025.01.01~2025.06.30	None
Deloitte & Touche Taiwan	Tsai Danny	Willy M Yu	2025.07.01~2025.12.31	None

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

(1) Information on CPA Audit Fees

Unit: NTD thousand

Accounting firm name	Name of CPA	Audit period	Audit Fee	Non-audit remuneration	Total
Deloitte & Touche Taiwan	LI-HUANG LI	2025.01.01-2025.06.30	3,930	820	4,750
	Willy M Yu	2025.01.01-2025.12.31			
	Tsai Danny	2025.07.01-2025.12.31			
Non-audit fees include NT$300 thousand for tax certification services, NT$250 thousand for transfer pricing services, NT$60 thousand for maintenance of offshore companies, NT$150 thousand for pro forma parent-only and consolidated financial statements, NT$17 thousand for certificates of incumbency for offshore company directors, NT$20 thousand for the initial filing of the register of beneficial owners and shareholders of BVI entities, and NT$23 thousand for travel expenses related to inventory observation of PRC investee companies.					

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

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

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

None.

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

None.

5. Information on Replacement of CPA:

(1) Former CPAs

Date of Change	2025.11.12			
Reasons and Explanation of Changes	In accordance with relevant regulations on CPA rotation, starting from the third quarter of 2025, the Company's certifying CPAs were changed from Willy M Yu and LI-HUANG LI to Tsai Danny and Willy M Yu .			
State Whether the Appointment Is Terminated or Rejected by the Consignor or CPAs	Client / Status		CPA	Consignor
	Appointment terminated automatically		N/A	N/A
	Appointment rejected (discontinued)		N/A	N/A
Opinions and reasons for audit reports other than unqualified opinions issued within the latest two years	None			
Any disagreement with the issuer	YES		accounting principles or practices	
			Financial Report Disclosure	
			Check scope or steps	
			Others	
	NO	V		
	Illustrate			
Supplementary Disclosure (Disclosures Specified in Article 10.6.1.4~7 of the Standards)	None			

(2) Successor CPAs

Accounting firm	Deloitte & Touche Taiwan
CPA	Tsai Danny and Willy M Yu
Date of appointment	2025.11.12
Consultation matters and results regarding accounting treatment methods or accounting principles for specific transactions and possible issuance of opinions on financial reports before appointment	None
Successor accountant vs. predecessor accountant Written opinions on matters with different opinions	None

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

None.

6. Where the company's chairman, president, or any manager in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held, shall be disclosed.

None.

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

(1) Changes in Shareholding

Unit: Shares

Title	Name	2025		By March 23 of 2026	
		No. of increase (decrease) of shares held	No. of increase (decrease) of shares pledged	No. of increase (decrease) of shares held	No. of increase (decrease) of shares pledged
Director and Chief Strategy Officer	CHING-FU HSIEH	None	None	None	None
Director and Special Assistant to the Chairman	YUEH-CHEN LIN	None	None	None	None
Director	CHOU-HUANG PAI	4,587,086	None	None	None
Chairman and Chief Sustainability Officer	MING-KAI HSIEH	None	None	None	None
Independent director	YI-YU LI	None	None	None	None
Independent director	CHU-JU PENG	None	None	None	None
Independent director	CHIEN-CHOU CHU	None	None	None	None
General Manager of the Operation and Management Center	LI-CHUAN SHEN	(60,000)	None	None	None
Managing director	CHIH-CHUN KE	(122,000)	None	None	None
Vice President, Automation Business Group	LIEN-YUAN WENG	(16,000)	None	None	None
Vice President, Automation Business Group	MING-CHIH HSIEH	(25,000)	None	None	None
Director of Finance and Chief Accounting Officer	YA-LING CHU	None	None	None	None
Associate of Automation Business Group	Zhang Zhimao	None	None	(6,000)	None

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

None.

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

None.

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

Mar 23, 2026 (Note)

Name (Note 1)	Shares held by the shareholder		Shareholdings of spouse and underage children		Total shares held in the names of others (Note 2)		Names and relationship of top 10 shareholders who are related parties, spouses or within second-degree of kinship to each other under Statements of Financial Accounting Standards – 6 (Note 3)		Remarks
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Title (or name)	Relationship	
Wei-Xin Investment Co., Ltd.	20,242,541	7.82	-	-	-	-	None	None	None
Wei-Xin Investment Co., Ltd. Representative: CHING-FU HSIEH	14,267,707	5.51	10,330,345	3.99	20,242,541	7.82	CHING-FU HSIEH	Person in charge	None
							YUEH-CHEN LIN	Spouse of the person in charge	
CHING-FU HSIEH	14,267,707	5.51	10,330,345	3.99	20,242,541	7.82	YUEH-CHEN LIN	Husband-wife	None
							Wei-Xin Investment Co., Ltd.,	Person in charge	
Zhao Cheng Investment Co., Ltd.	13,414,651	5.18	-	-	-	-	None	None	None
Zhao Cheng Investment Co., Ltd. Representative: CHOU-HUANG PAI	4,587,086	1.77	1,205,606	0.47	13,414,651	5.18	CHOU-HUANG PAI	Person in charge	None
YUEH-CHEN LIN	10,330,345	3.99	14,267,707	5.51	-	-	CHING-FU HSIEH	Husband-wife	None
							Wei-Xin Investment Co., Ltd.	Spouse of the person in charge	
CHOU-HUANG PAI	4,587,086	1.77	1,205,606	0.47	13,414,651	5.18	Zhao Cheng Investment Co., Ltd., Preparatory Office	Person in charge	None
Wen-Wan Tang	2,393,000	0.92	-	-	-	-	None	None	None
Advanced Trust – Int'l Equity Index Trust II (Custodian: Standard Chartered Bank)	2,368,868	0.91	-	-	-	-	None	None	None
Advanced Starlight Global Equity Index Fund – Investment Account (Custodian: JPMorgan)	2,344,363	0.91	-	-	-	-	None	None	None
MING-KAI HSIEH	2,196,346	0.85	8,032	0.00	-	-	CHING-FU HSIEH	Father–Son Relationship	None
							YUEH-CHEN LIN	Mother–Son Relationship	
YONG-CHANG CAI	1,405,000	0.54	-	-	-	-	None	None	None

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

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

Note 2: The calculation of proportion of shareholding shall be the holding by the person, spouse, and dependents or in the name of a third party separately.
Note 3: The aforementioned shareholders for disclosure shall include institutional shareholders and natural persons, with the relations between the shareholders as required by the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

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

March 23, 2026/Unit: thousand shares; %

Invested enterprise (Note 1)	Invested by the Company		Held by directors, supervisors, managers, and directly or indirectly controlled enterprises (Note 2)		Aggregate investment	
	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage
KENMEC INT'L HOLDING (BVI) CO., LTD.	38,039	100.00	-	-	38,039	100.00
KENMEC MECHA-TRONICS (SUZHOU) CO., LTD.	-	-	-	100.00	-	100.00
KENMEC AUTOMATION ENGINEERING (KUNSHAN)	-	-	-	100.00	-	100.00
Suzhou Kenmec Property Development Ltd.	-	-	-	76.88	-	76.88
KENMEC COMMUNICATION HOLDING (BVI) CO., LTD.	28,087	100.00	-	-	28,087	100.00
KENMEC TECHNOLOGY (SUZHOU) CO., LTD.	-	-	-	100.00	-	100.00
Anhui Rongyun Real Estate Development Co., Ltd	-	-	-	41.18	-	41.18
KENMEC VIETNAM COMPANY LIMITED	-	100.00	-	-	-	100.00
Chief Global Logistics Co., Ltd.	2,321	58.30	480	12.00	2,801	70.30
KENMEC AUTOMATION (THAILAND) CO., LTD	1,129	99.99	1	0.01	1,130	100.00
Kentec Inc.	47,252	81.47	1,378	2.38	48,630	83.85
KENTEC ELECTRONICS (SUZHOU) CO., LTD.	-	-	-	31.53	-	31.53
Kentec USA Corporation	-	-	1	82.54	1	82.54
Tainergy Tech. Co., Ltd.	61,133	27.17	658,723	0.29	719,856	27.46
TAINERGY TECH HOLDING (SAMOA) CO., LTD.	-	-	-	27.17	-	27.17
Tainergy Technology (Kunshan) Co., Ltd.	-	-	-	27.17	-	27.17
Kunshan Kunfu Electronic Materials Co., Ltd.	-	-	-	27.17	-	27.17
VIETNERGY COMPANY LIMITED	-	-	-	27.17	-	27.17
Star Solar New Energy Co., Ltd.	-	-	500	9.70	500	9.70
TAISIC MATERIALS CO.	5,984	8.55	29,599	11.49	35,583	20.04
TAI VISION CO., LTD.	-	-	5,678	12.07	5,678	12.07
Thuntech Co., Ltd.	-	-	50	27.17	50	27.17

Note 1: Investment accounted for under the equity method.
Note 2: Number of shares held on the date for the most recent suspension of share transfer

III. Financing Status

1. Capital and shares.

(1) Equity capital sources

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

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

Note:

1. In August 1999, the cash capital increase was NTD 113,000 thousand and capital increase by earnings was NTD 57,000 thousand, totaling NTD 170,000 thousand, 17,000 thousand shares. It was approved by the Financial Supervisory Commission, Securities and Futures Bureau, Ministry of Finance with an order Letter Tai-Cai-Zheng(1) No. 57778 dated July 5, 1999.
2. In September 2000, the capital increase by earnings was NTD 90,000 thousand, totaling 9,000 thousand shares. It was approved by the Financial Supervisory Commission, Securities and Futures Bureau, Ministry of Finance with an order Letter Tai-Cai-Zheng(1) No. 74732 dated September 4, 2000.
3. In July 2001, the capital increase by earnings was NTD 45,000 thousand, totaling 4,500 thousand shares. It was approved by the Financial Supervisory Commission, Securities and Futures Bureau, Ministry of Finance with an order Letter Tai-Cai-Zheng(1) No. 143497 dated July 9, 2001.
4. In September 2002, the capital increase by earnings was NTD 49,500 thousand, totaling 4,950 thousand shares. It was approved by the Financial Supervisory Commission, Securities and Futures Bureau, Ministry of Finance with an order Letter Tai-Cai-Zheng(1) No. 0910143083 dated August 1, 2002.
5. In April 2003, the capital increase by earnings was NTD 64,644 thousand, totaling 6,464 thousand shares. It was approved by the Financial Supervisory Commission, Securities and Futures Bureau, Ministry of Finance with an order Letter Tai-Cai-Zheng(1) No. 0920114592 dated April 28, 2003.
6. In September 2004, the capital increase by earnings was NTD 36,657 thousand, totaling 3,666 thousand shares. It was approved by the Financial Supervisory Commission, Securities and Futures Bureau, Executive Yuan with an order Letter Zheng-Qi(1) No. 0930129120 dated July 5, 2004.
7. In May 2005, the cash capital increase was NTD 150,000 thousand, totaling 15,000 thousand shares. It was approved by the Financial Supervisory Commission, Securities and Futures Bureau, Executive Yuan with an order Letter Jing-Guan-Zheng(1) No. 0940116373 dated May 18, 2005.
8. In July 2005, the capital increase by earnings was NTD 39,121 thousand, totaling 3,912 thousand shares. It was approved by the Financial Supervisory Commission, Securities and Futures Bureau, Executive Yuan with an order Letter Jing-Guan-Zheng(1) No. 0940130324 dated July 26, 2005.
9. The second domestic unsecured convertible bonds issued in 2004 were converted by February 2006.
10. In April 2006, the cash capital increase was NTD 200,000 thousand, totaling 20,000 thousand shares. It was approved by the Financial Supervisory Commission, Securities and Futures Bureau, Executive Yuan with an order Letter Jing-Guan-Zheng(1) No. 0950112190 dated April 20, 2006.
11. In September 2006, the capital increase by earnings was NTD 118,876 thousand, totaling 11,887 thousand shares. It was approved by the Financial Supervisory Commission, Securities and Futures Bureau, Executive Yuan with an order Letter Jing-Guan-Zheng(1) No. 0950139751 dated September 5, 2006.
12. In June 2007, the capital increase by earnings was NTD 80,322 thousand, totaling 8,032 thousand shares. It was approved by the Financial Supervisory Commission, Securities and Futures Bureau, Executive Yuan with an order Letter Jing-Guan-Zheng(1) No. 0960029584 dated July 27, 2007.
13. In August 2008, the capital increase by earnings was NTD 86,960 thousand, totaling 8,696 thousand shares. It was approved by the Financial Supervisory Commission, Securities and Futures Bureau, Executive Yuan with an order Letter Jing-Guan-Zheng(1) No. 0970024044 dated June 6, 2008.
14. In May 2009, the capital increase by earnings and employee bonuses was NTD 158,475 thousand, totaling 15,848 thousand shares. It was approved by the Financial Supervisory Commission, Securities and Futures Bureau, Executive Yuan with an order Letter Jing-Guan-Zheng(1) No. 0980019033 dated May 6, 2009.
15. In October 2009, the cash capital increase was NTD 300,000 thousand, totaling 30,000

thousand shares. It was approved by the Financial Supervisory Commission, Securities and Futures Bureau, Executive Yuan with an order Letter Jing-Guan-Zheng-Fa No. 0980052623 dated October 15, 2009.

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

March 23, 2026 Unit: thousand shares; %

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

Shelf Registration in Taiwan: None

(2) List of major shareholders

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

March 23, 2026 (Note)

Name of major shareholder/shareholding	Number of shareholding	Shareholding percentage (%)
Wei-Xin Investment Co., Ltd. Representative:CHING-FU HSIEH	20,242,541	7.82
CHING-FU HSIEH	14,267,707	5.51
Zhao Cheng Investment Co., Ltd. Representative:CHOU-HUANG PAI	13,414,651	5.18
YUEH-CHEN LIN	10,130,345	3.99
CHOU-HUANG PAI	4,587,086	1.77
Wen-Wan Tang	2,393,000	0.92
Advanced Trust – Int'l Equity Index Trust II (Custodian: Standard Chartered Bank)	2,368,868	0.91
Advanced Starlight Global Equity Index Fund – Investment Account (Custodian: JPMorgan)	2,344,363	0.91
MING-KAI HSIEH	2,196,346	0.85
YONG-CHANG CAIi	1,405,000	0.54

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

(3) Dividend Policy and Execution Status

A. Dividend Policy as Specified in the Articles of Incorporation

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

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

B. Proposed dividend distribution for the year:

Unit: NTD

Item	Amount
Undistributed earnings at the beginning of the period	224,446,153
Add: Disposal of investments in equity instruments esignated at fair value through other comprehensive income	6,429,464
Add: Defined benefit plan remeasurement amount to adjust retained earnings	1,513,597
Adjusted Unappropriated Retained Earnings	232,389,214
Add: Net income after tax for the period	26,179,659
Less: Profits set aside as legal reserves (10%)	(3,412,272)
Distributable earnings for the current period	255,156,601
Distribution of earnings for the current period:	
Shareholder bonus – cash	(25,901,115)
Total amount distributed	(25,901,115)
Undistributed earnings at the end of the period	229,255,486
Notes: 1.Cash dividends of NT$0.4 per share will be distributed from capital surplus. 2.Employee compensation of NT$1,856,080 and directors' and supervisors' remuneration of NT$355,961 are proposed. All payments will be made in cash.	

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

There is no stock dividend distribution for the year.

(5) Employee remuneration to directors, and supervisors

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

If there is a profit for the year, the Company shall first pay taxes and cover previous losses, then set aside 10% as the legal reserve. As required by the law or competent authorities, a special reserve shall also be set aside. The remaining profit and the "adjustment for the undistributed earnings for the year" shall then be used for earnings distribution as proposed by the Board of Directors and approved by the shareholders' meeting.

Of such earnings, 5%–15% of the current year's pre-tax net income shall be allocated as employee remuneration (of which not less than 1% shall be allocated to non-managerial employees), and 1%–3% shall be allocated as remuneration to directors and supervisors. In addition, employees eligible to receive stock bonuses may include employees of affiliated companies who meet certain criteria.

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

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

The motion for the 2025 earnings distribution was resolved by the Board of Directors' meeting held on March 4, 2026, pending resolution at the shareholders' meeting. According to Article 20 of the "Articles of Incorporation", 5%–15% of the Company's annual net profits before tax, if any, shall be appropriated as employee remuneration, and 1%–3% of the said profits shall be appropriated as directors' remuneration.

The performance evaluation of the remuneration to directors includes participation

in the operation of the Company, improvement of the quality of the Board of Directors' decision making, composition and structure of the Board of Directors, election and continuing education of the directors, and internal control.

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

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

If there is any change in the amount on the date of resolution made by the shareholders' meeting, the changed amount shall be treated as a change in accounting estimates and accounted for in the year of resolution made by the shareholders' meeting. If there is still a change in the amount, it is adjusted into the accounts on the shareholders' meeting the following year. If remuneration is resolved to be distributed to employees in shares, the number of shares is determined by dividing the amount of bonus by the closing price (after considering the effect of cash and stock dividends) of the shares of the day preceding the shareholders' meeting. In 2025, the remuneration distribution of the Company's annual profit is determined with reference to the office term of the directors, the number of times directors attend board meetings, and their contribution to the Company (including, but not limited to, the number of the Company's shares held and provision of endorsement/guarantee for the Company).

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

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

  The earnings distribution plan for 2025 was approved by the Board of Directors on March 4, 2026. For fiscal 2025, it is proposed to allocate employee compensation of NT$1,856,080 and director compensation of NT$355,961, both to be distributed in cash.
- The amount of employee remuneration distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee remuneration: Not Applicable.
- Assumed earnings per share after considering the remuneration to employees, directors and supervisors: It does not affect earnings per share as remuneration to employees and directors is distributed in cash.

d. The actual distribution of employee, director, and supervisor remuneration for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor remuneration, additionally the discrepancy, cause, and how it is treated: None.

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

The Company did not repurchase any of its shares during 2025 or up to the date of the annual report.

2. Issuance of corporate bonds

(1) Corporate Bond Issuance Status

Type		Fifth Unsecured Convertible Bond
Issue Date		June 21, 2024
Denomination		NT$100,000
Issuance and Trading Location		Republic of China (Taiwan)
Issuance Price		NT$118.47 per bond (via competitive auction)
Total Amount		NT$600,000,000
Interest Rate		0% per annum
Maturity		3 years, maturing on June 21, 2027
Guarantor		Not applicable
Trustee		Yuanta Commercial Bank Co., Ltd.
Underwriter		Yuanta Securities Co., Ltd.
Legal Counsel		Not applicable
CPA Certification		Not applicable
Repayment Method		In accordance with Article 6 of the Company's issuance and conversion terms; unless converted, put, or redeemed early, the bonds will be repaid at 100% face value in cash at maturity.
Outstanding Principal		NT$570,000,000
Redemption/Early Repayment Clauses		As per Articles 17 and 18 of the issuance and conversion terms
Restrictions		None
Credit Rating Agency, Date, and Result		Not applicable
Additional Rights	Amount Converted into Common Shares, GDRs, or Other Securities as of the Date of the Annual Report	NT$0
	Issuance and Conversion (Exchange or Subscription) Terms	Please refer to the Company's Terms for the Fifth Domestic Unsecured Convertible Bond Issuance and Conversion.
Potential Dilution & Shareholder Impact		Assuming full conversion at NT$112 per share, share capital would increase by 5,084,400 shares, representing 1.96% of current outstanding shares, with limited impact on shareholder equity.
Custodian for Exchange Assets		Not applicable

(2) Convertible Bond Information

Type		Fifth Unsecured Convertible Bond	
Item \ Year		2025	Up to March 31, 2026
Market Price of Convertible Bonds	Highest	110.00	101.00
	Lowest	94.85	98.30
	Average	101.29	99.54
Conversion Price		112.00	112.00
Issue Date and Conversion Price at Issuance		June 21, 2024 / NT$114.00	
Method of Conversion Obligation Fulfillment		Issuance of New Shares	Issuance of New Shares

(3) Exchangeable Bond Information:

None.

(4) Summary of Registered Corporate Bond Issuance:

None.

(5) Corporate Bonds with Warrants:

None.

3. Issuance of preferred stock

None.

4. Global Depositary Receipts (GDR) Status

None.

5. Issuance of employee stock option certificates

None.

6. Issuance of restricted stock awards for employees

None.

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

None.

8. Status of Fund Utilization Plan Execution

None.

IV. Business Operation

1. Business Items

(1) Business scope

A. Main content of the operated businesses:

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

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

B. Operating weight

Unit: NTD thousand

Major products	2024		2025	
	Amount	%	Amount	%
Automated logistics system	1,998,893	74.12	2,698,191	80.89
Solar cell	332,669	12.33	29,805	0.89
Electronics parts and components	219,017	8.12	481,902	14.44
Building (construction) materials	108,453	4.02	52,292	1.57
Others	37,993	1.41	73,639	2.21
Total	2,697,025	100.00	3,335,829	100.00

C. The Company's products (services)

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

e. Cold chain logistics equipment

D. New products (services) to be developed

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

(2) Overview of the industry:

A. Current situation and development of the industry

a. Automation-related industry

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

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

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

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

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

b. Solar power-related industry

2025 is regarded as a "turning point" in the global energy transition. Solar power and energy storage technologies are no longer merely auxiliary energy sources, but have officially become the backbone of newly built power generation facilities worldwide.

(a). Overall Global Market Scale

•Solar capacity reaches new highs:

Global solar installations are expected to reach approximately 655 GW in 2025, representing a growth of about 10% compared to 2024. Although the growth rate has slowed from the explosive expansion of previous years, solar energy now accounts for more than 80% of newly added renewable energy capacity worldwide.

•Energy storage surpasses the 100 GW milestone:

The year 2025 marks a milestone for the energy storage industry, with global annual installations exceeding 100 GW for the first time. Among these, utility-scale (front-of-the-meter) large-scale storage projects account for approximately 82% of the market share.

(b). Regional Development Status Analysis

Area	Key areas of solar energy development	Energy Storage Industry Dynamics
China	It accounts for approximately 60% of the world's new installed capacity, maintaining its position as the world's largest. The focus is shifting from "quantity" to "quality," emphasizing grid connection stability.	New types of energy storage (such as flow batteries and compressed air) are rapidly being commercialized, and policies mandate that new energy sources allocate 10-20% of their energy storage capacity.
Europe	Driven by the EU's "energy transition plan," Germany and Italy are the leaders.	By 2025, the EU's installed battery energy storage capacity will reach 27.1 GWh, with grid-scale energy storage surpassing the residential energy storage market for the first time.
USA	The Inflation Reduction Act (IRA) continues to exert its influence, with 54% of new electricity generated by 2025 coming from solar power.	Energy storage accounts for 25% of new electricity generation. Despite tariffs and policy uncertainties, demand remains strong in Texas and California.
Middle East and Africa	Saudi Arabia and the UAE are pushing forward with a gigawatt (GW)-level	Saudi Arabia has risen to become the world's seventh-largest energy storage market, using energy storage to address

	megawatt project at highly competitive costs.	grid fluctuations in desert regions.
Asia-Pacific (non-China)	India and Pakistan have seen a significant increase in installed capacity due to the availability of low-priced Chinese components.	Australia and India are actively building long-term energy storage systems to cope with the dispatch pressure brought about by the high proportion of green electricity.

(c). Core Technologies and Market Trends

- Solar + Storage integration becomes standard:
  Due to challenges such as the "duck curve" and negative electricity pricing in multiple countries (e.g., China, Chile, and certain U.S. states), most newly built solar power plants in 2025 are equipped with energy storage systems to enable time-shifting of energy.
- Growing demand for Long-Duration Energy Storage (LDES):
  Storage duration is evolving from the traditional 2-hour systems toward 4–8 hours. Countries such as Chile and Saudi Arabia have already launched multiple long-duration storage tenders to address energy supply gaps during nighttime when solar generation is unavailable.
- Supply chain restructuring and protectionism:
  The global supply chain in 2025 shows increasing fragmentation. The United States has imposed high tariffs on Chinese solar products (some exceeding 50–60%), promoting the localization of solar and battery manufacturing. However, this has also led to a 10–30% increase in project costs in certain regions.
- Full adoption of N-type technologies:
  Solar cell technology has completed a generational shift, with TOPCon and HJT (heterojunction) technologies replacing traditional PERC as the mainstream. Module conversion efficiencies have generally exceeded 22.5%.

c. Liquid cooling smart industry

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

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

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

a. Automation industry

The whole factory automatic logistics system includes conveyor system, automated storage, automated palletizer system and automated guided vehicles. Their main common materials include stainless steel, aluminum, PLC, pneumatic and hydraulic materials, motors, speed reducers, inverters, pneumatic cylinders, electrical boxes, belts/rollers/chains, gears, blockers, various optical and electrical switches, integrated computer systems and bearings,

and so on. Most of the raw materials can be supplied by manufacturers in Taiwan, while a few special materials are imported from Japan and Germany.

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

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

b. Solar Cell Industry

The solar and energy storage industries have evolved from operating independently to becoming “deeply integrated.” The supply chain relationships of these two industries are outlined below:

(a). Solar Industry Chain (PV Value Chain)

- Upstream: Raw materials and wafers

  This stage mainly includes the refining of polysilicon and the slicing of wafers. It is both capital- and energy-intensive, with China currently accounting for over 90% of global production capacity.
- Midstream: Cells and modules

  Solar cells are the technological core, determining conversion efficiency. Modules are formed by packaging the cells and are directly supplied to the end market.
- Downstream: System integration and power plant operations (EPC)

  This includes auxiliary equipment such as inverters, mounting structures, and cables (BOS), as well as the final development, installation, and operation & maintenance of solar power plants.

(b). Energy Storage Industry Chain (ESS Value Chain)

- Upstream: Battery materials

  Includes cathode materials (lithium, cobalt, nickel), anodes, electrolytes, and separators.
- Midstream: Core system components

  Cell: The cost core of the energy storage system (accounting for approximately 60%).

  BMS (Battery Management System): Responsible for battery safety monitoring.

  PCS (Power Conversion System): Handles AC/DC power conversion.

EMS (Energy Management System): The "brain" of the system, determining when to charge and discharge.

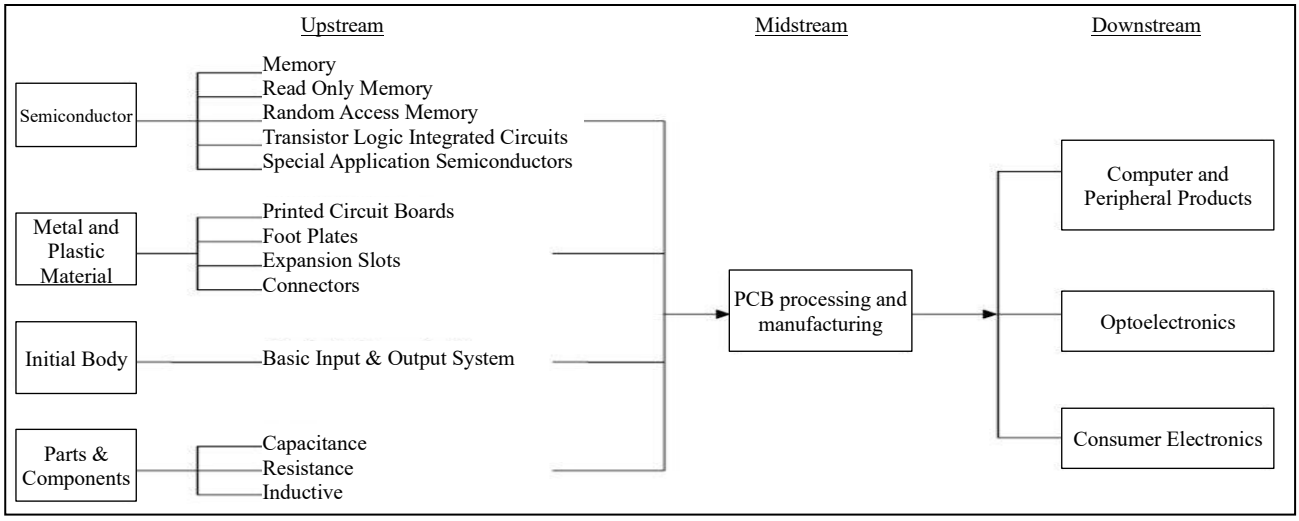
- Downstream: Integration and applications

These components are integrated into Battery Energy Storage Systems (BESS), typically in containerized form, and deployed in grid-scale (front-of-the-meter), commercial & industrial, or residential markets.

With the growing adoption of "solar + storage" integration, inverters have become the central link connecting solar generation and energy storage.

c. OEM parts & components industry

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



C. Development Trends of Products

a. Development Trend of Whole Factory Automated Logistics System

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

(a) Smart manufacturing: By integrating automation equipment data, remote monitoring and AI technology, each stage of the advanced manufacturing model in the production process is highly customized and made intelligent, further achieving cost reduction, manufacturing

efficiency improvement and quality optimization. This way, we will be able to meet the needs of external markets that are rapidly changing.

(b) Smart logistics: With the control of IT information systems, each detail of the logistics system is linked, enabling the system to become fully aware of the entire process. In doing this, all types of unexpected issues can be dealt with in a timely manner, while also conducting necessary autonomous adjustments.

(c) Vacuum heating equipment: Third-generation semiconductor raw materials are placed in a crucible and fed into the quartz tube of a crystal growth furnace for vacuuming. RF coils are used for heating in a high vacuum environment at temperatures up to 2500°C for the sublimation growth of third-generation semiconductors.

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

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

b. Development Trend of Solar Cell Modules

Product evolution in 2025 is focused on "high performance" and "long lifespan":

(a). Solar Product Trends

- N-type technologies take the lead:
  TOPCon cells have become the dominant mainstream technology, with a market share exceeding 70%. HJT (heterojunction) is growing in niche markets that pursue ultra-high efficiency.
- Tandem cells (Perovskite Tandem):
  Perovskite tandem technology has entered the pilot production stage, with laboratory efficiencies exceeding 30%, and is considered a key next-generation solution for breaking physical efficiency limits.
- Larger wafer formats and bifacial modules:
  Standardization of large wafer sizes (182 mm and 210 mm) is underway, and bifacial modules have become standard in large-scale ground-mounted power plants.

(b). Energy Storage Product Trends

- Larger-capacity battery cells:
  The market is shifting from 280Ah to 300Ah+ (and even 500Ah+) large-capacity cells, reducing the number of system components and lowering overall costs.
- 5MWh+ energy storage containers:
  The energy density of standard 20-foot containers has increased from 3.7 MWh to over 5 MWh, significantly reducing land leasing and construction costs.

・Grid-forming inverters:
With the growing share of renewable energy, energy storage systems must be capable of "mimicking traditional power plants" to support grid frequency and voltage. Demand for these advanced inverters is surging.

(3) Overview of the Technology and R&D

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

Unit: NTD thousand

Item/Year	2021 (after restatement)	2022	2023	2024	2025
R&D expense	161,342	254,970	358,827	417,748	358,764
Operating revenue	4,039,778	5,359,208	5,551,490	2,697,025	3,335,829
R&D expenses as a percentage of revenue	3.99%	4.76%	6.46%	15.49%	10.75%

B. R&D personnel and their education background

Unit: person

Year / Education background	2024		2025		First quarter of 2026	
	Number of Persons	%	Number of Persons	%	Number of Persons	%
Doctoral Degree	7	3%	4	2%	4	2%
Master's degree	29	14%	38	20%	31	18%
College or below	176	83%	152	78%	145	80%
Total	212	100%	194	100%	175	100%

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

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

Year	R&D results
2020	AMR-Forklift Type 6-axis robot + 3D vision positioning technology application KM-ICB Precise solar cell alignment visualization system
2021	Software and firmware standardization 7.5m Automatic Guided Forklift (AGF) AMR inspection vehicle
2022	Dual rudder roller conveyor AMR Full coupled AMR cross-control system TOF pallet detection technology + Lidar space detection technology

Year	R&D results
2023	Portable map scanning system The second generation of KENMEC intelligent control board KM-ICB02 The AMR in the factory area is fully introduced into the 5G enterprise private network AMR Field Application (Kaohsiung/Ruifang 2F Demo) Water-to-gas CDU products 5G water-cooled CDU
2024	High-performance cabinet water-to-water CDU (620kW) Energy-efficient cabinet water-to-water CDU (1400kW) Intelligent monitoring of the dual-phase immersion cooling system Vehicle management systems Toyota's electric forklift transforms an unmanned forklift Balance type stack type forklift precision optimization 5G science and technology AMR project implementation Development of binocular camera pallet recognition Visual recognition of image dials
2025	Identification of video personnel and helmet wearing Collaborative robot 2.5D visual positioning function imported

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

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

a. Short-term Business Development Plans

(a) Due to the trade war between the U.S. and China, many companies have returned to Taiwan for investment. KENMEC will seek automated smart factory opportunities in companies that have returned to Taiwan to set up factories. Strengthen the promotion and sales of Southeast Asian business in line with the New Southbound Policy.

(b) In light of the boom of the “stay-at-home economy” resulting from COVID-19, many operators began to have a high demand for room temperature, low temperature cold chain equipment and smart stereoscopic production lines as well as high-density warehousing and logistics. Owing to this, the automation warehousing and logistics industry is due to become larger and generate more benefits. Given this, we will focus more on expansion in China, Japan and Europe in addition to Taiwan.

(c) Strengthen the promotion of AGV, invest in AMR R&D and provide the integration services of our own and advanced domestic and international logistics automation equipment and software. In doing this, we will meet the market trend and customer demand of the e-commerce sector and large logistics centers that are undergoing thriving development.

b. Long-term Business Development Plans

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

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

Due to the extremely high anti-dumping (AD) and countervailing duty (CVD) rates imposed by the United States on most Southeast Asian countries, producing solar products in these countries and exporting them directly to the United States is no longer competitive. Facing significant market uncertainty and trade barriers, our company's current operational focus is on transforming from a "manufacturer" to a "system integrator" and solutions provider.

a. Short-term Business Development Plans

(a) Properly dispose of the equipment after the closure of the factory in Vietnam and relocate available resources to non-sensitive areas.

(b) We collaborate with OEM partners in non-tariff zones to ensure uninterrupted supply to our U.S. customers.

(c) Accelerate the acquisition of UL certification and eligibility for Build America, Buy America (BABA) schemes for solar modules, charging piles, and energy storage products.

(d) Establish a prototype of a smart energy management platform, shifting the focus from "supplying hardware" to "providing system integration services".

b. Long-term Business Development Plans

(a) Transforming from a "single product supplier" to an "energy management consultant." Targeting commercial (C&I) clients, providing integrated solutions combining solar energy, energy storage, and charging stations.

(b) We collaborate with local developers or installers in Taiwan and the United States, providing our technology and brand, while our partners handle local after-sales service and installation.

(c) By providing VPP (Virtual Power Plant) integration services through the EMS system, subscription service (SaaS) revenue has begun to be generated.

(d) Promote leasing or PPA models, take responsibility for asset management and performance assurance, and avoid holding heavy and easily iterated production equipment.

(e) By leveraging a cloud platform to help customers manage energy storage and charging nodes distributed across various locations, we become a key player in the electricity market.

2. Market and Sales Overview

(1) Market analysis

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

KENMEC has accumulated over 49 years of experience and achievements in many types of automation system engineering. Through our highly efficient organizational management, high productivity and competitiveness, we have won the support and trust of our customers. Moreover, our automation technology and integration capabilities have been highly regarded by many international manufacturers which has taken our international competitiveness to the next level. The Company's major sales regions for the most recent fiscal two years are as follows:

Unit: NTD thousand; %

Year / Sales regions		2024		2025	
		Amount	%	Amount	%
Domestic market		2,182,646	80.93	2,994,336	89.76
Export	United States / Canada	151,620	5.62	138,288	4.15
	Mainland China	231,931	8.60	181,003	5.43
	Hong Kong	83,859	3.11	-	-
	Others	46,969	1.74	22,202	0.66
	Subtotal	514,379	19.07	514,379	10.24
Total		2,697,025	100.00	3,335,829	100.00

The Company's export ratio in 2025 declined compared to 2024, mainly due to reduced market demand in the solar energy sector of its consolidated subsidiaries.

B.Market share

KENMEC has been operating for more than 49 years since its incorporation in 1976. In the early days, KENMEC was mainly engaged in the production, manufacture, installation and maintenance of machinery and equipment. Later, in order to cope with the changes in the domestic industrial environment, not only did we constantly develop new high quality and multi-functional automation equipment, we also started working with international professional manufacturers, which has continued to date. With our expertise, we have become a professional system integration sector for the design, manufacture, installation, trial, consultation, maintenance, and service of automated system equipment. Our customers range from the optoelectronics industry and logistics industry, solar energy, general electronics, plastics, food sectors, to public institutions. With years of experience in various professional projects and outstanding engineering performance, the Company is highly productive and competitive through highly efficient organizational management. Our automation business is as follows:

Our automation business mainly provides smart automation, large logistics centers, TFT-LCD factories, automated logistics and peripheral equipment, and different types of equipment are customized and manufactured according to customers' needs. There are many companies in Taiwan and abroad in a similar line of business as the Company, such as Mirle Automation, Auto Tech, GPM, Contrel Technology, and Da-Fu in Japan. However, each company has their own expertise and the natures of the projects in which they are involved also vary. At KENMEC, we provide a wide range of services for integration engineering of factory automation logistics systems, and we have accumulated over 49 years of achievements and experience in the field of integration engineering of factory automation logistics systems.

C.Market future supply, demand and growth

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

D.Competitive niche

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

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

b. Strong management team with extensive experience

(a) With our involvement in the automation industry for over 49 years, our management teams are all equipped with complete industry backgrounds and relevant knowledge. Our rich industry experience and technology have assisted many customers in completing countless system projects. At the same time, we continue to elevate our product quality and better our technology to enhance future competitiveness.

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

c. Standout R&D team

In terms of plant automation development trends, we focus on technology research and development and services. We operate our business by upholding the philosophy of "top technology and top quality" combined with our professional knowledge and accumulated experience. As for key technologies, we have accumulated a total of 76 patents, with an average of 15-20 patents per 100 employees. Our expertise lies in whole factory automated logistics systems, including planning, design, manufacturing, installation, test runs and after-sales services. Our accomplishments have been highly recognized by customers all over the world.

E.Favorable and unfavorable factors of development vision and countermeasures

a. Automation Industry

(a) Favorable factors

i. We are a whole process supplier for whole automated logistics systems and have entered the field of smart logistics equipment long ago. With our rich experience and technological advantages in automation, we help disperse risks and expand business opportunities in downstream application markets.

ii. As manpower costs are increasing, the demand for automated labor-saving equipment increases at the same time. More and more manufacturers have switched to the use of automated equipment, hence the growth in demand.

iii. With the rising awareness of environmental and industrial safety, more dangerous tasks at workplaces tend to be performed by automated equipment.

iv. The demand is increasing for conveying equipment by domestic logistics, food, chemical, steel, and electronics and semiconductor industries.
v. To address the increasing market orientation and demand for third-generation semiconductor applications, the Company's new venture group has been engaged in silicon carbide solutions. At present, the plan for the construction of equipment has been completed and will soon be mass produced, becoming a new momentum for growth.

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

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

b. Solar-Related Industry
(a) Favorable factors
i. Taiwanese companies enjoy strong international credibility in ICT and firmware development. In the energy storage (ESS) and EV charging sectors, the trend toward software-defined hardware enables the Company to avoid heavy capital investment and shift toward higher-margin system integration.
ii. While anti-dumping and countervailing duties pose potential threats, the U.S. Inflation Reduction Act (IRA) provides strong incentives for energy storage and power electronics equipment. As long as products contain sufficient non-China content, they can achieve premium pricing in the U.S. market.
iii. Small and medium-sized enterprises are more flexible and capable of undertaking customized and small-to-medium commercial and industrial (C&I) projects that large industry leaders (e.g., LONGi, Tesla) may not prioritize. These projects are less price-sensitive and place greater emphasis on service quality and local maintenance.

(b) Disadvantages
i. The Company's production capacity represents only a small share of the global solar market and lacks the scale needed to reduce raw material costs through bulk procurement.
ii. U.S. tariff policies (e.g., AD/CVD and Section 301) are subject to rapid changes. Even if production is shifted to regions outside Southeast Asia, there remains a risk of new trade investigations.
iii. Although a light-asset strategy reduces depreciation expenses, establishing distribution channels, obtaining certifications (e.g., UL/TÜV), and managing inventory turnover still require stable cash flow.

(c) Countermeasures
i. Establish a "virtual factory" model by forming partnerships with manufacturers in Africa, Turkey, or other duty-free regions through technology licensing and capacity leasing, ensuring compliance with U.S. customer requirements and continuing to expand in the U.S. market.
ii. Shift toward integrated solar–storage–charging solutions by expanding beyond solar cells and modules to include energy storage systems and EV charging stations,

and further integrating installation and maintenance services to provide one-stop solutions.

iii. Adopt a light-asset and multi-country manufacturing strategy, allocating production and inventory based on the policies of different markets to maximize tariff flexibility and mitigate geopolitical risks associated with reliance on a single region.

iv. Establish a reliable supply chain in the U.S. market, build brand credibility, and position the Company as a preferred supplier for U.S. module manufacturers and project contractors.

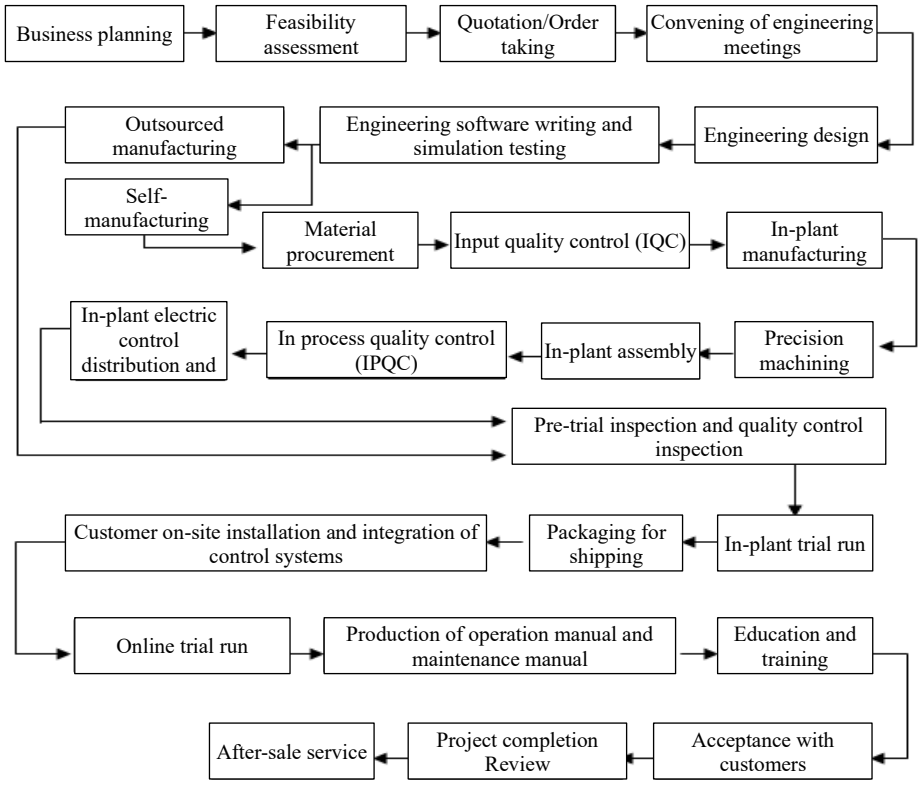
(2) Important Purposes and Production Processes of Main Products

A. Important purposes of major products

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

B. Production process

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



(3) Supply Status of Main Materials

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

(4) List of main customers

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

Unit: NTD thousand

Item	2024				2025			
	Name	Amount	% of Annual Purchases	Relation	Name	Amount	% of Annual Purchases	Relation
1	In 2024, no supplier reached 10% of total annual purchases; thus, individual disclosure is not required.				In 2025, no supplier reached 10% of total annual purchases; thus, individual disclosure is not required.			
2								
3								
4	Others	1,675,475	100.00		Others	1,923,778	100.00	
	Net Purchases	1,675,475	100.00		Net Purchases	1,923,778	100.00	

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

Unit: NTD thousand

	2024				2025			
Item	Name	Amount	% of Total Net Sales	Relation	Name	Amount	% of Total Net Sales	Relation
1	A	494,879	18.35	None	A	826,630	24.78	None
2	-	-	-	-	B	391,922	11.75	
	Others	2,202,146	81.65		Others	2,117,277	63.47	
	Net sales	2,697,025	100.00		Net sales	3,335,829	100.00	

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

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

Unit: person

Year		End of 2024	End of 2025	March 31, 2026
Number of employees	Manager	102	96	100
	Production line workers	370	319	300
	General employees	647	567	554
	Total	1,119	982	954
Average age		41.45	41.43	39.87
Average years of service		10.36	7.9	10.6
Education distribution %	Doctoral Degree	0.89%	0.81%	1.05%
	Master's degree	9.74%	11.10%	11.32%
	College / University	50.40%	52.75%	52.94%
	Senior High School	27.88%	24.95%	25.47%
	Below Senior High School	11.09%	10.39%	9.22%

4. Information on environmental expenditure

(1) Status of permit applications, fee payments, or establishment of dedicated environmental personnel as required by law

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

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

The Company's solar energy business has been fully transformed into green energy system integration services, encompassing solar photovoltaic, energy storage, and charging systems. As the Company is no longer engaged in traditional manufacturing activities that generate significant environmental pollution, there have been no material capital expenditures in recent years on conventional pollution control facilities (such as wastewater or exhaust gas treatment equipment).
Primary purposes and expected benefits:
Despite the absence of investments in traditional pollution control equipment, the Company's core business is focused on promoting the development of clean energy. Through continuous investment in the construction of solar power plants and integrated solar-storage-charging systems, the primary purpose is to increase the proportion of green electricity supply. The resulting benefits include effectively reducing greenhouse gas (GHG) emissions and decreasing reliance on fossil fuels, thereby concretely advancing environmental protection and sustainable development objectives.

(3) Describing the process undertaken by the company on environmental pollution improvement for the most recent two fiscal years and up to the publication date of the annual report. If there had been any pollution dispute, its handling process shall also be described: None.

(4) During the current fiscal year up to the te of publication of the annual report, the losses caused by environmental pollution (including compensation) and total amount of penalties. The future countermeasures (including improvement plans) shall also be disclosed (including the estimated amount of losses, penalties and compensation that may occur if countermeasures are not taken. If it cannot be reasonably estimated, facts of the reason shall be given): None.

(5) Explain the current condition of pollution and the impact of its improvement to the profits, competitive position and capital expenditures of the company, as well as the projected major environment-related capital expenses to be made for the coming two fiscal years: None.

5. Relations between employers and employees

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

A. Employee welfare

a. The Company has established an Employee Welfare Committee in accordance with the Employee Welfare Fund Act, and handles employee benefit operations accordingly. Based on the amount of working capital at establishment, the Company also provides benefits, monthly turnover, monthly operating income, employees' salaries, and scrap sales in accordance with the regulations.

b. National Health Insurance, Labor Insurance, pension provision, contribution to the Wage Advancement Fund and Occupational Hazard Insurance are provided by the Company.

c. Our employees at the Company are also entitled to group accident insurance taken out from a life insurance company, which is paid for by the Company.

d. Activities such as employee trips in Taiwan or abroad, birthday parties, departmental dinners are arranged on a regular basis, aiming to bring employees closers while promoting a harmonious workplace.

e. All employees who have reached a certain number of years of service are entitled to bonuses or gifts of the same amount.

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

g. Money or gifts are given to employees on Labor Day, Dragon Boat Festival, and Mid-Autumn Festival.

h. At the end of each year, we organize a year-end dinner party, award ceremonies for employees who have performed outstandingly, karaoke activities and lucky draws.

B. Employees' continuing education and training

The Company's new employees must receive pre-employment training courses upon arrival, followed by professional technical training depending on different functions and business requirements. Meanwhile, at KENMEC, we provide an open and diverse learning environment to employees through internal/external training, OJT, KM (Knowledge Management System) and cultivation system (e.g.. professional functions, general education courses, self-enlightenment). By making the effort, we hope we will strengthen the functions of our employees, effectively elevating our business performance and competitiveness. The Company has formulated the "Employee Development Measures," "Employee Internal Lecturer Evaluation Measures" and "Employee Education Plan," and plans related training courses according to the employee's job functions and professional requirements as a means to enhance their knowledge. The Company's 2025 education and training results are as follows:

Item	Number of courses	Total participants	Total hours	Total amount (NTD)
1. New employee training	233	438	1,483	16,700
2. Promotional functional training	296	3,263	9,799	2,926,630
3. General training	86	1,354	2,800	39,980
4. Self-inspired training	21	180	904	235,966
Total	636	5,235	14,986	3,219,276

C. The retirement system and its implementation

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

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

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

(2) Work environment and employees' personal safety

A. Organizational Structure and Management

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

B. Access Control and Safety Management

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

C. Equipment Maintenance and Inspection

a. Annual fire safety inspections are outsourced per regulations.
b. In accordance with the Company's annual Occupational Safety and Health Management Plan and Self-Inspection Plan, regular maintenance and inspections (daily, monthly, quarterly, or annually) are conducted for equipment such as forklifts, fixed cranes, elevators, air-conditioning systems, drinking water dispensers, and firefighting equipment.

D. 6S Implementation Results

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

Q1 2025: 150 deficiencies
Q2 2025: 94 deficiencies
Q3 2025: 90 deficiencies
Q4 2025: 64 deficiencies

The data indicate a significant decrease in deficiencies compared to the same period last year, demonstrating that the 6S program has effectively enhanced employees' awareness of occupational safety, health, and workplace cleanliness, strengthened corporate culture, and created a safer and more orderly working environment.

E. Disaster Prevention and Emergency Response

a. The Company has established the "Emergency Response and Incident Investigation Procedures," "Emergency Response Plan," and "Occupational Safety and Health Work Rules," which clearly define the responsibilities and handling guidelines of each unit before and after emergencies, occupational accidents, or natural disasters.
b. Emergency response and fire drills are conducted regularly on an annual basis, and the results are reported to the competent authority for record.

F. Health Promotion

Health Checks

a. New employees: A general physical examination is required prior to employment.
b. Current employees: Annual general health examinations are conducted, and special health examinations are provided to ensure workplace safety. In 2025, the Company arranged general health examinations for 439 employees, with a participation rate of 97%, and 26 employees underwent special health examinations.
c. Health management: The Company exceeds regulatory requirements by having occupational health nurses coordinate annual health examinations, with results regularly reviewed by occupational medicine specialists to establish a comprehensive health database.
d. Health consultation and education: Follow-up examinations and health consultation services are provided to enhance employees' health awareness and self-management capabilities.

On-Site Doctor Services

In 2025, a total of 12 on-site occupational health services were conducted across various plants, where professional physicians provided health consultations to help employees prevent potential health issues.

G. Workplace Hygiene

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

H. Training and Education

a. Internal Training: In 2025, a total of 31 sessions were conducted, with 1,671 attendances and 1,629 training hours. The Company provides occupational safety and health training for both new hires and current employees to enhance safety awareness and operational skills.
b. External Training: In 2025, a total of 71 sessions were conducted, with 190 attendances and 1,257 training hours. Occupational safety and health training is provided for safety personnel, equipment operators, supervisors, first aid personnel, and general employees to ensure regulatory compliance and improve workplace safety.

I. Employee Rights and Grievance Mechanisms

a. Expression of opinions: An internal website is established to provide operational forms, training resources, and an announcement platform.
b. Two-way communication: Labor-management meetings are held quarterly to provide a platform for employee communication.

c. Prevention of sexual harassment: The Company has established "Measures for the Prevention, Complaint, and Disciplinary Actions of Sexual Harassment in the Workplace" to provide reporting and handling mechanisms.
d. Prevention of workplace misconduct: The Company has implemented a "Prevention Plan for Workplace Violence and Misconduct" and established complaint mechanisms to protect employees from workplace violence, bullying, sexual harassment, and employment discrimination.

To enhance employee communication, the Company has established a semi-annual employee satisfaction survey covering all employees. In 2025, the average response rate increased to 70%, indicating effective internal communication channels. Based on a five-point scale, the employee satisfaction score reached 4.63 in 2025, reflecting that management systems and internal services effectively support organizational operations and talent management.

In administrative management, employees responded most positively to health promotion initiatives, particularly programs such as smoking cessation and weight management, which strengthened employees' engagement with corporate social responsibility.

Improvement Plan

Based on the 2025 survey results, the Company has developed the following improvement measures:

- Satisfaction promotion plan: Conduct interviews with departments with lower response rates to ensure all opinions are fully captured.
- Enhancement of system transparency: Continue to simplify application processes through the HR service platform and regularly disclose updates to management systems to maintain employees' trust.
- Diversified health programs: Building on the success of health promotion initiatives, the Company plans to introduce more advanced health management tools to further enhance employee benefits.

J. Hazard Communication for Contractors

In accordance with the Occupational Safety and Health Act, the Company has established a "Contractor Safety and Health Management Plan" to inform all on-site contractors of potential workplace hazards, ensuring that both external personnel and employees jointly maintain workplace safety.

K. Occupational Safety and Health Performance

a. The Company obtained ISO 45001 Occupational Safety and Health Management System certification in November 2025.
b. Although a few occupational accidents occurred during the year, all cases involved minor injuries such as slips or cuts, resulting in temporary and non-serious impairment. Each incident was promptly reported, thoroughly reviewed, and followed by corrective and preventive measures to eliminate potential systemic risks.

Through the above multi-level safety and health management measures and training programs, the Company is committed to creating a safer, healthier, and more comfortable working environment, while continuously enhancing employee well-being and corporate competitiveness.

(3) Code of conduct and ethics for employees

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

a. The Company's employees shall faithfully perform their duties, comply with all reasonable rules and regulations of the Company.
b. Employees shall not use their authority to benefit themselves or others.
c. Employees shall not take advantage of their duty or go against the performance of their duties to accept hospitality, gifts, kickbacks or other unlawful benefits.

d. Employees shall exercise due diligence in the matter of confidentiality of business secrets or duty secrets, important documents, technology or information, and shall report any breach of confidentiality to their superiors for promoting handling.
The "Employee Appraisal Measures" have also been formulated and our employees are well-informed of the related regulations.

B. Internal and external education and training regarding ethical corporate management organized by the Company
To promote and implement ethical conduct, the Company regularly conducts training programs and awareness sessions covering compliance with ethical business practices, occupational safety and health, legal compliance, information security, accounting practices, and internal control. In 2025, a total of 3,899 training attendances were recorded, with 6,892 training hours, ensuring that employees fully understand the Company's commitment, policies, preventive measures, and consequences of unethical conduct.
The Company has established a "Code of Ethical Conduct," which was approved by the Board of Directors on March 10, 2023.

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

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

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

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

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

6. Cyber Security Management

(1) Cyber Security Management Strategy and Structure:

A. Cyber Security Risk Management Structure

Since its establishment, the IT Department has been responsible for formulating and implementing information security and data protection policies. In coordination with internal audits and external auditors' reviews, the Company regularly assesses its information security policies and measures to ensure their effectiveness. The Company obtained TAF ISO 27001 certification in 2024.

The management structure is as follows: Operations Management Center → IT Department → Network Administration Section.

In addition, the Company has established a dedicated (full-time/part-time) information security unit, comprising one chairperson, one management representative, one

documentation control officer, and seven committee members, to strengthen information security governance.

B. Cyber Security Policy

To effectively implement information security management, the IT Department holds weekly meetings and follows the Plan-Do-Check-Act (PDCA) cycle to review the applicability of security policies and protection measures, and regularly reports the implementation status to management.

Through a systematic information security management mechanism, the Company identifies and assesses various risks, continuously enhances its information security capabilities, protects critical information assets, and ensures compliance with relevant regulations.

C. Specific Management Plan

The Company is aware of potential malicious attacks from third parties and has strengthened both on-site and off-site data backup, as well as full virtual machine backup mechanisms, to reduce operational risks.

a. Formulate rules: Establish information security rules to be used as the guidelines for the Company's information security management and employees.
b. Environment construction: Establish full information security equipment/filtering software and abnormality detection notification to thoroughly implement information security risk management.
c. Training: Information security notices are regularly published in the announcement section, and the Company's information security policies are communicated during company-wide meetings as needed. In 2025, a total of four internal and external training sessions were conducted.
d. Policy review: Promote and continue to improve information security and ensure sustainable management of the Company through detection software in order to prevent threats.
e. Software update: Regularly review the update rate of the company and personal anti-virus software virus codes and update penetration rate of operating system information security to prevent information security risks caused by the products themselves.

D. Resources Invested in Information and Cybersecurity Management

a. Endpoint Protection:

   Deployment of EDR/XDR solutions to strengthen endpoint defense and enhance the detection of potential threats.

b. Hardware Defense:

   Implementation of next-generation firewalls (NGFW) and internal network micro-segmentation.

c. Periodic sharing of cybersecurity incident cases and enhancement of information security awareness; immediate communication and awareness campaigns are conducted upon detection of suspicious activities.
d. Redundancy Mechanism Establishment:

   Implementation of backup management mechanisms and systems to ensure data security and high availability.

e. ISO 27001 Implementation: The Company continues to maintain and enhance its information security management system.

Through the above information security management measures, the Company enhances

customers' trust in its information security and strengthens its competitiveness in the market and supply chain collaboration.

(2) Major Cyber Security Incidents:

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

7. Important Contract

Nature of Contract	Counterparty	Commencement Date of the Contract	Contents	Restrictive Clauses
Loan Contract	Taiwan Business Bank, Nangang Branch.	2020.01.10-2035.01.10	Long-term Mortgage Loans	None
Loan Contract	Shanghai Commercial & Savings Bank, Zhongxiao Branch	2025.11.28-2028.11.28	Long-term Mortgage Loans	None
Loan Contract	First Commercial Bank, Nangang Branch	2023.12.01-2043.12.01	Long-term Mortgage Loans	None
Loan Contract	Bank of Taiwan, Nangang Branch	2025.07.31-2027.07.31	Long-term Mortgage Loans	None
Development Contract	Taipei Computer Association KENMEC MECHANICAL ENGINEERING CO.,LTD.	2023.12.01-2026.05.31	Forward-looking intelligent low-carbon equipment for the integration and development of third-class semiconductor substrate manufacturing technology	None
Material Supply Contract	Tainergy Tech. Co., Ltd. Sino-American Silicon Products Inc.	2007.09.14-2026.12.31	Silicon wafer supply	None
Development Contract	TAISIC MATERIALS CO. National Chung-Shan Institute of Science and Technology	2020.07.15-2025.12.31	Third-generation semiconductor technology development	None
Development Contract	TAISIC MATERIALS CO. KENMEC MECHANICAL ENGINEERING CO.,LTD.	2022.07.07-2025.06.30	Development of 8-inch semi-insulating silicon carbide crystal growth equipment and verification development of key materials	None

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

1. Financial Status

Unit: NT$ thousands

Year / Item	December 31, 2025	December 31, 2024	Difference	
			Amount	%
Current assets	5,106,997	5,245,997	(139,000)	-2.65%
Long-term investment	555,556	575,822	(20,266)	-3.52%
Property, plant and equipment	3,849,204	3,766,141	83,063	2.21%
Investment property	916,941	986,178	(69,237)	-7.02%
Intangible assets	21,268	10,840	10,428	96.20%
Other assets	1,314,158	1,322,735	(8,577)	-0.65%
Total assets	11,764,124	11,907,713	(143,589)	-1.21%
Current liabilities	3,433,088	2,914,902	518,186	17.78%
Non-current liabilities	2,539,258	3,161,558	(622,300)	-19.68%
Total liabilities	5,972,346	6,076,460	(104,114)	-1.71%
Share capital	2,590,112	2,590,112	0	0.00%
Capital reserves	1,247,843	1,416,239	(168,396)	-11.89%
Retained earnings	802,708	768,585	34,123	4.44%
Other items in shareholders' equity	1,151,115	1,056,317	94,798	8.97%
Total shareholder equity	5,791,778	5,831,253	(39,475)	-0.68%

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

A. The increase in intangible assets was mainly due to the acquisition of computer software in 2025 to meet operational needs.

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

No significant impact on financial position.

(3) Future Response Plans:

Not applicable.

2. Financial performance

Unit: NT$ thousands

Item \ Year	2025	2024	Difference	Change in percentage (%)
Operating revenue	3,335,829	2,697,025	638,804	23.69%
Operating costs	2,740,823	2,220,387	520,436	23.44%
Realized operating gross profit	595,006	476,638	118,368	24.83%
Operating expenses	1,043,980	1,187,535	(143,555)	-12.09%
Net operating loss	(448,974)	(710,897)	261,923	-36.84%
Non-operating revenue and expenses	139,883	95,830	44,053	45.97%
Loss Before Tax	(309,091)	(615,067)	305,976	-49.75%
Income Tax Benefit (Expense)	4,379	(29,012)	33,391	-115.09%
Net Loss for the Period	(304,712)	(644,079)	339,367	-52.69%

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

A. Operating revenue increased, mainly due to revenue recognition under the percentage-of-completion method for automation and semiconductor equipment, as well as increased revenue from the subsidiary's liquid cooling systems.
B. Operating costs increased, primarily in line with the growth in operating revenue and corresponding cost inputs.
C. Realized gross profit increased, mainly driven by the growth in operating revenue.
D. Operating loss decreased, mainly due to increased gross profit and improved cost control.
E. Non-operating income and expenses increased, primarily because the subsidiary recognized higher impairment losses on real estate in 2024, while such losses decreased in 2025, resulting in an increase in non-operating results for the current period.
F. Loss before tax decreased, mainly due to improvements in operating loss and changes in non-operating results.
G. Income tax expense decreased, mainly due to a reduction in deferred income tax effects.
H. Net loss for the period decreased, mainly due to the improvement in loss before tax.

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

The Company does not disclose 2026 financial forecasts; thus, expected sales volume is not provided.

3. Cash flow

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

Unit: NT$ thousands

Item \ Year	2025	2024	Increase (decrease) change	
			Amount	%
Operating activities	278,560	(196,857)	475,417	-241.50%
Investment activities	(389,500)	143,154	(532,654)	-372.08%
Financing activities	(299,070)	731,554	(1,030,624)	-140.88%
Effect of exchange rate changes on cash and cash equivalents	12,040	11,467	573	5.00%
Net Cash Inflow (Outflow)	(397,970)	689,318	(1,087,288)	-157.73%
Description of variations:				

A.Operating activities:
Cash flows from operating activities increased, mainly due to the decrease in loss before tax in 2025 and improvement in operating performance.

B.Investing activities:
Cash flows from investing activities decreased, primarily because cash inflows from the disposal of financial assets at fair value through profit or loss were higher in 2024, resulting in a relative decrease in 2025.

C.Financing activities:
Cash flows from financing activities decreased, mainly because cash inflows increased in 2024 due to capital increases and the issuance of corporate bonds, leading to a relative decrease in 2025.

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

(3) Cash flow analysis for the coming year:

A.Operating activities:
The net cash outflow from operating activities is mainly due to higher anticipated payments for construction materials in the fiscal year 2026.

B.Investment activities:
Net cash outflow from investing activities was mainly due to the planned capital increase of a subsidiary in 2026.

C.Financing activities:
Net cash inflow from financing activities was mainly due to increased short- and long-term borrowings planned for 2026 to meet operational needs.

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

The major capital expenditures for 2025 are primarily driven by the need to expand production capacity. The company continues to invest in overall plant construction projects and the installation of machinery and equipment to ensure product quality and to meet customers' requirements for quality and delivery schedules.

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

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

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

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

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

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

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

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

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

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

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

Inflation did not post any signification effect on the income of the Company in 2025 and 2026 and up until the publication date of the annual report. The Company will continue to monitor the related economic changes and market trends to avoid adverse effects inflation posed on the Company’s income.

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

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

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

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

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

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

Project	Current progress	Remaining R&D Investment (NT$)	Expected Completion	Major factors for the future R&D to succeed
Safety Helmet and Personnel Detection	90% completed	300,000	Dec 31, 2026	1. Accurate head detection 2. Multi-angle and dynamic recognition
2.5D Vision Positioning for Cobots	85% completed	400,000	Dec 31, 2026	1. High-precision visual positioning 2. Fast image processing

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

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

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

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

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

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

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

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

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

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

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

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

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

Not applicable.

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

None.

(12) Litigation and non-litigation cases:

A. As of the most recent year up to publication date of the annual report, major litigious, non-litigious, or administrative disputes that could materially affect shareholders' equity or the prices of the company's securities: None.

B. As of the most recent year up to publication date of the annual report, major litigious, non-litigious or administrative disputes that involve the company and/or any company director, any company supervisor, the president, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company, may pose a significant impact on the shareholders' equity and the price of the securities: None.

C. The company and/or any company director, supervisor, managers, and major shareholder holding a stake of greater than 10 percent, as of the last two years and as of the date of publication of the annual report regarding the matters stipulated in Article 157 of the Securities and Exchange Act and the current situation of the Company: None.

D. The company and/or any company director, supervisor, managers, and major shareholder holding a stake of greater than 10 percent, have experienced financial difficulties or loss of credit as of the last two years and as of the date of publication of the annual report, the annual report shall explain how said difficulties will affect the company's financial status: None.

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

A. Information security:

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

B. Cyber security and network risk control:

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

C. Employee data security training and notification:

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

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

D. In 2025, the Company did not experience any major cyber-attacks that impacted its operations.

7. Other important matters

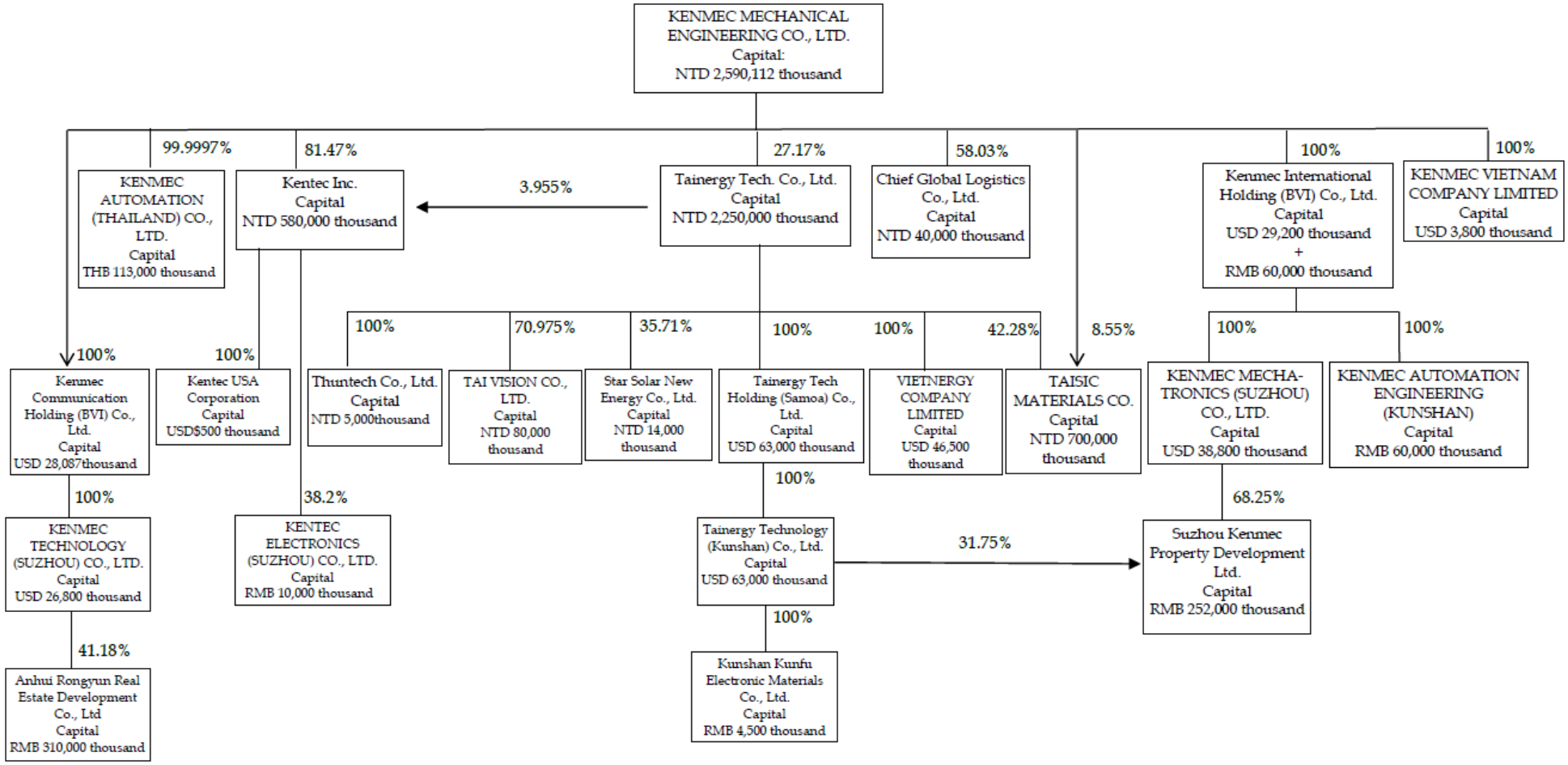
None.

VI. Special Items

1. Information on affiliates

(1) Consolidated Business Report of Affiliates

A. Organizational chart of affiliated companies



B. Basic information on affiliates

Company name	Date of Incorporation	Address	Paid-in Capital (in thousands)	Principal business or production items
KENMEC INT'L HOLDING (BVI) CO., LTD.	1999.07.28	British Virgin Island	USD 38,039	Investment holding business
KENMEC MECHA-TRONICS (SUZHOU) CO., LTD.	2005.06.01	No. 8, Hsi Hsia Road, Wang Shan Industrial Park, Wuzhong Economic Development Zone, Suzhou City	USD 38,800	T.F.T. process equipment, semiconductor process equipment, industrial conveying machinery, and automatic storage equipment.
KENMEC AUTOMATION ENGINEERING (KUNSHAN)	2015.10.21	Room 2, No. 1288, Fuchunjiang Road, Penglang Town, Kunshan Development Zone	RMB 60,000	Automatic warehousing and logistics equipment, automatic control equipment engineering
Suzhou Kenmec Property Development Ltd.	2008.01.10	No. 8, Hsi Hsia Road, Wang Shan Industrial Park, Wuzhong Economic Development Zone, Suzhou City	RMB 252,000	Real estate business
KENMEC COMMUNICATION HOLDING (BVI) CO., LTD.	2001.01.16	British Virgin Islands	USD 28,087	Investment holding business
KENMEC TECHNOLOGY (SUZHOU) CO., LTD.	2005.06.01	No. 2, East Taihu Road, Wangshan Industrial Park, Wuzhong Economic Development Zone, Suzhou City	USD 26,800	New electronic components (chip components), digital sounds, etc.
Anhui Rongyun Real Estate Development Co., Ltd	2022.10.09	Xuancheng Economic and Technological Development Zone, Anhui Province, Rixin West Road, Xingang Cultural Tourism City	RMB 310,000	Real estate management
KENMEC VIETNAM COMPANY LIMITED	2006.04.17	Plant B, Thach That – Quoc Oai Industrial Zone, Quoc Oai District, Ha Noi City, Vietnam	USD 3,800	Manufacturing of electric water heaters, engineering machinery
Chief Global Logistics Co., Ltd.	2021.08.13	5F., No. 95, Sec. 2, Nangang Rd., Nangang Dist., Taipei City, Taiwan	NTD 40,000	Logistics and warehousing business
KENMEC AUTOMATION (THAILAND) CO., LTD.	2023.05.09	No.654/1, Samyan Business Town, Soi Chinda Thawin 10, Rama 4 Road, Maha Phruetharam Sub-district, Bangrak District, Bangkok	THB 113,000	Manufacturing, sales and maintenance of automation equipment and components
Kentec Inc.	2010.02.11	3rd Floor, No. 5, Industrial Road 3, Yongfeng Village, Pingzhen District, Taoyuan City	NTD 580,000	Electronic component manufacturing
KENTEC ELECTRONICS (SUZHOU) CO., LTD.	2020.08.31	Plant 1, Group 16 and Group 17, Hengshan Wanping Wannan Village, East Taihu Eco-tourism Resort (Taihu New Town), Wujiang District, Suzhou City	RMB 10,000	New electronic components (chip components), digital sounds, etc.

Company name	Date of Incorporation	Address	Paid-in Capital (in thousands)	Principal business or production items
Kentec USA Corporation	2025.05.22	815 Brazons Street, Suite 500 Austin TX, USA 78701	USD 500	Data center equipment buying and selling operations
Tainergy Tech. Co., Ltd.	2007.05.15	No. 5, Ziqiang 1st Rd., Zhongli Dist., Taoyuan City	NTD 2,250,000	R&D, design and production of high-tech green cells (solar cells) and other related components
TAINERGY TECH HOLDING (SAMOA) CO., LTD.	2003.01.17	Samoa	USD 63,000	Investment holding business
Tainergy Technology (Kunshan) Co., Ltd.	2008.06.25	No. 1288, Fuchunjiang Road, Penglang Township, Kunshan Development Zone, Kunshan City, Jiangsu Province	USD 63,000	R&D, design and production of high-tech green batteries (solar cells) and other related components
Kunshan Kunfu Electronic Materials Co., Ltd.	2017.10.12	No. 1288, Fuchunjiang Road, Penglang Township, Kunshan Development Zone, Kunshan City, Jiangsu Province	RMB 4,500	Sales and manufacturing of electronic materials and parts
VIETNERGY COMPANY LIMITED	2014.09.17	Plant B, Thach That – Quoc Oai Industrial Zone, Quoc Oai District, Ha Noi City, Vietnam	USD 46,500	Manufacturing of high-tech green batteries (solar cells) and other related components
Star Solar New Energy Co., Ltd.	2018.06.21	7, 11th Floor, No. 400, Lihuan North Road, Xinjie, Zhongli District, Taoyuan City	NTD 14,000	Solar power generation and system sales business
TAISIC MATERIALS CO.	2020.06.16	No. 5, Zihciang 1st Road, Zhongli Industrial Zone, Zhongli District, Taoyuan City	NTD 700,000	Manufacture and sales of electronic components
TAI VISION CO., Ltd.	2023.12.20	No. 5, Industrial 3rd Road, Pingzhen District, Taoyuan City	NTD 80,000	Contact lens wholesale and retail
Thuntech Co., Ltd	2024.06.13	6th Floor, No. 95, Section 2, Nangang Road, Nangang District, Taipei City	NTD 5,000	Charging pile and energy storage equipment business

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

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

December 31, 2025

Company name	Title	Name of individual or representative(s)	Shareholding	
			Number of shares (thousand shares)	Shareholding percentage (%)
KENMEC INT'L HOLDING (BVI) CO., LTD.	Director	KENMEC MECHANICAL ENGINEERING CO., LTD. The representative: MING-KAI HSIEH	38,039	100.00
KENMEC MECHA-TRONICS (SUZHOU) CO., LTD.	Chairman	KENMEC INT'L HOLDING (BVI) CO., LTD. The representative: CHING-FU HSIEH	-	100.00
KENMEC AUTOMATION ENGINEERING (KUNSHAN)	Chairman	KENMEC INT'L HOLDING (BVI) CO., LTD. The representative: CHING-FU HSIEH	-	100.00
Suzhou Kenmec Property Development Ltd.	Chairman	KENMEC MECHA-TRONICS (SUZHOU) CO., LTD. The representative: MING-CHIH HSIEH	-	76.88
KENMEC COMMUNICATION HOLDING (BVI) CO., LTD.	Director	KENMEC MECHANICAL ENGINEERING CO., LTD. The representative: MING-KAI HSIEH	28,087	100.00
KENMEC TECHNOLOGY (SUZHOU) CO., LTD.	Chairman	KENMEC COMMUNICATION HOLDING (BVI) CO., LTD. The representative: CHING-FU HSIEH	-	100.00
Anhui Rongyun Real Estate Development Co., Ltd	Chairman	Tong Shaoqing	-	41.18
KENMEC VIETNAM COMPANY LIMITED	Person in charge	KENMEC MECHANICAL ENGINEERING CO., LTD. Legal representative: MING-KAI HSIEH	-	100.00
Chief Global Logistics Co., Ltd.	Chairman	KENMEC MECHANICAL ENGINEERING CO., LTD. Legal representative: MING-KAI HSIEH	2,321	58.30
KENMEC AUTOMATION (THAILAND) CO., LTD	Director	KENMEC MECHANICAL ENGINEERING CO., LTD. The representative: MING-KAI HSIEH	1,129	99.99
Kentec Inc.	Chairman	KENMEC MECHANICAL ENGINEERING CO., LTD. The representative: MING-KAI HSIEH	47,252	81.47
KENTEC ELECTRONICS (SUZHOU) CO., LTD.	Chairman	CHIA-HAO HSIEH	-	31.53
Kentec USA Corporation	Chairman	Kentec Inc. The representative: MING-KAI HSIEH	-	82.54
Tainergy Tech. Co., Ltd.	Chairman	KENMEC MECHANICAL ENGINEERING CO., LTD. The representative: MING-KAI HSIEH	61,133	27.17
TAINERGY TECH HOLDING (SAMOA) CO., LTD.	Director	Tainergy Tech. Co., Ltd. The representative: MING-KAI HSIEH	-	27.17
Tainergy Technology (Kunshan) Co., Ltd.	Chairman	TAINERGY TECH HOLDING (SAMOA) CO., LTD. The representative: CHING-FU HSIEH	-	27.17
Kunshan Kunfu Electronic Materials Co., Ltd.	Chairman	Tainergy Technology (Kunshan) Co., Ltd. The representative: MING-CHIH HSIEH	-	27.17
VIETNERGY COMPANY LIMITED	Person in charge	Tainergy Tech. Co., Ltd. The representative: MING-KAI HSIEH	-	27.17
Star Solar New Energy Co., Ltd.	Chairman	Yang Shaorong	-	9.70

Company name	Title	Name of individual or representative(s)	Shareholding	
			Number of shares (thousand shares)	Shareholding percentage (%)
TAISIC MATERIALS CO.	Chairman	Tainergy Tech. Co., Ltd. Legal representative: MING-KAI HSIEH	35,583	20.04
TAI VISION CO., LTD.	Chairman	Tainergy Tech. Co., Ltd. Legal representative: MING-KAI HSIEH	5,678	12.07
Thuntech Co., Ltd.	Chairman	Tainergy Tech. Co., Ltd. Legal representative: MING-KAI HSIEH	50	27.17

E. Overview of the operations of each affiliate

December 31, 2025 / Unit: thousand

Company name	Capital	Total assets	Total liabilities	Net Value	Operating revenue	Operating profit	Profit or loss for the period (after tax)	EPS (NTD (after tax)	Currency
KENMEC INT'L HOLDING (BVI) CO., LTD.	276,850	70,352	0	70,352	0	0	2,099	None	CNY
KENMEC MECHA-TRONICS (SUZHOU) CO., LTD.	262,346	203,545	175,299	34,876	41,576	5,563	6,631	None	CNY
KENMEC AUTOMATION ENGINEERING (KUNSHAN)	60,000	49,181	7,089	42,092	30,397	3,481	4,531	None	CNY
Suzhou Kenmec Property Development Ltd.	252,000	160,781	7,505	155,510	11,694	(2,204)	(2,234)	None	CNY
KENMEC COMMUNICATION HOLDING (BVI) CO., LTD.	204,240	124,781	0	124,781	0	0	(11,650)	None	CNY
KENMEC TECHNOLOGY (SUZHOU) CO., LTD.	195,279	126,638	1,868	136,420	1	(8,012)	(11,650)	None	CNY
Anhui Rongyun Real Estate Development Co., Ltd	310,000	350,920	66,525	284,395	0	(4,212)	(4,214)	None	CNY
KENMEC VIETNAM COMPANY LIMITED	64,820,456	103,184,545	8,138,254	95,046,291	1,513,414	8,931,340	7,195,985	None	VND
Chief Global Logistics Co., Ltd.	40,000	52,968	44,340	8,628	49,817	(18,146)	(18,608)	(4.65)	NTD
KENMEC AUTOMATION (THAILAND) CO., LTD	113,000	101,740	2,712	99,028	0	(6,146)	(7,950)	None	THB
Kentec Inc.	580,000	1,082,438	323,252	759,186	486,446	(104,785)	(87,203)	(1.50)	NTD
KENTEC ELECTRONICS (SUZHOU) CO., LTD.	10,000	73,232	50,389	22,844	8,582	103	2	None	CNY
Kentec USA Corporation	500	500	0	500	0	0	0	None	USD
Tainergy Tech. Co., Ltd.	2,250,000	1,651,496	97,868	1,663,899	29,994	(44,924)	(214,518)	(0.95)	NTD
TAINERGY TECH HOLDING (SAMOA) CO., LTD.	410,581	193,251	49,201	144,049	0	0	(3,287)	None	CNY
Tainergy Technology (Kunshan) Co., Ltd.	406,752	209,410	16,166	193,244	467	(8,011)	4,184	None	CNY
Kunshan Kunfu Electronic Materials Co., Ltd.	4,500	1,003	0	1,003	0	(1)	10	None	CNY
VIETNERGY COMPANY LIMITED	1,027,705,000	138,635,466	70,025,012	68,610,454	0	(1,683,992)	802,181	None	VND
Star Solar New Energy Co., Ltd.	14,000	837,477	824,987	12,490	433,391	12,387	1,202	0.86	NTD
TAISIC MATERIALS CO.	700,000	894,006	658,584	525,876	33,886	(266,594)	(22)	(0.00)	NTD
TAI VISION CO., LTD.	80,000	190,744	169,026	59,817	25,646	(35,521)	(38,209)	(4.78)	NTD
Thuntech Co., Ltd.	5,000	6,200	11,750	4,833	1,104	(10,424)	(10,382)	(20.76)	NTD

(2) Consolidated Financial Statements of Affiliates

Considering that the companies to be included into the consolidated financial statements of affiliated companies under the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" were the same as those to be included into the consolidated financial statements of the parent and subsidiaries under Summary of Statement No. 7 – FASB in 2025 (from January 1, 2025 to December 31, 2025), and the related information to be disclosed in the consolidated financial statements of affiliated enterprises has already disclosed in said consolidated financial statements of the parent and subsidiaries, no consolidated financial statements of affiliated enterprises were prepared separately.

(3) Affiliation report: None.

2. Status of Private Placement of Securities

None.

3. Other necessary supplementary information

None.

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

None.