Stock Code: 6125

# KENMEC MECHANICAL ENGINEERING CO., LTD.

# 2026 Annual General Meeting

# Meeting Agenda Handbook

**Meeting date: May 21, 2026**

**Meeting time: 9:00 a.m.**

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

**Meeting method: Physical meeting**

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# KENMEC MECHANICAL ENGINEERING CO., LTD.
# 2026 Annual General Meeting Procedure

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

II. Statement by the chairperson

III. Reports

IV. Ratifications

V. Discussions

VI. Extempore Motions

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# KENMEC MECHANICAL ENGINEERING CO., LTD.

# 2026 Annual General Meeting Agenda

**Date & Time:** 9:00 a.m., Thursday, May 21, 2026

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

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

## I. Reports

(1). 2025 Business Report.

(2). 2025 Audit Committee's Review Report.

(3). Report on appropriation of the remuneration to employees and directors in 2025.

(4). Report on the Distribution of Cash Dividends from Capital Surplus and Other Reserves for Fiscal Year 2025.

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

(6). Report on the Company's Decision Not to Participate in the 2025 Cash Capital Increase of Its Subsidiary, KENTEC INC.

## II. Ratifications

(1). 2025 Business Report and financial statements.

(2). Proposal for the Distribution of 2025 Earnings.

## III. Discussions

(1). Proposal to Amend Certain Provisions of the Company's Articles of Incorporation.

(2). Proposal to dispose of shares of KENTEC INC. and waive participation in its cash capital increase for its planned listing.

(3). Proposal to Amend Certain Provisions of the Company's Procedures for Acquisition or Disposal of Assets.

## IV. Extempore Motions

## V. Adjournment

# I. Reports

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

Motion: 2025 Business Report.

Descriptions: The Business Report for the Year 2025 can be found in Attachment 1 of this manual (pages 10–11).

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

Motion: 2025 Audit Committee's Review Report.

Descriptions: The financial statements and consolidated financial statements of the Company's 2025 final accounts were audited by accountants from Deloitte Taiwan, approved by the Board of Directors and reviewed by the Audit Committee, and an audit report was issued. For the audit report, please refer to Attachment 2 of this manual (page 12).

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

Motion: Report on appropriation of the remuneration to employees and directors in 2025.

Descriptions:

1. According to Article 20 of the "Articles of Incorporation," 5%–15% of the Company's annual net profits before tax, if any, shall be appropriated as employee's remuneration, and 1%–3% of the said profits shall be appropriated as director's remuneration.
2. The allocation of employee compensation in the amount of NT$1,856,080 and directors' remuneration in the amount of NT$355,961, as resolved by the Board of Directors on March 4, 2026, both to be paid in cash.
3. Of the aforementioned employee compensation, an amount of NT$1,025,567, representing approximately 55.3%, is proposed to be allocated to non-managerial employees.
4. The above allocation amounts and ratios are in compliance with the Company's Articles of Incorporation.

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

Motion: Report on the Distribution of Cash Dividends from Capital Surplus and Other Reserves for Fiscal Year 2025.

Descriptions:

1. In accordance with Article 20-1 of the Company's Articles of Incorporation, where the Company intends to distribute shareholders' dividends in cash, the Board of Directors is authorized to resolve such distribution and report it to the shareholders' meeting.
2. The Company, by resolution of the Board of Directors on March 4, 2026, approved the distribution of cash dividends to shareholders in the total amount of NT$25,901,115 from the accumulated distributable earnings of fiscal year 2025. Based on the current number of outstanding shares, the cash dividend is NT$0.1 per share. The distribution shall be made in cash. Cash dividends shall be calculated by rounding down to the nearest whole New Taiwan dollar. Fractional amounts less than NT$1 for each shareholder shall be aggregated and recognized as other income of the Company.
3. The Company, by resolution of the Board of Directors on March 4, 2026, approved the distribution of cash dividends to shareholders in the amount of NT$103,604,460 from capital surplus legally available for cash distribution. Based on the current 259,011,150 outstanding shares, the cash dividend is NT$0.4 per share. Cash dividends for each shareholder shall be calculated to the nearest whole New Taiwan dollar, with fractional amounts less than NT$1 aggregated and recognized as other income of the Company.
4. In the event that the number of outstanding shares is subsequently affected by changes in the Company's share capital, resulting in any adjustment to the dividend distribution ratio, the Board of Directors is authorized to empower the Chairman to handle the relevant matters.

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

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

Descriptions: For details of the issuance and implementation status of the Company's Fifth Domestic Unsecured Convertible Bonds issued in 2024, please refer to Attachment 3 (page 13) of this Handbook.

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

Motion: Report on the Company's Decision Not to Participate in the 2025 Cash Capital Increase of Its Subsidiary, KENTEC INC.

Descriptions:

1. The subsidiary, KENTEC INC., completed a cash capital increase on April 29, 2025, issuing 5,000,000 common shares at an issue price of NT$14 per share, with total proceeds of NT$70,000 thousand. The Company, by resolution of the Board of Directors on March 7, 2025, approved the waiver of participation in the subscription of this cash capital increase.
2. The purpose of this cash capital increase was to retain talent and attract professional managers. The portion of shares not subscribed by existing shareholders was subscribed by group employees to enhance employee cohesion. Upon completion of the capital increase, the Company's shareholding in KENTEC INC. decreased from 89.16% to 81.47%. However, the Company retains control, and there is no material impact on shareholders' equity.

# II. Ratifications

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

Motion: 2025 Business Report and financial statements.

Descriptions:

1. The Company's financial statements (including the consolidated financial statements) for fiscal year 2025 have been audited by Certified Public Accountants Danny Tsai and Willy M. Yu of Deloitte & Touche, who have issued an unqualified audit report. The aforesaid financial statements, together with the business report and the earnings distribution proposal, have been reviewed by the Audit Committee and found to be in compliance with relevant regulations.
2. For the aforementioned business report, please refer to Attachment 1 (page 10~11) of this Handbook. For the independent auditors' report and the aforesaid financial statements, please refer to Attachment 4 (pages 14–34) of this Handbook.

Resolution:

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

Motion: Proposal for the Distribution of 2025 Earnings.

Descriptions:
1. The earnings distribution table for fiscal year 2025 is set forth below.
2. It is proposed to distribute cash dividends to shareholders in the amount of NT$25,901,115 from earnings, representing NT$0.1 per share, calculated based on the current 259,011,150 outstanding shares.
3. In the event that the number of outstanding shares is subsequently affected by changes in the Company's share capital, resulting in any adjustment to the dividend distribution ratio, it is proposed that the Board of Directors be authorized to empower the Chairman to handle the relevant matters.
4. Cash dividends shall be calculated by rounding down to the nearest whole New Taiwan dollar. Fractional amounts less than NT$1 for each shareholder shall be aggregated and recognized as other income of the Company.
5. Upon approval by the Annual General Meeting, the Chairman is authorized to determine the ex-dividend record date and other related matters, which will be separately announced in due course.

KENMEC MECHANICAL ENGINEERING CO., LTD.
Table of Profit Distribution for 2025

Unit: NTD

| Item | Amount |
|---|---|
| Undistributed earnings at the beginning of the period | 224,446,153 |
| Add : Disposal of Equity Instruments Measured at Fair Value Through Other Comprehensive Income | 6,429,464 |
| Add : Remeasurements of Defined Benefit Plans Recognized under the Equity Method | 1,513,597 |
| Undistributed earnings after adjustment | 232,389,214 |
| Add: Net Income 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 |

| Chairman: | Manager: | Accounting Manager: |
|---|---|---|
| MING-KAI HSIEH | CHIH-CHUN KO | YA-LING CHU |

Resolution:

# Ⅲ. Discussions

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

Motion: Proposal to Amend Certain Provisions of the Company's Articles of Incorporation.

Descriptions: In response to adjustments in the Company's business strategy and to focus resources on its core businesses, it is proposed to amend certain provisions of the Company's Articles of Incorporation relating to the business scope. For a comparison table of the provisions before and after amendment, please refer to Attachment 5 (page 35) of this Handbook.

The foregoing is hereby submitted for discussion.

Resolution:

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

Motion: Proposal to dispose of shares of KENTEC INC. and waive participation in its cash capital increase for its planned listing.

Descriptions:

1. To support the operational development of KENTEC INC. ("KENTEC"), attract and retain professional talent, integrate resources, introduce strategic or financial investors, and comply with shareholding dispersion requirements for future listing (or OTC listing), the Company and its affiliates, while maintaining a shareholding of not less than 50%, may, prior to such listing, dispose of part of their shareholdings in KENTEC and/or waive subscription rights in one or more cash capital increases.

   The issue price of such capital increase shall not be lower than the net asset value per share based on the most recent CPA-audited or reviewed financial statements. Except for the portion reserved for employee subscription in accordance with applicable laws, the Company and its affiliates may waive subscription, and such shares may be offered to the Company's shareholders or specific persons, including employees, management, and investors beneficial to KENTEC's development.
2. For the purpose of KENTEC's listing (or OTC listing), the Company and its affiliates shall allocate shares for underwriting and over-allotment in accordance with applicable laws and regulations. The number of shares and offering price shall be determined based on market conditions and KENTEC's operational status.
3. Upon completion of the above arrangements, the Company and its affiliates shall maintain a direct or indirect shareholding of not less than 50% in KENTEC to retain control.

4. The above matters have been approved by the Audit Committee and the Board of Directors. It is proposed that the shareholders' meeting authorize the Board of Directors to handle all related matters.

Resolution:

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

Motion: Proposal to Amend Certain Provisions of the Company's Procedures for Acquisition or Disposal of Assets.

Descriptions: To comply with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies, it is proposed to amend certain provisions of the Company's Procedures for Acquisition or Disposal of Assets. For a comparison table of the provisions before and after amendment, please refer to Attachment 6 (pages 36–40) of this Handbook.

The foregoing is hereby submitted for discussion.

Resolution:

# IV. Extempore Motions

# V. Adjournment

Attachment 1

# KENMEC MECHANICAL ENGINEERING CO., LTD.
## Business Report

Since its establishment in 1976, the Company has been in operation for over 50 years. Despite significant fluctuations in the global economic environment last year, all employees remained dedicated and worked diligently.

In 2025, the Company's consolidated operating revenue amounted to NT$3,335,829 thousand, representing an increase of approximately NT$638,465 thousand compared to 2024. The consolidated net loss before tax was NT$(309,091) thousand, representing an improvement of approximately NT$305,976 thousand compared to the previous year. This was mainly attributable to increased revenue contributions in 2025 from the Company's core business segments, including intelligent manufacturing and logistics, semiconductor logistics, and public engineering projects.

The Company's operating performance for 2025 is summarized as follows:

I. Business plan and implementation

Unit: NTD thousand

| Item | 2025 | 2024 | Increase (Decrease) |
|---|---|---|---|
| | Amount | Amount | % |
| Operating revenue | 3,335,829 | 2,697,025 | 23.7 |
| Gross operating profit | 595,006 | 476,638 | 24.8 |
| Operating profit (loss) | (448,974) | (710,897) | (36.8) |
| Net profit (loss) before tax | (309,091) | (615,067) | (49.7) |

II. Status of budget implementation

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

III. Revenues, expenses, and profitability analysis

Unit: NTD thousand

| | | | 2025 | 2024 | Increase (Decrease) % |
|---|---|---|---|---|---|
| Revenues and expenses | Operating revenue | | 3,335,829 | 2,697,025 | 23.7 |
| | Gross operating profit | | 595,006 | 476,638 | 24.8 |
| | Net profit (loss) 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) |
| | | Profit 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) |

IV. Performance in research and development

As one of the few professional system integrators of turnkey automated logistics systems in Taiwan, the Company leverages over 50 years of extensive experience, supported by nearly one hundred professional engineers and a well-established R&D team. Through continuous research, development, and innovation, the Company remains committed to creating maximum value for both the Company and its shareholders.

In response to rapidly changing market demands and increasingly stringent customer requirements for quality, the Company places great emphasis on research and development to effectively adapt to evolving market conditions.

The Company's key R&D initiatives going forward include the following::

1. Continuous improvement and enhancement of existing product quality to maintain a leading position over competitors.
2. Enhancement of production automation to increase capacity and reduce costs.

In summary, the Company has been well recognized by industry peers in terms of industrial positioning, profitability, production capabilities, and R&D expertise. Upholding a philosophy of integrity and technological excellence, the Company has earned strong trust from its customers.

Looking ahead, amid rapidly changing market conditions, the Company will focus on its core development strategies in intelligent manufacturing and logistics, semiconductor logistics, public engineering, digital twin applications, robotics, and AI product distribution and system integration. By capitalizing on emerging opportunities, the Company aims to maximize value for its shareholders, which remains the shared goal of all employees.

Chairman: MING-KAI HSIEH Manager: CHIH-CHUN KO Accounting Manager:YA-LING CHU

Attachment 2

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

The Company's 2025 separate and consolidated financial statements, prepared and submitted by the Board of Directors, were audited by Deloitte Taiwan with an audit report issued thereafter.

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

To

2026 Annual General Meeting of KENMEC MECHANICAL ENGINEERING CO., LTD.

Audit Committee Convener : YIH -YUH LEE

March 30, 2026

Attachment 3

# KENMEC MECHANICAL ENGINEERING CO., LTD.

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

## 1. Corporate bond handling

| | |
|---|---|
| Types of corporate bonds | The fifth domestic unsecured convertible corporate bond |
| Date of board resolution | 2024/4/19 |
| Approval number of the competent authority | May 22, 2024, Financial Supervisory Authority Letter No. 11303425571 |
| Issue date | 2024/6/21 |
| Par value | NT$100,000 per ticket |
| Issue price | The actual issuance price of each ticket is 118.47 yuan (by bidding auction) |
| Total amount | NT$600,000,000 |
| Interest rate | The annual coupon rate is 0% |
| The term | Three-year term, expiration date: June 21, 2027 |
| Repayment method | Pursuant to Article 6 of the Company's Fifth Domestic Unsecured Convertible Bond Issuance and Conversion Rules for 2024, unless the bondholder converts the bond into the Company's common stock in accordance with Article 10 of these Rules, or exercises the put right in accordance with Article 18 of these Rules, or the Company redeems the bond in advance in accordance with Article 17 of these Rules or repurchases and cancels the bond through a securities firm's over-the-counter business office, the bond shall be repaid in cash in a lump sum at maturity at 100% of the face value of the bond. |
| Outstanding amount | NT$570,000,000<br>(As of March 31, 2026) |
| Latest conversion price | NT$112<br>(As of March 31, 2026) |

## 2. Implementation

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

## 3. Conversion Situation

A. As of the first quarter of 2026, the Company had repurchased NT$30,000 thousand of the convertible bonds from the secondary market, with NT$570,000 thousand remaining outstanding and unconverted.

B. In accordance with the terms and conditions of issuance and conversion, bondholders may exercise the put option from May 23 to June 21, 2026, to require the Company to redeem the convertible bonds they hold at the face value plus interest compensation. The interest compensation for a holding period of two years is 1.0025% of the face value of the bonds (equivalent to an effective yield of 0.5%).

Attachment 4

## Independent Auditors' Report

**Audit opinion**

We audited the parent company only balance sheets of KENMEC MECHANICAL ENGINEERING CO., LTD. as of December 31, 2025 and 2024, parent company only statements of comprehensive income, parent company only statements of changes in equity, and parent company only statements of cash flows, as well as all notes to the parent company only financial reports (including the summary of significant accounting policies) for the periods January 1 to December 31, 2025 and 2024.

In our opinion, the said parent company only financial reports were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and thus presented fairly, in all material aspects, the parent company only financial positions of KENMEC MECHANICAL ENGINEERING CO., LTD. as of December 31, 2025 and 2024, and the parent company only financial performance and cash flows for the periods from January 1 to December 31, 2025 and 2024.

**Basis of audit opinions**

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

**Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the parent company only financial reports of KENMEC MECHANICAL ENGINEERING CO., LTD. for the year 2025. Such matters were addressed during the overall audit of the parent company only financial reports and the process of forming the audit opinions, and thus we did not provide opinions separately regarding such matters.

The key audit matters in the audit of the parent company only financial reports of KENMEC MECHANICAL ENGINEERING CO., LTD. for the year of 2025 are as follows:

Project incomes recognized on the basis of stage of completion

As KENMEC is mainly engaged in contracting automation projects, its project income is recognized based on the degree of the completion of contracts. The estimated total cost of projects is an important factor in calculating the percentage of completion. The estimated total costs of projects and contract items are evaluated and judged by management based on the nature of projects, estimated contract amounts, project approaches and work methods. However, due to the length of the work period for many of our projects, the contracts are likely to be affected by fluctuations in prices of raw materials and labor, as well as addition/reduction of projects, making them subject to inherent risks of complexity. As there is a certain degree of subjectivity

in these estimates, the calculation of the percentage of revenue from the completion of some projects may have errors or have a significant impact on the misinterpretation of revenue in each period. Therefore, the total estimated cost for project contracts is a material estimate and judgment of the Company, hence it is considered a key audit item. For accounting policies and disclosure information relevant to the recognition of construction incomes, see Notes 4, 5 and 25 to the financial statements.

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

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

**Responsibilities of the management and governing bodies for parent company only financial reports**

The management was responsible for fairly preparing parent company only financial reports to be in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and maintaining the necessary internal control related to the preparation of the parent company only financial reports to ensure that the parent company only financial reports were a fair representation of the financial positions of the Company and, importantly, to ensure they were free of material misstatement due to fraud or error.

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

KENMEC MECHANICAL ENGINEERING CO., LTD.'s governance unit (including the Audit Committee) was responsible for supervising the financial reporting procedures.

**Responsibilities of the accountants in the audit of the parent company only financial statements**

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

In accordance with the auditing standards, we exercise professional judgment and maintain professional skepticism in the performance of an audit. We also performed the following:

1. We identified and assessed the risk of any misstatement in the parent company only financial reports, whether due to fraud or error, designed and implemented response measures suitable for the evaluated risks, and acquired sufficient and appropriate audit evidence to use as the basis of our audit opinions. As fraud may involve collusion, forgery, purposeful omission, fraudulent statements or violations of internal control, the risk of failing to detect a material misstatement due to fraud is higher than due to error.
2. We formed an understanding of the internal control mechanisms of the Company to the extent necessary to design audit procedures applicable to the current circumstances.

However, the purpose of our audit was not to express opinions on the effectiveness of KENMEC MECHANICAL ENGINEERING CO., LTD.'s internal control system.

3. We evaluated the appropriateness of the accounting policies adopted by management and the rationality of the accounting estimates and relevant disclosures made by management.
4. We drew a conclusion on the appropriateness of the application of the management's use of the going concern basis of accounting and whether the events or circumstances which might cause major doubts about KENMEC MECHANICAL ENGINEERING CO., LTD.'s ability to continue as a going concern had material uncertainties. If any material uncertainty was deemed to exist in such event or circumstance, we provided a reminder in the parent company only financial reports for the users to pay attention to relevant disclosures therein, or amended our audit opinions when such disclosures were inappropriate. Our conclusions were drawn based on the audit evidence acquired as of the date of publication of this audit report. However, future events or circumstances might result in a situation where KENMEC MECHANICAL ENGINEERING CO., LTD. would no longer have the ability to continue as a going concern.
5. We evaluated the overall presentation, structure, and contents of the parent company only financial reports (including relevant notes), and whether the parent company only financial reports presented the relevant transactions and events fairly.
6. We acquired sufficient and appropriate audit evidence for the financial information of the entities forming KENMEC MECHANICAL ENGINEERING CO., LTD. to provide opinions regarding the parent company only financial reports. We were responsible for instruction, supervision and implementation of the audit cases, as well as formation of the audit opinions on KENMEC MECHANICAL ENGINEERING CO., LTD.

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

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

We determined the key audit matters to be audited in KENMEC MECHANICAL ENGINEERING CO., LTD.'s 2025 parent company only financial reports based on the matters communicated with the governance unit. We specified such matters in the audit report except when public disclosure of certain matters was prohibited by related laws or regulations, or when, in very exceptional circumstances, we determined not to cover such matters in the audit report as doing so could reasonably expect the negative impact of the coverage to outweigh the public interest brought thereby.

Deloitte & Touche Taiwan

CPA Tsung-yuan Tsai

CPA MENG-KUEI YU

Approval No. from the
Financial Supervisory Commission
Jin-Guan-Zheng-Shen-Zi No. 1130349292

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

March 26, 2026

KENMEC MECHANICAL ENGINEERING CO., LTD.
Parent Company Only Balance Sheet
December 31, 2025 and 2024

Unit: NTD thousand

| Code | Assets | December 31, 2025 Amount | % | December 31, 2024 Amount | % |
|---|---|---|---|---|---|
| | Current assets | | | | |
| 1100 | Cash and cash equivalents (Note 6) | $ 909,047 | 10 | $ 1,443,795 | 15 |
| 1110 | Financial assets measured at fair value through profit or loss – current (Note 7) | 283,000 | 3 | 11,091 | - |
| 1136 | Financial assets measured at amortized cost – current (Note 9) | 120,227 | 1 | 138,524 | 2 |
| 1140 | Contract assets – current (Notes 23 and 25) | 875,573 | 9 | 705,955 | 7 |
| 1150 | Notes receivable – non-related parties (Note 10) | - | - | 53 | - |
| 1170 | Accounts receivable – non-related parties (Note 10) | 295,908 | 3 | 307,524 | 3 |
| 1180 | Accounts receivable - related parties (Notes 10 and 35) | 95 | - | 127,535 | 1 |
| 1200 | Other receivables (Note 10) | 3,656 | - | 14,679 | - |
| 1210 | Other receivables – related parties (Notes 10 and 35) | 362,066 | 4 | 100,538 | 1 |
| 1220 | Current income tax assets (Note 27) | 3,294 | - | 9,670 | - |
| 130X | Inventory (Note 11) | 306,946 | 3 | 350,530 | 4 |
| 1429 | Prepayments (Note 16) | 201,409 | 2 | 136,576 | 1 |
| 1470 | Other current assets (Notes 16, 35 and 36) | 89,746 | 1 | 288,963 | 3 |
| 11XX | Total current assets | 3,450,967 | 36 | 3,635,433 | 37 |
| | Non-current assets | | | | |
| 1510 | Financial assets measured at fair value through profit or loss – non-current (Note 7) | 52,532 | 1 | 159,157 | 2 |
| 1517 | Financial assets measured at fair value through other comprehensive income – non-current (Note 8) | 128,005 | 1 | 87,294 | 1 |
| 1535 | Financial assets measured at amortized cost – non-current (Note 9) | 49,405 | 1 | 49,392 | 1 |
| 1550 | Investment under the equity method (Note 12) | 2,101,571 | 22 | 2,083,670 | 21 |
| 1600 | Property, plant, and equipment (Notes 13 and 36) | 2,998,374 | 31 | 2,987,365 | 30 |
| 1755 | Right-of-use assets (Note 14) | 320,754 | 3 | 324,932 | 3 |
| 1780 | Other intangible assets (Note 15) | 15,409 | - | 5,972 | - |
| 1840 | Deferred income tax assets (Note 27) | 165,096 | 2 | 148,660 | 2 |
| 1990 | Other non-current assets (Notes 16, 22, and 36) | 321,118 | 3 | 329,916 | 3 |
| 15XX | Total non-current assets | 6,152,264 | 64 | 6,176,358 | 63 |
| 1XXX | Total assets | $ 9,603,231 | 100 | $ 9,811,791 | 100 |

| Code | Liabilities and equity | | | | |
|---|---|---|---|---|---|
| | Current liabilities | | | | |
| 2100 | Short-term loans (Note 17) | $ 180,000 | 2 | $ 420,000 | 5 |
| 2120 | Financial liabilities measured at fair value through profit or loss – current (Note 7) | 4,731 | - | - | - |
| 2130 | Contract liabilities – current (Notes 23 and 25) | 1,114,867 | 12 | 744,862 | 8 |
| 2150 | Notes payable – non-related parties (Note 18) | 4,623 | - | 6,472 | - |
| 2170 | Accounts payable – non-related parties (Note 18) | 571,813 | 6 | 697,302 | 7 |
| 2180 | Accounts payable - related parties (Notes 18 and 35) | 4,363 | - | 26,103 | - |
| 2219 | Other payables (Note 20) | 233,919 | 3 | 203,247 | 2 |
| 2220 | Other payables - related parties (Notes 20 and 35) | - | - | 1,733 | - |
| 2250 | Liability reserve – current (Note 21) | 16,294 | - | 17,962 | - |
| 2280 | Lease liabilities – current (Note 14) | 27,139 | - | 21,277 | - |
| 2313 | Deferred income (Note 30) | 371 | - | 25,097 | - |
| 2321 | Corporate bonds with put options exercisable within one year or one operating cycle (Note 19) | 553,340 | 6 | - | - |
| 2322 | Current portion of long-term borrowings (Note 17) | 21,667 | - | 26,659 | 1 |
| 2399 | Other current liabilities | 4,504 | - | 4,346 | - |
| 21XX | Total current liabilities | 2,737,631 | 29 | 2,195,060 | 23 |
| | Non-current liabilities | | | | |
| 2500 | Financial liabilities measured at fair value through profit or loss – non-current (Note 7) | - | - | 3,900 | - |
| 2530 | Bonds payable (Note 19) | - | - | 570,483 | 6 |
| 2540 | Long-term loans (Note 17) | 2,033,194 | 21 | 2,065,034 | 21 |
| 2580 | Lease liabilities – non-current (Note 14) | 234,635 | 2 | 239,677 | 2 |
| 2570 | Deferred income tax liabilities (Note 27) | 64,309 | 1 | 58,123 | 1 |
| 2650 | Credit balance of investments accounted for using the equity method (Note 12) | 92,584 | 1 | 122,651 | 1 |
| 2670 | Other non-current liabilities (Note 20) | 7,890 | - | 7,890 | - |
| 25XX | Total non-current liabilities | 2,432,612 | 25 | 3,067,758 | 31 |
| 2XXX | Total liabilities | 5,170,243 | 54 | 5,262,818 | 54 |
| | Equity (Note 24) | | | | |
| 3110 | Common stock capital | 2,590,112 | 27 | 2,590,112 | 26 |
| 3200 | Capital reserves | 1,247,843 | 13 | 1,416,239 | 14 |
| | Retained earnings | | | | |
| 3310 | Legal reserves | 247,047 | 2 | 247,047 | 3 |
| 3320 | Special reserves | 297,092 | 3 | 297,092 | 3 |
| 3350 | Undistributed earnings | 258,569 | 3 | 224,446 | 2 |
| 3300 | Total retained earnings | 802,708 | 8 | 768,585 | 8 |
| | Other equity | | | | |
| 3410 | Exchange differences on translation of financial statements of foreign operations | ( 218,500 ) | ( 2 ) | ( 217,796 ) | ( 2 ) |
| 3420 | Unrealized profit/loss on valuation of financial assets measured at fair value through other comprehensive income | 10,825 | - | ( 8,167 ) | - |
| 3400 | Total of other equity | ( 207,675 ) | ( 2 ) | ( 225,963 ) | ( 2 ) |
| 31XX | Total equity | 4,432,988 | 46 | 4,548,973 | 46 |
| | Total liabilities and equity | $ 9,603,231 | 100 | $ 9,811,791 | 100 |

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

Chairman: MING-KAI HSIEH  Manager: CHIH-CHUN KO  Accounting Manager:YA-LING CHU

KENMEC MECHANICAL ENGINEERING CO., LTD.
Parent Company Only Statement of Comprehensive Income
January 1 to December 31, 2025 and 2024

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

| Code | | 2025 | | 2024 | |
|---|---|---|---|---|---|
| | | Amount | % | Amount | % |
| | Operating revenue (Notes 25 and 35) | | | | |
| 4100 | Sales revenue | $ 482 | - | $ 2,445 | - |
| 4520 | Project income | 2,594,735 | 97 | 1,983,685 | 96 |
| 4600 | Service income | 85,919 | 3 | 78,936 | 4 |
| 4000 | Total operating revenue | 2,681,136 | 100 | 2,065,066 | 100 |
| | Operating costs (Notes 11, 26 and 35) | | | | |
| 5110 | Cost of sales | ( 331 ) | - | ( 1,088 ) | - |
| 5520 | Project cost | ( 1,957,729 ) | ( 73 ) | ( 1,404,879 ) | ( 68 ) |
| 5600 | Service cost | ( 68,966 ) | ( 2 ) | ( 70,092 ) | ( 3 ) |
| 5800 | Other operating costs | ( 22,309 ) | ( 1 ) | ( 18,891 ) | ( 1 ) |
| 5000 | Total operating costs | ( 2,049,335 ) | ( 76 ) | ( 1,494,950 ) | ( 72 ) |
| 5900 | Operating gross profit | 631,801 | 24 | 570,116 | 28 |
| 5910 | Unrealized profit or loss with subsidiaries (Note 35) | ( 17,865 ) | ( 1 ) | ( 98,329 ) | ( 5 ) |
| 5920 | Realized profit or loss with subsidiaries (Note 35) | 17,841 | 1 | 26,205 | 1 |
| 5950 | Realized operating gross profit | 631,777 | 24 | 497,992 | 24 |
| | Operating expenses (Notes 10, 26 and 35) | | | | |
| 6100 | Marketing expense | ( 94,571 ) | ( 4 ) | ( 116,141 ) | ( 6 ) |
| 6200 | Administrative expense | ( 226,328 ) | ( 8 ) | ( 267,351 ) | ( 13 ) |
| 6300 | R&D expense | ( 206,602 ) | ( 8 ) | ( 246,922 ) | ( 12 ) |
| 6450 | Expected credit impairment losses | - | - | ( 11,877 ) | - |
| 6000 | Total operating expenses | ( 527,501 ) | ( 20 ) | ( 642,291 ) | ( 31 ) |

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| Code | | 2025 Amount | 2025 % | 2024 Amount | 2024 % |
|---|---|---|---|---|---|
| 6900 | Operating profit (loss) – net | $ 104,276 | 4 | ( $ 144,299 ) | ( 7 ) |
| | Non-operating income and expense (Notes 26 and 35) | | | | |
| 7100 | Interest income | 17,933 | 1 | 23,883 | 1 |
| 7010 | Other revenue | 147,379 | 5 | 154,104 | 7 |
| 7020 | Other profits and losses | 33,053 | 1 | 23,107 | 1 |
| 7050 | Financial costs | ( 65,542 ) | ( 2 ) | ( 68,780 ) | ( 3 ) |
| 7070 | Share of profit or loss of subsidiaries accounted for using the equity method | ( 217,464 ) | ( 8 ) | ( 104,473 ) | ( 5 ) |
| 7000 | Total non-operating revenue and expenses | ( 84,641 ) | ( 3 ) | 27,841 | 1 |
| 7900 | Net profit (loss) before tax | 19,635 | 1 | ( 116,458 ) | ( 6 ) |
| 7950 | Income tax benefit (expense) (Note 27) | 6,545 | - | ( 26,769 ) | ( 1 ) |
| 8200 | Current net profit (loss) | 26,180 | 1 | ( 143,227 ) | ( 7 ) |
| | Other comprehensive income (Notes 24 and 27) | | | | |
| | Titles not reclassified as profit or loss: | | | | |
| 8311 | Remeasurement of defined benefit plans | - | - | 5,612 | - |
| 8316 | Unrealized valuation profit/loss on investment in equity instruments measured at fair value through other comprehensive income | 5,211 | - | ( 1,825 ) | - |
| 8330 | Share of other comprehensive income of subsidiaries accounted for using the equity method | 20,996 | 1 | 3,144 | - |
| 8349 | Income tax relating to non-reclassified items | - | - | ( 240 ) | - |
| 8310 | | 26,207 | 1 | 6,691 | - |

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| Code | | 2025 Amount | 2025 % | 2024 Amount | 2024 % |
|---|---|---|---|---|---|
| | Titles likely to be reclassified as profit or loss subsequently: | | | | |
| 8361 | Exchange differences on translation of financial statements of foreign operations | ( $ 29,443 ) | ( 1 ) | $ 25,015 | 1 |
| 8380 | Share of other comprehensive income of subsidiaries accounted for using the equity method | 30,844 | 1 | 18,044 | 1 |
| 8399 | Income tax related to items likely to be reclassified | 809 | - | ( 5,116 ) | - |
| 8360 | | 2,210 | - | 37,943 | 2 |
| 8300 | Total other comprehensive income (net) for the year | 28,417 | 1 | 44,634 | 2 |
| 8500 | Total comprehensive income for the year | $ 54,597 | 2 | ( $ 98,593 ) | ( 5 ) |
| | Earnings (losses) per share (Note 28) | | | | |
| 9710 | Basic | $ 0.10 | | ( $ 0.56 ) | |
| 9810 | Diluted | $ 0.10 | | ( $ 0.56 ) | |

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

Chairman: MING-KAI HSIEH Manager: CHIH-CHUN KO Accounting Manager:YA-LING CHU

KENMEC MECHANICAL ENGINEERING CO., LTD.
Parent Company Only Statement of Changes in Equity
January 1 to December 31, 2025 and 2024

Unit: NTD thousand

| Code | | Share capital | | | Retained earnings | | | Other equity | | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Number of shares (thousand shares) | Amount | Capital reserves | Legal reserves | Special reserves | Retained earnings | Exchange differences on translation of financial statements of foreign operations | Unrealized profit/loss on valuation of financial assets measured at fair value through other comprehensive income | |
| A1 | Balance on January 1, 2024 | 249,011 | $ 2,490,112 | $ 456,725 | $ 182,797 | $ 297,092 | $ 848,592 | ( $ 255,739 ) | ( $ 8,208 ) | $ 4,011,371 |
| | Allocation and distribution of earnings in 2023 | | | | | | | | | |
| B1 | Appropriation of legal reserve | - | - | - | 64,250 | - | ( 64,250 ) | - | - | - |
| B5 | Cash dividends to the shareholders of the Company | - | - | - | - | - | ( 423,319 ) | - | - | ( 423,319 ) |
| E1 | Cash capital increase | 10,000 | 100,000 | 800,000 | - | - | - | - | - | 900,000 |
| | Other changes in capital reserves | | | | | | | | | |
| M5 | Difference between the price of acquiring or disposing of the equity of the subsidiary and the book value | - | - | ( 511 ) | - | - | - | - | - | ( 511 ) |
| C5 | The Company's convertible corporate bonds recognized as equity | - | - | 141,525 | - | - | - | - | - | 141,525 |
| N1 | Employee stock options issued by the Company | - | - | 18,500 | - | - | - | - | - | 18,500 |
| D1 | Net loss in 2024 | - | - | - | - | - | ( 143,227 ) | - | - | ( 143,227 ) |
| D3 | Other comprehensive income after tax in 2024 | - | - | - | - | - | 6,650 | 37,943 | 41 | 44,634 |
| D5 | Total comprehensive income in 2024 | - | - | - | - | - | ( 136,577 ) | 37,943 | 41 | ( 98,593 ) |
| Z1 | Balance on December 31, 2024 | 259,011 | 2,590,112 | 1,416,239 | 247,047 | 297,092 | 224,446 | ( 217,796 ) | ( 8,167 ) | 4,548,973 |
| | Other changes in capital reserves | | | | | | | | | |
| M7 | Changes in ownership interests in subsidiaries | - | - | 12,919 | - | - | - | ( 2,914 ) | 728 | 10,733 |
| C15 | Cash dividends distributed from capital reserves | - | - | ( 181,308 ) | - | - | - | - | - | ( 181,308 ) |
| C17 | Changes in other capital surplus | - | - | ( 7 ) | - | - | - | - | - | ( 7 ) |
| Q1 | Disposal of equity instruments measured at fair value through other comprehensive income | - | - | - | - | - | 6,429 | - | ( 6,429 ) | - |
| D1 | 2025 Net Profit | - | - | - | - | - | 26,180 | - | - | 26,180 |
| D3 | Other comprehensive income after tax in 2025 | - | - | - | - | - | 1,514 | 2,210 | 24,693 | 28,417 |
| D5 | Total comprehensive income in 2025 | - | - | - | - | - | 27,694 | 2,210 | 24,693 | 54,597 |
| Z1 | Balance on December 31, 2025 | 259,011 | $ 2,590,112 | $ 1,247,843 | $ 247,047 | $ 297,092 | $ 258,569 | ( $ 218,500 ) | $ 10,825 | $ 4,432,988 |

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

Chairman: MING-KAI HSIEH  Manager: CHIH-CHUN KO  Accounting Manager:YA-LING CHU

KENMEC MECHANICAL ENGINEERING CO., LTD.

Parent Company Only Statement of Cash Flow

January 1 to December 31, 2025 and 2024

Unit: NTD thousand

| Code | | 2025 | 2024 |
|---|---|---|---|
| | Cash flow from operating activities | | |
| A10000 | Net profit (loss) before tax | $ 19,635 | ( $ 116,458 ) |
| A20010 | Profit and expense/loss: | | |
| A20100 | Depreciation expenses | 105,988 | 108,088 |
| A20200 | Amortization expenses | 6,460 | 6,044 |
| A20300 | Expected credit impairment losses | - | 11,877 |
| A20400 | Net loss (profit) on financial assets and liabilities measured at fair value through profit or loss | ( 29,180 ) | 3,703 |
| A20900 | Financial costs | 65,542 | 68,780 |
| A21200 | Interest income | ( 17,933 ) | ( 23,883 ) |
| A21300 | Dividend revenue | ( 2,143 ) | ( 2,675 ) |
| A21900 | Compensation cost of employee stock options | - | 18,500 |
| A22500 | Profit on disposal of property, plants, and equipment | ( 325 ) | ( 29 ) |
| A22400 | Share of profit or loss of subsidiaries accounted for using the equity method | 217,464 | 104,473 |
| A23100 | Gain on disposal of investments | ( 626 ) | - |
| A23700 | Reversal of inventory write-downs and obsolescence | - | ( 6,668 ) |
| A23800 | Loss on inventory devaluation and obsolescence | 4,851 | - |
| A23900 | Unrealized profit or loss with subsidiaries | 17,865 | 98,329 |
| A24000 | Realized profit or loss with subsidiaries | ( 17,841 ) | ( 26,205 ) |
| A24200 | Loss on repurchase of bonds payable | 546 | - |
| A29900 | Profit on lease modification | - | ( 48 ) |
| A30000 | Net changes in operating assets and liabilities | | |
| A31125 | Contract assets | ( 169,843 ) | ( 25,640 ) |
| A31130 | Notes receivable | 53 | ( 26 ) |
| A31150 | Accounts receivable | 11,616 | 73,175 |
| A31160 | Accounts receivable – related parties | 127,440 | ( 84,328 ) |
| A31180 | Other receivables | ( 146 ) | 7,493 |
| A31190 | Other receivables – related parties | 93,393 | ( 99 ) |
| A31200 | Inventory | 38,733 | ( 106,080 ) |
| A31230 | Prepayments | ( 64,833 ) | ( 17,956 ) |
| A31240 | Other current assets | 198,492 | ( 7 ) |
| A31250 | Other non-current assets | 1 | ( 222,344 ) |

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| Code | | 2025 | 2024 |
|---|---|---|---|
| A31990 | Net defined benefit assets | $ - | $ 6,801 |
| A32125 | Contract liabilities | 370,005 | 263,590 |
| A32130 | Notes payable | ( 1,849 ) | 6,472 |
| A32150 | Accounts payable | ( 125,489 ) | 138,016 |
| A32160 | Accounts payable – related parties | ( 21,740 ) | ( 8,027 ) |
| A32180 | Other payables | 24,040 | ( 74,164 ) |
| A32190 | Other payables – related parties | ( 1,733 ) | ( 487,504 ) |
| A32200 | Liability reserve | ( 1,668 ) | ( 25,876 ) |
| A32230 | Other current liabilities | 158 | 210 |
| A32990 | Deferred income | ( 24,726 ) | ( 9,903 ) |
| A33000 | Cash generated from operations | 822,207 | ( 322,369 ) |
| A33100 | Interest received | 22,916 | 22,952 |
| A33300 | Interest paid | ( 53,941 ) | ( 62,519 ) |
| A33500 | Income taxes received (paid) | 3,480 | ( 2,329 ) |
| AAAA | Net cash inflow (outflow) from operating activities | 794,662 | ( 364,265 ) |
| | Cash flows from investing activities | | |
| B00010 | Acquisition of financial assets measured at fair value through other comprehensive income | ( 35,500 ) | ( 29,952 ) |
| B00050 | Disposal of financial assets measured at amortized cost | 18,284 | 31,765 |
| B00100 | Acquisition of financial assets measured at fair value through profit or loss | ( 900,858 ) | ( 374,887 ) |
| B00200 | Disposal of financial assets measured at fair value through profit or loss | 772,110 | 511,570 |
| B01800 | Acquisition of investment under the equity method | ( 377,879 ) | ( 88,064 ) |
| B01900 | Disposal of long-term equity investment under the equity method | 103,000 | - |
| B02700 | Purchase of property, plants, and equipment | ( 86,332 ) | ( 70,548 ) |
| B02800 | Proceeds from disposal of property, plant and equipment | 7,610 | 29 |
| B03800 | Decrease in guarantee deposits paid | 25,003 | 14,289 |
| B04100 | Other receivables | - | 1,485 |
| B04300 | Other receivables – related parties | ( 354,921 ) | - |
| B04500 | Purchase of intangible assets | ( 16,126 ) | ( 1,995 ) |
| B04600 | Disposal of intangible assets | 229 | - |
| B07100 | Increase in prepayments for equipment | ( 15,481 ) | - |
| B07200 | Decrease in prepaid equipment purchase | - | 24,698 |
| B07600 | Dividends received | 2,143 | 2,675 |
| B09900 | Dividends received from subsidiaries | 43,179 | 236,275 |
| BBBB | Net cash inflow (outflow) from investing activities | ( 815,539 ) | 257,340 |

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| Code | | 2025 | 2024 |
|---|---|---|---|
| | Cash flows from financing activities | | |
| C01200 | Issuance of corporate bonds | $ - | $ 708,087 |
| C01300 | Repurchase of corporate bonds | ( 29,636 ) | - |
| C01600 | Borrowing of long-term loans | 440,000 | 400,000 |
| C01700 | Repayment of long-term loans | ( 476,832 ) | ( 528,057 ) |
| C00200 | Decrease in short-term loans | ( 240,000 ) | ( 90,000 ) |
| C03100 | Decrease in guarantee deposits received | - | ( 5,040 ) |
| C04020 | Repayment of the principal of leases | ( 26,095 ) | ( 27,878 ) |
| C04500 | Cash dividends paid | ( 181,308 ) | ( 423,319 ) |
| C04600 | Cash capital increase | - | 900,000 |
| CCCC | Net cash inflow (outflow) from financing activities | ( 513,871 ) | 933,793 |
| EEEE | Net increase (decrease) in cash and cash equivalents | ( 534,748 ) | 826,868 |
| E00100 | Balance of cash and cash equivalents at beginning of the year | 1,443,795 | 616,927 |
| E00200 | Balance of cash and cash equivalents at ending of the year | $ 909,047 | $ 1,443,795 |

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

Chairman: MING-KAI HSIEH Manager: CHIH-CHUN KO Accounting Manager:YA-LING CHU

## Independent Auditors' Report

1. Independent Auditors' Report

To KENMEC MECHANICAL ENGINEERING CO., LTD.:

**Audit opinion**

We audited the consolidated balance sheets of KENMEC MECHANICAL ENGINEERING CO., LTD. and its subsidiaries (Kenmec Group) as of December 31, 2025 and 2024, the consolidated statements of comprehensive income, consolidated statements of changes in equity, and consolidated statements of cash flows, as well as all notes to the consolidated financial statements (including the summary of significant accounting policies) for the periods from January 1 to December 31, 2025 and 2024.

In our opinion, the said consolidated financial reports were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and thus presented fairly, in all material aspects, the consolidated financial positions of the Kenmec Group as of December 31, 2025 and 2024, and the consolidated financial performance and cash flows for the periods from January 1 to December 31, 2025 and 2024.

**Basis of audit opinions**

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

**Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of Kenmec Group for the year 2025. Such matters were addressed during the overall audit of the consolidated financial statements and the process of forming the audit opinions, and thus we did not provide opinions separately regarding such matters.

The key audit matters in the audit of the consolidated financial statements of Kenmec Group for the year of 2025 are as follows:

Project incomes recognized on the basis of stage of completion

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

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

1. To understand and test the Company's internal control procedures relevant to the preparation of the estimated total project cost.

2. To select samples and examine the documents of the Company's projects to confirm the reasonableness of the estimated total project cost.

**Other matters**

For the parent company only financial reports prepared by Kenmec Mechanical Engineering Co., Ltd. in 2025 and 2024, we had an independent auditors' report issued with an unqualified opinion for reference.

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

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

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

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

**Responsibilities of the accountants in the audit of the consolidated financial statements**

We audited the consolidated financial statements with the purpose of obtaining reasonable assurance on whether the consolidated financial statements were free of material misstatement due to fraud or error, with an audit report to be issued thereafter. Reasonable assurance is a high-level assurance but is not a guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement when it exists. A misstatement may be due to fraud or error. If any misstatement, or the aggregate of multiple misstatements, can reasonably be expected to have an impact on the economic decision-making of the users of the consolidated financial statements, such misstatement is deemed material.

In accordance with the auditing standards, we exercise professional judgment and maintain professional skepticism in the performance of an audit. We also performed the following:

1. We identified and assessed the risk of any misstatement in the consolidated financial statements, whether due to fraud or error, designed and implemented response measures suitable for the evaluated risks, and acquired sufficient and appropriate audit evidence to use as the basis of our audit opinions. As fraud may involve collusion, forgery, purposeful omission, fraudulent statements or violations of internal control, the risk of failing to detect a material misstatement due to fraud is higher than due to error.
2. We formed an understanding of the internal control mechanisms of the Company to the extent necessary to design audit procedures applicable to the current circumstances. However, the purpose of our audit was not to express opinions on the effectiveness of Kenmec Group's internal control system.
3. We evaluated the appropriateness of the accounting policies adopted by management and the rationality of the accounting estimates and relevant disclosures made by management.
4. We drew a conclusion on the appropriateness of the application of the management's use of the going concern basis of accounting and whether the event or circumstances which might cause major doubts about Kenmec Group's ability to continue as a going concern had

material uncertainties. If any material uncertainty was deemed to exist in such event or circumstance, we provided a reminder in the audit report for the users of the consolidated financial statements to pay attention to the relevant disclosures therein, or amended our audit opinions when such disclosures were inappropriate. Our conclusions were drawn based on the audit evidence acquired as of the date of publication of this audit report. However, future events or circumstances might result in a situation where Kenmec Group, would no longer have its ability as a going concern.

5. We evaluated the overall presentation, structure, and contents of the consolidated financial statements (including the relevant notes) and whether the consolidated financial statements presented relevant transactions and events fairly.
6. We acquired sufficient and appropriate audit evidence for the financial information of the entities forming the Group to provide opinions regarding the consolidated financial statements. We were responsible for instruction, supervision and conduct of the Group's audit cases, as well as the expression of the audit opinions for the Group.

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

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

We determined the key audit matters to be audited in Kenmec Group's 2025 consolidated financial statements based on the matters communicated with the governance unit. We specified such matters in the audit report except when public disclosure of certain matters was prohibited by related laws or regulations, or when, in very exceptional circumstances, we determined not to cover such matters in the audit report as doing so could reasonably expect the negative impact of the coverage to outweigh the public interest brought thereby.

Deloitte & Touche Taiwan

CPA Tsung-yuan Tsai

CPA MENG-KUEI YU

Approval No. from the
Financial Supervisory Commission
Jin-Guan-Zheng-Shen-Zi No. 1130349292

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

March 26, 2026

Kenmec Mechanical Engineering Co., Ltd. and Subsidiaries
Consolidated Balance Sheet
December 31, 2025 and 2024

Unit: NTD thousand

| Code | Assets | December 31, 2025 Amount | % | December 31, 2024 Amount | % |
|---|---|---|---|---|---|
| | Current assets | | | | |
| 1100 | Cash and cash equivalents (Note 6) | $ 1,981,792 | 17 | $ 2,379,762 | 20 |
| 1110 | Financial assets measured at fair value through profit or loss – current (Note 7) | 478,530 | 4 | 252,314 | 2 |
| 1136 | Financial assets measured at amortized cost – current (Note 9) | 195,378 | 2 | 196,532 | 2 |
| 1140 | Contract assets – current (Notes 25 and 27) | 860,823 | 7 | 734,461 | 6 |
| 1150 | Notes receivable – non-related parties (Note 10) | 269 | - | 378 | - |
| 1170 | Accounts receivable – non-related parties (Note 10) | 475,163 | 4 | 408,164 | 3 |
| 1200 | Other receivables (Notes 10 and 32) | 33,037 | - | 109,284 | 1 |
| 1210 | Other receivables - related parties (Notes 10 and 38) | 45,948 | - | 25,435 | - |
| 1220 | Current income tax assets (Note 29) | 11,405 | - | 14,523 | - |
| 130X | Inventory (Note 11) | 579,652 | 5 | 572,111 | 5 |
| 1421 | Prepayments (Note 18) | 319,010 | 3 | 219,344 | 2 |
| 1470 | Other current assets (Notes 18 and 38) | 125,990 | 1 | 333,689 | 3 |
| 11XX | Total current assets | 5,106,997 | 43 | 5,245,997 | 44 |
| | Non-current assets | | | | |
| 1510 | Financial assets measured at fair value through profit or loss – non-current (Note 7) | 52,832 | - | 159,457 | 1 |
| 1517 | Financial assets measured at fair value through other comprehensive income – non-current (Note 8) | 202,440 | 2 | 124,940 | 1 |
| 1535 | Financial assets measured at amortized cost – non-current (Note 9) | 57,036 | - | 71,622 | 1 |
| 1550 | Investment under the equity method (Note 13) | 555,556 | 5 | 575,822 | 5 |
| 1600 | Property, plant, and equipment (Notes 14 and 38) | 3,849,204 | 33 | 3,766,141 | 32 |
| 1755 | Right-of-use assets (Note 15) | 435,346 | 4 | 446,197 | 4 |
| 1760 | Investment property (Note 16) | 916,941 | 8 | 986,178 | 8 |
| 1780 | Other intangible assets (Note 17) | 21,268 | - | 10,840 | - |
| 1840 | Deferred income tax assets (Note 29) | 165,082 | 1 | 148,671 | 1 |
| 1915 | Prepayments for equipment (Notes 18 and 38) | 68,177 | 1 | 33,586 | - |
| 1920 | Guarantee deposits paid (Note 18) | 67,858 | 1 | 95,940 | 1 |
| 1990 | Other non-current assets (Notes 10 and 18) | 265,387 | 2 | 242,322 | 2 |
| 15XX | Total non-current assets | 6,657,127 | 57 | 6,661,716 | 56 |
| 1XXX | Total assets | $ 11,764,124 | 100 | $ 11,907,713 | 100 |

| Code | Liabilities and equity | | | | |
|---|---|---|---|---|---|
| | Current liabilities | | | | |
| 2100 | Short-term loans (Note 19) | $ 299,920 | 3 | $ 710,649 | 6 |
| 2120 | Financial liabilities measured at fair value through profit or loss – current (Note 7) | 4,731 | - | - | - |
| 2130 | Contract liabilities – current (Note 25 and 27) | 1,158,822 | 10 | 808,732 | 7 |
| 2150 | Notes payable – non-related parties (Note 20) | 5,137 | - | 6,472 | - |
| 2170 | Accounts payable – non-related parties (Note 20) | 757,631 | 6 | 786,679 | 7 |
| 2200 | Other payables (Note 22) | 447,589 | 4 | 422,352 | 3 |
| 2220 | Other payables - related parties (Notes 22 and 38) | 26,004 | - | 4,539 | - |
| 2230 | Current income tax liabilities (Note 29) | 263 | - | 623 | - |
| 2250 | Liability reserve – current (Note 23) | 25,872 | - | 20,292 | - |
| 2280 | Lease liabilities – current (Note 15) | 31,962 | - | 38,865 | - |
| 2313 | Deferred income (Notes 22 and 32) | 455 | - | 28,304 | - |
| 2321 | Corporate bonds with put options exercisable within one year or one operating cycle (Note 21) | 553,340 | 5 | - | - |
| 2322 | Long-term borrowings due within one year or one operating cycle (Note 19) | 61,712 | 1 | 65,585 | 1 |
| 2399 | Other current liabilities (Note 22) | 59,650 | - | 21,810 | - |
| 21XX | Total current liabilities | 3,433,088 | 29 | 2,914,902 | 24 |
| | Non-current liabilities | | | | |
| 2500 | Financial liabilities measured at fair value through profit or loss – non-current (Note 7) | - | - | 3,900 | - |
| 2530 | Bonds payable (Note 21) | - | - | 570,483 | 5 |
| 2540 | Long-term loans (Note 19) | 2,121,802 | 18 | 2,166,716 | 18 |
| 2550 | Liability reserve – non-current (Note 23) | 2,014 | - | 2,014 | - |
| 2570 | Deferred income tax liabilities (Note 29) | 65,412 | 1 | 59,453 | 1 |
| 2580 | Lease liabilities – non-current (Note 15) | 256,061 | 2 | 253,373 | 2 |
| 2630 | Long-term deferred income (Notes 22 and 32) | 57,214 | 1 | 58,779 | 1 |
| 2640 | Net defined benefit liabilities – non-current (Note 24) | - | - | 5,472 | - |
| 2670 | Other non-current liabilities (Note 22) | 36,755 | - | 41,368 | - |
| 25XX | Total non-current liabilities | 2,539,258 | 22 | 3,161,558 | 27 |
| 2XXX | Total liabilities | 5,972,346 | 51 | 6,076,460 | 51 |
| | Equity attributable to the owner of the Company (Note 26) | | | | |
| 3110 | Common stock capital | 2,590,112 | 22 | 2,590,112 | 22 |
| 3200 | Capital reserves | 1,247,843 | 11 | 1,416,239 | 12 |
| | Retained earnings | | | | |
| 3310 | Legal reserves | 247,047 | 2 | 247,047 | 2 |
| 3320 | Special reserves | 297,092 | 3 | 297,092 | 2 |
| 3350 | Undistributed earnings | 258,569 | 2 | 224,446 | 2 |
| 3300 | Total retained earnings | 802,708 | 7 | 768,585 | 6 |
| | Other equity | | | | |
| 3410 | Exchange differences on translation of financial statements of foreign operations | ( 218,500 ) | ( 2 ) | ( 217,796 ) | ( 2 ) |
| 3420 | Unrealized profit/loss on valuation of financial assets measured at fair value through other comprehensive income | 10,825 | - | ( 8,167 ) | - |
| 3400 | Total of other equity | ( 207,675 ) | ( 2 ) | ( 225,963 ) | ( 2 ) |
| 31XX | Total equity of the Company's owner | 4,432,988 | 38 | 4,548,973 | 38 |
| 36XX | Non-controlling interests (Note 26) | 1,358,790 | 11 | 1,282,280 | 11 |
| 3XXX | Total equity | 5,791,778 | 49 | 5,831,253 | 49 |
| | Total liabilities and equity | $ 11,764,124 | 100 | $ 11,907,713 | 100 |

The attached notes are part of the consolidated financial statement.

Chairman: MING-KAI HSIEH  Manager: CHIH-CHUN KO  Accounting Manager:YA-LING CHU

Kenmec Mechanical Engineering Co., Ltd. and Subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to December 31, 2025 and 2024

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

| Code | | 2025 Amount | 2025 % | 2024 Amount | 2024 % |
|---|---|---|---|---|---|
| 4100 | Operating revenue (Note 27) | $ 3,335,829 | 100 | $ 2,697,025 | 100 |
| 5110 | Operating costs (Notes 11, 28 and 38) | ( 2,740,823 ) | ( 82 ) | ( 2,220,387 ) | ( 82 ) |
| 5950 | Operating gross profit | 595,006 | 18 | 476,638 | 18 |
| | Operating expenses (Notes 10, 28, and 38) | | | | |
| 6100 | Marketing expense | ( 164,246 ) | ( 5 ) | ( 157,417 ) | ( 6 ) |
| 6200 | Administrative expense | ( 559,137 ) | ( 17 ) | ( 609,847 ) | ( 23 ) |
| 6300 | R&D expense | ( 358,764 ) | ( 10 ) | ( 417,748 ) | ( 15 ) |
| 6450 | Reversal of expected credit losses (impairment losses) | 38,167 | 1 | ( 2,523 ) | - |
| 6000 | Total operating expenses | ( 1,043,980 ) | ( 31 ) | ( 1,187,535 ) | ( 44 ) |
| 6900 | Operating loss – net | ( 448,974 ) | ( 13 ) | ( 710,897 ) | ( 26 ) |
| | Non-operating income and expenses (Notes 13, 28 and 38) | | | | |
| 7100 | Interest income | 31,612 | 1 | 49,163 | 2 |
| 7010 | Other revenue | 204,087 | 6 | 280,156 | 10 |
| 7020 | Other profits and losses | ( 15,640 ) | ( 1 ) | ( 134,675 ) | ( 5 ) |
| 7050 | Financial costs | ( 75,008 ) | ( 2 ) | ( 84,020 ) | ( 3 ) |
| 7060 | The share of the profit or loss of affiliated companies, joint ventures that adopt the equity method | ( 5,168 ) | - | ( 14,794 ) | ( 1 ) |
| 7000 | Total non-operating revenue and expenses | 139,883 | 4 | 95,830 | 3 |
| 7900 | Net loss before tax | ( 309,091 ) | ( 9 ) | ( 615,067 ) | ( 23 ) |
| 7950 | Income tax benefit (expense) (Note 29) | 4,379 | - | ( 29,012 ) | ( 1 ) |
| 8200 | Current net loss | ( 304,712 ) | ( 9 ) | ( 644,079 ) | ( 24 ) |

(Next page)

(Continued from previous page)

The attached notes are part of the consolidated financial statement.

| Code | | 2025 Amount | 2025 % | 2024 Amount | 2024 % |
|---|---|---|---|---|---|
| | Other comprehensive income | | | | |
| | Titles not reclassified as profit or loss: | | | | |
| 8311 | Remeasurement of the defined benefit plan (Note 24) | $ 4,682 | - | $ 7,376 | - |
| 8316 | Unrealized valuation profit/loss on investment in equity instruments measured at fair value through other comprehensive income (Note 26) | 26,117 | 1 | 241 | - |
| 8349 | Income tax relating to non-reclassified items (Note 29) | - | - | ( 240 ) | - |
| 8310 | | 30,799 | 1 | 7,377 | - |
| | Titles likely to be reclassified as profit or loss subsequently: | | | | |
| 8361 | Exchange differences on translation of financial statements of foreign operations (Note 26) | 12,637 | - | 68,171 | 3 |
| 8399 | Income tax related to items likely to be reclassified (Note 29) | 809 | - | ( 5,116 ) | - |
| 8360 | | 13,446 | - | 63,055 | 3 |
| 8300 | Other comprehensive income (after tax) in the year | 44,245 | 1 | 70,432 | 3 |
| 8500 | Total comprehensive income for the year | ( $ 260,467 ) | ( 8 ) | ( $ 573,647 ) | ( 21 ) |
| | Net profit (loss) attributable to: | | | | |
| 8610 | The owner of the Company | $ 26,180 | 1 | ( $ 143,227 ) | ( 5 ) |
| 8620 | Non-controlling equity | ( 330,892 ) | ( 10 ) | ( 500,852 ) | ( 19 ) |
| 8600 | | ( $ 304,712 ) | ( 9 ) | ( $ 644,079 ) | ( 24 ) |
| | Total comprehensive income attributable to: | | | | |
| 8710 | The owner of the Company | $ 54,597 | 2 | ( $ 98,593 ) | ( 4 ) |
| 8720 | Non-controlling equity | ( 315,064 ) | ( 10 ) | ( 475,054 ) | ( 17 ) |
| 8700 | | ( $ 260,467 ) | ( 8 ) | ( $ 573,647 ) | ( 21 ) |
| | Earnings (losses) per share (Note 30) | | | | |
| 9710 | Basic | $ 0.10 | | ( $ 0.56 ) | |
| 9810 | Diluted | $ 0.10 | | ( $ 0.56 ) | |

The attached notes are an integral part of the consolidated financial statement.

Chairman: MING-KAI HSIEH Manager: CHIH-CHUN KO Accounting Manager:YA-LING CHU

Kenmec Mechanical Engineering Co., Ltd. and Subsidiaries
Consolidated Statement of Changes in Equity
January 1 to December 31, 2025 and 2024

Unit: NTD thousand

| Code | | Equity attributable to the owner of the Company | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Share capital | | | Retained earnings | | | Other equity | | | | |
| | | Number of shares (thousand shares) | Amount | Capital reserves | Legal reserves | Special reserves | Undistributed earnings | Exchange differences on translation of financial statements of foreign operations | Unrealized profit/loss on valuation of financial assets measured at fair value through other comprehensive income | Total | Non-controlling equity | Total equity |
| A1 | Balance on January 1, 2024 | 249,011 | $ 2,490,112 | $ 456,725 | $ 182,797 | $ 297,092 | $ 848,592 | ( $ 255,739 ) | ( $ 8,208 ) | $ 4,011,371 | $ 1,769,279 | $ 5,780,650 |
| | Allocation and distribution of earnings in 2023 | | | | | | | | | | | |
| B1 | Appropriation of legal reserve | - | - | - | 64,250 | - | ( 64,250 ) | - | - | - | - | - |
| B5 | Cash dividends to the shareholders of the Company | - | - | - | - | - | ( 423,319 ) | - | - | ( 423,319 ) | - | ( 423,319 ) |
| E1 | Cash capital increase | 10,000 | 100,000 | 800,000 | - | - | - | - | - | 900,000 | - | 900,000 |
| | Other changes in capital reserves: | | | | | | | | | | | |
| M5 | Actual acquisition or disposal of part of interests in subsidiaries | - | - | ( 511 ) | - | - | - | - | - | ( 511 ) | 511 | - |
| C5 | The Company's convertible corporate bonds recognized as equity | - | - | 141,525 | - | - | - | - | - | 141,525 | - | 141,525 |
| N1 | Employee stock options issued by the Company | - | - | 18,500 | - | - | - | - | - | 18,500 | - | 18,500 |
| D1 | Net loss in 2024 | - | - | - | - | - | ( 143,227 ) | - | - | ( 143,227 ) | ( 500,852 ) | ( 644,079 ) |
| D3 | Other comprehensive income after tax in 2024 | - | - | - | - | - | 6,650 | 37,943 | 41 | 44,634 | 25,798 | 70,432 |
| D5 | Total comprehensive income in 2024 | - | - | - | - | - | ( 136,577 ) | 37,943 | 41 | ( 98,593 ) | ( 475,054 ) | ( 573,647 ) |
| O1 | Changes in non-controlling interests (Note 26) | - | - | - | - | - | - | - | - | - | ( 12,456 ) | ( 12,456 ) |
| Z1 | Balance on December 31, 2024 | 259,011 | 2,590,112 | 1,416,239 | 247,047 | 297,092 | 224,446 | ( 217,796 ) | ( 8,167 ) | 4,548,973 | 1,282,280 | 5,831,253 |
| | Other changes in capital reserves: | | | | | | | | | | | |
| M7 | Changes in ownership interests in subsidiaries | - | - | 12,919 | - | - | - | ( 2,914 ) | 728 | 10,733 | ( 4,898 ) | 5,835 |
| C15 | Cash dividends distributed from capital reserves | - | - | ( 181,308 ) | - | - | - | - | - | ( 181,308 ) | - | ( 181,308 ) |
| C17 | Changes in other capital surplus | - | - | ( 7 ) | - | - | - | - | - | ( 7 ) | - | ( 7 ) |
| Q1 | Disposal of equity instruments measured at fair value through other comprehensive income | - | - | - | - | - | 6,429 | - | ( 6,429 ) | - | - | - |
| D1 | 2025 Net Profit(loss) | - | - | - | - | - | 26,180 | - | - | 26,180 | ( 330,892 ) | ( 304,712 ) |
| D3 | Other comprehensive income after tax in 2025 | - | - | - | - | - | 1,514 | 2,210 | 24,693 | 28,417 | 15,828 | 44,245 |
| D5 | Total comprehensive income in 2025 | - | - | - | - | - | 27,694 | 2,210 | 24,693 | 54,597 | ( 315,064 ) | ( 260,467 ) |
| O1 | Changes in non-controlling interests (Note 26) | - | - | - | - | - | - | - | - | - | 396,472 | 396,472 |
| Z1 | Balance on December 31, 2025 | 259,011 | $ 2,590,112 | $ 1,247,843 | $ 247,047 | $ 297,092 | $ 258,569 | ( $ 218,500 ) | $ 10,825 | $ 4,432,988 | $ 1,358,790 | $ 5,791,778 |

The attached notes are part of the consolidated financial statement.

Chairman: MING-KAI HSIEH  Manager: CHIH-CHUN KO  Accounting Manager:YA-LING CHU

Kenmec Mechanical Engineering Co., Ltd. and Subsidiaries

Consolidated Statement of Cash Flow

January 1 to December 31, 2025 and 2024

Unit: NTD thousand

| Code | | 2025 | 2024 |
|---|---|---|---|
| | Cash flow from operating activities | | |
| A10000 | Net loss before tax | ( $ 309,091 ) | ( $ 615,067 ) |
| A20010 | Profit and expense/loss: | | |
| A20100 | Depreciation expenses | 291,315 | 365,332 |
| A20200 | Amortization expenses | 14,605 | 9,285 |
| A20300 | Expected credit loss (reversal of impairment) impairment losses | ( 38,167 ) | 2,523 |
| A20400 | Profit or loss on financial assets and liabilities measured at fair value through profit or loss | ( 31,723 ) | ( 960 ) |
| A20900 | Financial costs | 75,008 | 84,020 |
| A21200 | Interest income | ( 31,612 ) | ( 49,163 ) |
| A21300 | Dividend revenue | ( 2,143 ) | ( 2,675 ) |
| A21900 | Compensation cost of employee stock options | 5,835 | 18,500 |
| A22300 | The share of the profit or loss of affiliated companies, joint ventures that adopt the equity method | 5,168 | 14,794 |
| A22500 | Profit on disposal of property, plants, and equipment | ( 3,715 ) | ( 1,302 ) |
| A22700 | Disposal of investment property benefits | - | ( 50,423 ) |
| A22900 | Profit on lease modification | ( 11 ) | ( 565 ) |
| A23100 | Gain on disposal of subsidiaries | ( 626 ) | - |
| A23700 | Inventory write-downs and obsolescence loss (reversal) | 23,737 | ( 22,828 ) |
| A23800 | Other impairment losses | 27,221 | 249,340 |
| A24200 | Loss on repurchase of bonds payable | 546 | - |
| A29900 | Reversal of deferred income | ( 4,639 ) | ( 15,048 ) |
| A30000 | Net changes in operating assets and liabilities | | |
| A31125 | Contract assets | ( 105,081 ) | ( 95,765 ) |
| A31130 | Notes receivable | 109 | 2,178 |
| A31150 | Accounts receivable | ( 27,146 ) | 108,946 |
| A31180 | Other receivables | ( 10,519 ) | ( 70,215 ) |
| A31190 | Other receivables – related parties | 1,159 | ( 712 ) |
| A31200 | Inventory | ( 35,422 ) | 2,258 |
| A31230 | Prepayments | ( 100,877 ) | ( 17,457 ) |
| A31240 | Other current assets | 207,699 | ( 91,270 ) |
| A31990 | Net defined benefit assets | 2,194 | 10,760 |

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(Continued from previous page)

| Code | | 2025 | 2024 |
|---|---|---|---|
| A31990 | Other non-current assets | ( $ 20,577 ) | ( $ 74,667 ) |
| A32125 | Contract liabilities | 350,835 | 131,182 |
| A32130 | Notes payable | ( 1,335 ) | 6,472 |
| A32150 | Accounts payable | ( 26,581 ) | 114,451 |
| A32160 | Accounts payable – related parties | - | ( 2,605 ) |
| A32180 | Other payables | 45,031 | ( 110,672 ) |
| A32190 | Other payables – related parties | ( 1,031 ) | 2,177 |
| A32200 | Liability reserve | 5,580 | ( 25,688 ) |
| A32230 | Other current liabilities | 37,845 | ( 20,154 ) |
| A32240 | Net defined benefit liabilities | ( 5,472 ) | - |
| A32250 | Other non-current liabilities | ( 1,905 ) | ( 10,476 ) |
| A32990 | Deferred income | ( 27,849 ) | ( 5,950 ) |
| A33000 | Cash generated from operations | 308,365 | ( 161,444 ) |
| A33100 | Interest received | 36,179 | 50,483 |
| A33300 | Interest paid | ( 63,442 ) | ( 77,801 ) |
| A33500 | Income tax paid | ( 2,542 ) | ( 8,095 ) |
| AAAA | Net cash inflow (outflow) from operating activities | 278,560 | ( 196,857 ) |
| | Cash flows from investing activities | | |
| B00010 | Acquisition of financial assets measured at fair value through other comprehensive income | ( 65,500 ) | ( 64,952 ) |
| B00020 | Disposal of financial assets measured at fair value through other comprehensive income | 14,117 | - |
| B00050 | Disposal of financial assets measured at amortized cost | 1,227 | 86,810 |
| B00100 | Acquisition of financial assets measured at fair value through profit or loss | ( 999,099 ) | ( 1,292,491 ) |
| B00200 | Disposal of financial assets measured at fair value through profit or loss | 918,821 | 1,473,264 |
| B02300 | Net cash inflow from disposal of subsidiaries | 89,295 | - |
| B02700 | Purchase of property, plants, and equipment | ( 279,562 ) | ( 254,756 ) |
| B02800 | Proceeds from disposal of property, plant and equipment | 8,222 | 1,467 |
| B03800 | Decrease in guarantee deposits paid | 28,050 | 15,981 |
| B04300 | Other receivables – related parties | ( 45,074 ) | 58,119 |
| B04500 | Purchase of intangible assets | ( 25,039 ) | ( 5,458 ) |
| B05350 | Acquisition of right-of-use assets | ( 1,183 ) | ( 1,157 ) |
| B05500 | Disposal of investment property price | - | 74,911 |
| B07100 | Increase in prepayments for equipment | ( 35,918 ) | - |

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(Continued from previous page)

| Code | | 2025 | 2024 |
|---|---|---|---|
| B07200 | Decrease in prepaid equipment purchase | $ - | $ 48,741 |
| B07600 | Dividends received | 2,143 | 2,675 |
| BBBB | Net cash inflow (outflow) from investing activities | ( 389,500 ) | 143,154 |
| | Cash flows from financing activities | | |
| C00200 | Decrease in short-term loans | ( 410,729 ) | ( 222,701 ) |
| C00600 | Decrease in short-term notes payable | - | ( 37,000 ) |
| C01200 | Issuance of corporate bonds | - | 708,087 |
| C01300 | Repurchase of corporate bonds | ( 29,636 ) | - |
| C01600 | Borrowing of long-term loans | 469,100 | 450,000 |
| C01700 | Repayment of long-term loans | ( 517,887 ) | ( 565,812 ) |
| C03100 | Decrease in guarantee deposits received | ( 2,708 ) | ( 13,150 ) |
| C03700 | Other payables – related parties | 22,496 | - |
| C04020 | Repayment of the principal of leases | ( 44,870 ) | ( 52,095 ) |
| C04500 | Payment of dividends to the owner of the Company | ( 181,308 ) | ( 423,319 ) |
| C04600 | Cash capital increase | - | 900,000 |
| C05800 | Changes in non-controlling interests | 405,724 | 4,800 |
| C09900 | Payment of non-controlling equity cash dividends | ( 9,252 ) | ( 17,256 ) |
| CCCC | Net cash inflow (outflow) from financing activities | ( 299,070 ) | 731,554 |
| DDDD | Effect of exchange rate changes on cash and cash equivalents | 12,040 | 11,467 |
| EEEE | Net increase (decrease) in cash and cash equivalents | ( 397,970 ) | 689,318 |
| E00100 | Balance of cash and cash equivalents at beginning of the year | 2,379,762 | 1,690,444 |
| E00200 | Balance of cash and cash equivalents at ending of the year | $ 1,981,792 | $ 2,379,762 |

The attached notes are part of the consolidated financial statement.

Chairman: MING-KAI HSIEH Manager: CHIH-CHUN KO Accounting Manager:YA-LING CHU

Attachment 5

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

| Clause | After amendment | Before amendment | Description |
|---|---|---|---|
| Article 2 | The Company's business scope shall include the following:<br>001.B101010 Coal Mining<br>002.B601010 Quarrying<br>003.C801100 Synthetic Resin and Plastic Manufacturing<br>.<br>.<br>100.A301030 Aquaculture<br>~~101. E602011 Refrigeration and Air Conditioning Engineering~~<br>101. E603040 Fire Fighting Equipment Construction | The Company's business scope shall include the following:<br>001.B101010 Coal Mining<br>002.B601010 Quarrying<br>003.C801100 Synthetic Resin and Plastic Manufacturing<br>.<br>.<br>100.A301030 Aquaculture<br>101.E602011 Refrigeration and Air Conditioning Engineering<br>102.E603040 Fire Fighting Equipment Construction | Deletion of Certain Business Items |
| Article 22 | These Articles of Association were established on June 21, 1976.<br>First amendment on November 3, 1977.<br>.<br>.<br>The 38th revision was on May 29, 2025.<br>The 39th revision was on May 21, 2026. | These Articles of Association were established on June 21, 1976.<br>First amendment on November 3, 1977.<br>.<br>.<br>The 38th revision was on May 29, 2025. | Add the revision number and date |

Attachment 6

# KENMEC MECHANICAL ENGINEERING CO., LTD.
# Amendment Comparison Table for the Procedures for Acquisition or Disposal of Assets

| After amendment | Before amendment | Description |
|---|---|---|
| Article 15 Procedures for Public Announcement and Reporting<br>1. Where the Company acquires or disposes of assets under any of the following circumstances, it shall, according to the nature of the transaction and in the prescribed format, publicly announce and report the relevant information on the website designated by the Financial Supervisory Commission within two days from the date of occurrence of the event:<br>(1) Where the Company acquires or disposes of real property or right-of-use assets from or to related parties, or acquires or disposes of assets other than real property or right-of-use assets with related parties, and the transaction amount reaches 20% of the Company's paid-in capital, 10% of total assets, or NT$300 million or more. However, this shall not apply to the trading of domestic government bonds, bonds under repurchase and resale agreements, or the subscription or redemption of money market funds issued by domestic securities investment trust enterprises.<br>(2) Where the Company conducts a merger, demerger, acquisition, or share transfer.<br>(3) Where losses from derivative transactions reach the loss limits prescribed for total or individual contracts under these Procedures.<br>(4) Where the Company acquires or disposes of equipment or right-of-use assets for operational use, and the counterparty is not a related party, and the transaction amount meets any of the following thresholds:<br>A. For public companies with paid-in capital of less than NT$10 billion, the transaction amount reaches NT$500 million or more.<br>B. For public companies with paid-in capital of NT$10 billion or more but less than NT$50 billion, the transaction amount reaches NT$1 billion or more.<br>C. For public companies with paid-in capital of NT$50 billion or more, the transaction amount reaches 5% or more of the Company's paid-in capital. | Article 15 Procedures for Public Announcement and Reporting<br>1. Where the Company acquires or disposes of assets under any of the following circumstances, it shall, according to the nature of the transaction and in the prescribed format, publicly announce and report the relevant information on the website designated by the Financial Supervisory Commission within two days from the date of occurrence of the event:<br>(1) Where the Company acquires or disposes of real property or right-of-use assets from or to related parties, or acquires or disposes of assets other than real property or right-of-use assets with related parties, and the transaction amount reaches 20% of the Company's paid-in capital, 10% of total assets, or NT$300 million or more. However, this shall not apply to the trading of domestic government bonds, bonds under repurchase and resale agreements, or the subscription or redemption of money market funds issued by domestic securities investment trust enterprises.<br>(2) Where the Company conducts a merger, demerger, acquisition, or share transfer.<br>(3) Where losses from derivative transactions reach the loss limits prescribed for total or individual contracts under these Procedures.<br>(4) Where the Company acquires or disposes of equipment or right-of-use assets for operational use, and the counterparty is not a related party, and the transaction amount meets any of the following thresholds:<br>A. For public companies with paid-in capital of less than NT$10 billion, the transaction amount reaches NT$500 million or more.<br>B. For public companies with paid-in capital of NT$10 billion or more, the transaction amount reaches NT$1 billion or more. | Amended in accordance with Financial Supervisory Commission Order No. Jin-Guan-Zheng-Fa-1140383333. |

| | | |
|---|---|---|
| (5) Where a public company engaged in construction business acquires or disposes of real property or right-of-use assets for construction use, and the counterparty is not a related party, and the transaction amount reaches NT$500 million or more. However, for companies with paid-in capital of NT$10 billion or more disposing of completed self-developed construction projects, where the counterparty is not a related party, the threshold shall be NT$1 billion or more.<br>(6) Where the Company acquires real property through arrangements such as construction on its own land, construction on leased land, joint construction with allocation of units, profit-sharing joint construction, or joint construction for sale, and the counterparty is not a related party, and the expected investment amount reaches NT$500 million or more.<br>(7) For asset transactions other than those set forth in the preceding six subparagraphs, disposal of claims by financial institutions, or investments in Mainland China, where the transaction amount reaches 20% of the Company's paid-in capital or NT$300 million or more. However, this shall not apply to the following circumstances:<br>A. Trading of domestic government bonds or foreign government bonds with a credit rating not lower than the sovereign rating of the Republic of China (Taiwan).<br>B. Securities trading conducted by professional investors on domestic or foreign securities exchanges or over-the-counter markets; subscription in the domestic primary market of foreign government bonds, publicly issued corporate bonds, or general financial bonds not involving equity (excluding subordinated bonds); subscription or redemption of securities investment trust funds or futures trust funds; subscription or redemption of exchange-traded notes (ETNs); or securities subscribed by securities firms as required for underwriting business or as recommended securities firms for emerging stock companies in accordance with the regulations of the Taipei Exchange. | (5) Where a public company engaged in construction business acquires or disposes of real property or right-of-use assets for construction use, and the counterparty is not a related party, and the transaction amount reaches NT$500 million or more. However, for companies with paid-in capital of NT$10 billion or more disposing of completed self-developed construction projects, where the counterparty is not a related party, the threshold shall be NT$1 billion or more.<br>(6) Where the Company acquires real property through arrangements such as construction on its own land, construction on leased land, joint construction with allocation of units, profit-sharing joint construction, or joint construction for sale, and the counterparty is not a related party, and the expected investment amount reaches NT$500 million or more.<br>(7) For asset transactions other than those set forth in the preceding six subparagraphs, disposal of claims by financial institutions, or investments in Mainland China, where the transaction amount reaches 20% of the Company's paid-in capital or NT$300 million or more. However, this shall not apply to the following circumstances:<br>A. Trading of domestic government bonds or foreign government bonds with a credit rating not lower than the sovereign rating of the Republic of China (Taiwan).<br>B. Securities trading conducted by professional investors on domestic or foreign securities exchanges or over-the-counter markets; subscription in the domestic primary market of foreign government bonds, publicly issued corporate bonds, or general financial bonds not involving equity (excluding subordinated bonds); subscription or redemption of securities investment trust funds or futures trust funds; subscription or redemption of exchange-traded notes (ETNs); or securities subscribed by securities firms as required for underwriting business or as recommended securities firms for emerging stock companies in accordance with the regulations of the Taipei Exchange. | |

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| C. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.<br>The transaction amounts referred to above shall be calculated in accordance with the following methods:<br>(1) The amount of each individual transaction.<br>(2) The cumulative amount of transactions involving the acquisition or disposal of assets of the same nature with the same counterparty within one year.<br>(3) The cumulative amount of acquisitions or disposals (calculated separately) of real property or right-of-use assets under the same development project within one year.<br>(4) The cumulative amount of acquisitions or disposals (calculated separately) of the same marketable securities within one year.<br>The term "within one year" shall be calculated retrospectively from the date of occurrence of the current transaction. Any portions that have already been publicly announced in accordance with applicable regulations shall be excluded from such calculation.<br>2. The Company shall, on a monthly basis, report the status of derivative transactions conducted by the Company and its subsidiaries that are not domestic public companies as of the end of the preceding month, in the prescribed format, to the information reporting website designated by the Financial Supervisory Commission before the 10th day of each month.<br>3. If any item required to be publicly announced or reported contains errors or omissions at the time of announcement, the Company shall, within two days from the date of becoming aware of such errors or omissions, re-announce and re-report all relevant items.<br>4. The Company shall retain relevant contracts, meeting minutes, registers, appraisal reports, and opinions issued by CPAs, attorneys, or securities underwriters at the Company. Unless otherwise provided by law, such documents shall be retained for at least five years.<br>5. After a transaction has been publicly announced and reported in accordance with the foregoing provisions, if any of the following events occurs, the Company shall, within two days from the date of occurrence, publicly | C. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.<br>The transaction amounts referred to above shall be calculated in accordance with the following methods:<br>(1) The amount of each individual transaction.<br>(2) The cumulative amount of transactions involving the acquisition or disposal of assets of the same nature with the same counterparty within one year.<br>(3) The cumulative amount of acquisitions or disposals (calculated separately) of real property or right-of-use assets under the same development project within one year.<br>(4) The cumulative amount of acquisitions or disposals (calculated separately) of the same marketable securities within one year.<br>The term "within one year" shall be calculated retrospectively from the date of occurrence of the current transaction. Any portions that have already been publicly announced in accordance with applicable regulations shall be excluded from such calculation.<br>2. The Company shall, on a monthly basis, report the status of derivative transactions conducted by the Company and its subsidiaries that are not domestic public companies as of the end of the preceding month, in the prescribed format, to the information reporting website designated by the Financial Supervisory Commission before the 10th day of each month.<br>3. If any item required to be publicly announced or reported contains errors or omissions at the time of announcement, the Company shall, within two days from the date of becoming aware of such errors or omissions, re-announce and re-report all relevant items.<br>4. The Company shall retain relevant contracts, meeting minutes, registers, appraisal reports, and opinions issued by CPAs, attorneys, or securities underwriters at the Company. Unless otherwise provided by law, such documents shall be retained for at least five years.<br>5. After a transaction has been publicly announced and reported in accordance with the foregoing provisions, if any of the following events occurs, the Company shall, | |

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| announce and report the relevant information on the website designated by the Financial Supervisory Commission:<br>(1) Any amendment, termination, or rescission of the relevant contract.<br>(2) Failure to complete a merger, demerger, acquisition, or share transfer in accordance with the scheduled timeline set forth in the contract.<br>(3) Any change to the originally announced and reported information.<br>6. Where a subsidiary of the Company is not a domestic public company and its acquisition or disposal of assets meets the thresholds requiring public announcement and reporting under this Article, the Company shall handle such announcement and reporting on its behalf. For the purpose of determining the applicable thresholds for such subsidiaries, the Company's paid-in capital or total assets shall be used as the basis. | within two days from the date of occurrence, publicly announce and report the relevant information on the website designated by the Financial Supervisory Commission:<br>(1) Any amendment, termination, or rescission of the relevant contract.<br>(2) Failure to complete a merger, demerger, acquisition, or share transfer in accordance with the scheduled timeline set forth in the contract.<br>(3) Any change to the originally announced and reported information.<br>6. Where a subsidiary of the Company is not a domestic public company and its acquisition or disposal of assets meets the thresholds requiring public announcement and reporting under this Article, the Company shall handle such announcement and reporting on its behalf. For the purpose of determining the applicable thresholds for such subsidiaries, the Company's paid-in capital or total assets shall be used as the basis. | |
| Article 15-1 For the purpose of calculating the threshold of 10% of total assets, the total assets amount shall be based on the most recent parent-only or individual financial statements prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issers.<br>Where the Company's shares have no par value or a par value other than NT$10 per share, the provisions under Articles 8 through 11 and Article 15 regarding transaction amounts calculated as 20% of paid-in capital shall instead be calculated as 10% of equity attributable to owners of the parent; provisions referring to transaction amounts calculated as 5% of paid-in capital shall instead be calculated as 2.5% of equity attributable to owners of the parent; provisions referring to paid-in capital of NT$10 billion shall instead be calculated based on equity attributable to owners of the parent of NT$20 billion; and provisions referring to paid-in capital of NT$50 billion shall instead be calculated based on equity attributable to owners of the parent of NT$100 billion. | Article 15-1 For the purpose of calculating the threshold of 10% of total assets, the total assets amount shall be based on the most recent parent-only or individual financial statements prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.<br>Where the Company's shares have no par value or a par value other than NT$10 per share, the provisions under Articles 8 through 11 and Article 15 regarding transaction amounts calculated as 20% of paid-in capital shall instead be calculated as 10% of equity attributable to owners of the parent.<br>For the purposes of provisions referring to paid-in capital of NT$10 billion, such threshold shall instead be calculated based on equity attributable to owners of the parent of NT$20 billion. | |
| Article 20 Revision History | Article 20 Revision History | Addition of |

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| This Procedures was originally adopted on April 23, 1999.<br>•1st revision: October 9, 2000<br>•2nd revision: April 15, 2003<br>•3rd revision: June 13, 2007<br>•4th revision: October 14, 2009<br>•5th revision: June 28, 2011<br>•6th revision: June 27, 2012<br>•7th revision: June 19, 2013<br>•8th revision: June 26, 2014<br>•9th revision: June 25, 2015<br>•10th revision: June 13, 2016<br>•11th revision: June 28, 2017<br>•12th revision: June 25, 2019<br>•13th revision: June 24, 2022<br>•14th revision: June 28, 2023<br>•15th revision: May 21, 2026 | This Procedures was originally adopted on April 23, 1999.<br>•1st revision: October 9, 2000<br>•2nd revision: April 15, 2003<br>•3rd revision: June 13, 2007<br>•4th revision: October 14, 2009<br>•5th revision: June 28, 2011<br>•6th revision: June 27, 2012<br>•7th revision: June 19, 2013<br>•8th revision: June 26, 2014<br>•9th revision: June 25, 2015<br>•10th revision: June 13, 2016<br>•11th revision: June 28, 2017<br>•12th revision: June 25, 2019<br>•13th revision: June 24, 2022<br>•14th revision: June 28, 2023 | Amendment History and Dates |

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

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

II. As of the book closure date for the shareholders' meeting (March 23, 2026), the shareholdings by individual and all directors, as recorded in the shareholder register, are as follows:

| Title | Name | Current shareholding | |
|---|---|---|---|
| | | Number of shares | Shareholding ratio |
| Chairman | MING-KAI HSIEH | 2,196,346 | 0.85% |
| Director | CHING-FU HSIEH | 14,267,707 | 5.51% |
| Director | YUEH-CHEN LIN | 10,330,345 | 3.99% |
| Director | CHOU-HUANG PAI | 4,587,086 | 1.77% |
| Independent director | YIH -YUH LEE | - | - |
| Independent director | TZU-JU PENG | - | - |
| Independent director | CHIEN-CHOU CHU | - | - |
| Total directors | | 31,381,484 | 12.12% |

Note: As of the book closure date for the shareholders' meeting (March 23, 2026), the total number of shares held by all directors as recorded in the shareholder register is 31,381,484, which has met the requirements under Article 26 of the Securities and Exchange Act.

**Appendix 2**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

for attention.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Article 10: (Discussion of Motions)

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

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

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

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

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

Article 11: (Statements by Shareholders)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Article 14: (Elections matters)

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

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

Article 15: (Resolutions)

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

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

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

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

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

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

Article 16: (Public Disclosure)

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

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

Article 17: (Maintenance of Order at the Meeting)

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

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

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

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

Article 18: (Break and Resumption of Meeting)

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

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

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

Article 19: (Disclosure of information at virtual meetings)

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

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

Article 20: (Location of the chair and secretary of virtual shareholders' meeting)
When the Company convenes a virtual shareholders' meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.

Article 21: (Handling of disconnection)
In the event of a virtual shareholders' meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve technical issues in the communication.
In the event of a virtual shareholders' meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, Paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.
For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected virtual shareholders' meeting shall not attend the postponed or resumed session.
For a meeting to be postponed or resumed under the second paragraph, the number of shares represented and voting rights and election rights exercised by the shareholders who have registered to participate in the affected virtual shareholders' meeting and have successfully signed in for the meeting but do not attend the postponed or resumed session, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.
During a postponed or resumed session of a shareholders' meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or the list of elected directors.
When the Company convenes a hybrid shareholders' meeting, and the virtual meeting cannot continue as described in the second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting, still meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue, and postponement or resumption thereof under the second paragraph is not required.
Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on the meeting agenda of that shareholders' meeting.
When postponing or resuming a meeting according to the second paragraph, the Company shall handle the preparatory work based on the date of the original shareholders' meeting in accordance with the requirements listed under Article 44-20, Paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.
For the date or period set forth under the second half of Article 12 and Article 13,

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

Article 22:(Handling of the digital divide)

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

Article 23: Supplementary Provisions:

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

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

**Appendix 3**

# KENMEC MECHANICAL ENGINEERING CO., LTD.

## Articles of Incorporation

### Chapter 1. General Provisions

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

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

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

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

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

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

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

Article 4: (Deleted).

## Chapter 2. Shares

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

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

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

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

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

related matters in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" promulgated by the competent authority.

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

## Chapter 3. Shareholders' Meeting

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

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

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

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

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

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

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

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

## Chapter 4. Directors and the Audit Committee

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

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

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

discharged upon the expiration thereof.

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

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

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

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

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

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

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

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

## Chapter 5. Manager

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

## Chapter 6. Accounting

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

Article 19: (Deleted).

Article 20: 5%–15% of the Company's annual profits, if any, shall be appropriated as employee

remuneration (Among them, the remuneration allocated to grassroots employees shall not be less than 1%) which may be distributed in shares or in cash as decided by the Board of Directors. Such employee remuneration may be distributed to the employees of affiliated companies who have met certain requirements. The Board of Directors may decide to appropriate 1%–3% of the amount of the said profits as directors' remuneration. The proposals for distribution of the remuneration for employees and directors shall be submitted in a report to the shareholders' meeting. If the Company has accumulated losses, an equivalent amount from the profits shall be reserved as compensation for such losses before the remuneration to employees and directors is appropriated by the aforementioned percentages.

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

Article 20-1:

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

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

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

II. Dividend policy:

   1. The Company's business is currently in the stage of operational growth, requiring profits to be retained as funding necessary for operational growth and investments. Therefore, the Company currently adopts a "balance as dividend" policy, giving consideration to the distribution of a balanced dividend equaling at least 50% of the annual net profits after tax. The Board of Directors may, however, submit a proposal for distribution to the shareholders' meeting for decision after taking into account the actual funding situation of the Company.
   2. Earnings may be distributed in the form of a combination of cash and stock dividends, provided that cash dividend is at least 20% of the total dividend. The shareholders' meeting may, however, make adjustment thereto based on future funding plans.

## Chapter 7. Supplementary Provisions

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

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

1st amendment on November 3, 1977.
2nd amendment on April 6, 1982.
3rd amendment on February 26, 1987.
4th amendment on November 8, 1988.
5th amendment on December 22, 1988.
6th amendment on February 22, 1989.
7th amendment on December 18, 1989.
8th amendment on June 11, 1990.
9th amendment on February 14, 1994.
10th amendment on August 15, 1995.
11th amendment on July 10, 1996.
12th amendment on July 28, 1997.
13th amendment on August 22, 1997.
14th amendment on November 13, 1997.
15th amendment on June 25, 1998.
16th amendment on December 31, 1998.
17th amendment on April 30, 1999.
18th amendment on June 9, 2000.
19th amendment on April 18, 2001.
20th amendment on July 25, 2001.
21st amendment on June 25, 2002.
22nd amendment on April 15, 2003.
23rd amendment on April 15, 2003.
24th amendment on June 10, 2004.
25th amendment on May 5, 2006.
26th amendment on June 13, 2007.
27th amendment on May 27, 2008.
28th amendment on April 22, 2009.
29th amendment on October 14, 2009.
30th amendment on June 27, 2012.
31st amendment on June 19, 2013.
32nd amendment on June 25, 2015.
33rd amendment on June 30, 2016.
34th amendment on June 23, 2020.
35th amendment on August 27, 2021.
36th amendment on June 24, 2022.
37th amendment on June 28, 2023.
38th amendment on May 29, 2025.

**Appendix 4**

# KENMEC MECHANICAL ENGINEERING CO.,LTD.

## Procedures for Acquisition or Disposal of Assets

Article 1 Purpose

These Procedures are established to strengthen asset management, safeguard investments, and enhance information disclosure.

The Company's acquisition or disposal of assets shall be handled in accordance with these Procedures; provided, however, that where applicable financial laws or regulations provide otherwise, such laws or regulations shall prevail.

Article 2 Legal Basis

These Procedures are established in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" promulgated by the Financial Supervisory Commission (hereinafter referred to as the "FSC").

Article 3 Scope of Assets

The term "assets" as used in these Procedures includes the following:

1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing funds, depositary receipts, warrants, beneficiary certificates, and asset-backed securities.
2. Real property (including land, buildings, investment property, and construction inventory) and equipment.
3. Membership certificates.
4. Intangible assets such as patents, copyrights, trademarks, and franchise rights.
5. Right-of-use assets.
6. Claims of financial institutions (including receivables, bills purchased/discounted, loans, and overdue receivables).
7. Derivative products.
8. Assets acquired or disposed of through mergers, demergers, acquisitions, or share transfers in accordance with law.
9. Other significant assets.

Article 4 Definitions

1. Derivative products: refer to forward contracts, options, futures, leverage contracts, swap contracts, or combinations thereof, whose value is derived from interest rates, financial instrument prices, commodity prices, exchange rates, indices, credit ratings, or other variables. Structured products or hybrid contracts embedded with derivatives are also included. Forward contracts exclude insurance contracts, performance contracts, after-sales service contracts, long-term lease contracts, and long-term purchase/sales contracts.
2. Assets acquired or disposed of through mergers, demergers, acquisitions, or share transfers in accordance with law: refer to those conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act, or other applicable laws, or through share exchanges pursuant to Article 156-3 of the Company Act.
3. Related parties and subsidiaries: shall be determined in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
4. Professional appraiser: refers to a real estate appraiser or any person legally qualified to engage in appraisal of real estate or equipment.
5. Date of occurrence: refers to the earliest date among contract signing date, payment date, transaction date, transfer date, board resolution date, or any date that can confirm the counterparty and transaction amount. If approval from a competent authority is required, the earlier of such dates or the approval date shall prevail.
6. Investment in Mainland China: refers to investments or technical cooperation conducted in Mainland China in accordance with the regulations of the Investment Commission, Ministry of Economic Affairs.
7. Professional investors: refer to financial holding companies, banks, insurance companies, securities firms, futures firms, investment trust enterprises, investment advisory enterprises, and fund management companies established in accordance with law and supervised by financial authorities.
8. Stock exchange: domestic stock exchange refers to the Taiwan Stock Exchange Corporation; foreign stock exchanges refer to organized securities markets regulated by competent authorities.
9. Places of business of securities firms: refer to locations designated for trading securities in accordance with relevant regulations, including domestic and foreign regulated institutions.

Article 5 When the Company obtains appraisal reports or opinions from CPAs, attorneys, or underwriters, such professionals must meet the following requirements:

1. Must not have been sentenced to imprisonment for one year or more due to violations of relevant financial or corporate laws, fraud, breach of trust, embezzlement, forgery, or occupational crimes, unless more than three years have elapsed after completion, probation, or pardon.
2. Must not be related parties or have substantive relationships with transaction parties.
3. When two or more appraisal reports are required, the appraisers must not be related parties.

Such professionals shall comply with professional standards and:

1. Assess independence and capability before engagement.

2.Properly plan and execute procedures and document working papers.
3.Evaluate data sources and assumptions.
4.Provide declarations of independence and compliance.

Article 6 Where the acquisition or disposal of assets by the Company requires approval of the Board of Directors under these Procedures or other applicable laws, and any director expresses dissent with a record or written statement, the Company shall submit such dissenting opinions to the Audit Committee.

Where the Company has established independent directors in accordance with the Securities and Exchange Act, the opinions of independent directors shall be fully considered when submitting such transactions to the Board for discussion. Any objection or qualified opinion shall be recorded in the minutes of the Board meeting.

Where an Audit Committee has been established, major asset transactions or derivatives transactions shall be approved by more than one-half of all Audit Committee members and then submitted to the Board of Directors for resolution.

If such matters are not approved by more than one-half of all Audit Committee members, they may be approved by more than two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the Board meeting minutes.

"The term 'all members of the Audit Committee' referred to in Subparagraph 3, and 'all directors' referred to in the preceding paragraph, shall be calculated based on those actually in office."

Article 7 Limits on Non-operating Assets

1.Limits for acquisition of non-operating real property or securities:
(1) The total amount of non-operating real property shall not exceed 60% of the Company's latest financial statements net worth.

(2) Total and individual investments in securities shall not exceed 100% of net worth; however, securities with no impact on capital gains/losses (e.g., repo bonds, bond funds) are excluded.

2.The limits on individual acquisitions by the Company's subsidiaries of real property not for operational use or of marketable securities shall be governed by each subsidiary's "Procedures for Acquisition or Disposal of Assets." However, the aggregate amount of such assets acquired by each subsidiary shall not exceed the following limits:
(1) The total amount of real property not for operational use shall not exceed 60% of the Company's net worth as shown in its most recent financial statements.

(2) The total investment in marketable securities and the investment in any single marketable security shall each not exceed 50% of the Company's net worth as shown in its most recent financial statements.

3.Shares held for board representation or initial investment shall not be included in calculation limits (except professional investment entities).
4.The Company's investment in shares of listed or OTC companies shall be handled

in accordance with the "Regulations Governing Short-term and Long-term Investments."

Article 8 Procedures for the Acquisition or Disposal of Marketable Securities

1. Determination of price

The Company shall refer to the most recent audited or reviewed financial statements of the target company prior to the date of occurrence, unless market prices are available or otherwise regulated.

2. Engaging experts to provide opinions

Where the transaction amount for the acquisition or disposal of marketable securities reaches 20% of the Company's paid-in capital or NT$300 million or more, the Company shall, prior to the date of occurrence of the event, engage a certified public accountant (CPA) to provide an opinion on the reasonableness of the transaction price.

If the CPA needs to rely on an expert's report, such report shall be prepared in accordance with Statement on Auditing Standards No. 20 issued by the Accounting Research and Development Foundation of the Republic of China (hereinafter referred to as the "ARDF").

However, this requirement shall not apply where the marketable securities have publicly quoted prices in an active market or where otherwise provided by the Financial Supervisory Commission (FSC).

Where assets are acquired or disposed of through court auction procedures, the certification documents issued by the court may be used in lieu of a CPA's opinion.

3. Authorization Limits and Levels

For the acquisition or disposal of long-term and short-term investments in marketable securities, where the transaction amount for a single transaction is NT$300 million or less, approval from the Chairman is required. Where the transaction amount for a single transaction exceeds NT$300 million (inclusive), such transaction shall be approved by the Board of Directors prior to execution.

However, for transactions involving marketable securities that do not affect capital gains or losses (such as repurchase agreements, bond funds, etc.), such transactions may be carried out upon approval by the head of the Finance Department and shall not be subject to the foregoing limitations.

4. Responsible Unit

The Finance Department shall be the responsible unit for the execution of acquisition and disposal operations related to the Company's long-term and short-term investments in marketable securities.

5. Transaction Procedures

The procedures for the Company's acquisition or disposal of marketable securities shall be handled in accordance with the relevant provisions of the Company's

internal control system.

Article 9 Procedures for the Evaluation and Operation of Acquisition or Disposal of Real Property and Equipment

1.Methods for Determining Price and Reference Basis

For the acquisition or disposal of real property, equipment, or right-of-use assets, the original user unit or relevant responsible unit shall submit a report with supporting explanations. The asset management unit shall determine the price by reference to publicly announced current values, appraised values, actual transaction prices of neighboring real property, and recent transaction prices of similar assets, and shall adopt one of the methods of price comparison, negotiation, or tendering.

2.Engagement of Experts to Issue Appraisal Reports

For the acquisition or disposal of real property, equipment, or right-of-use assets, except for transactions with domestic government agencies, self-constructed projects on owned land, self-constructed projects on leased land, or acquisition or disposal of equipment or right-of-use assets for operational use, where the transaction amount reaches 20% of the Company's paid-in capital or NT$300 million or more, the Company shall obtain an appraisal report issued by a professional appraiser prior to the date of occurrence of the event, and the following provisions shall apply:

(1) Where, due to special circumstances, a limited price, specific price, or special price must be used as a reference for the transaction price, such transaction shall first be submitted to the Board of Directors for approval; the same shall apply if there are subsequent changes to the transaction conditions.

(2) Where the transaction amount reaches NT$1 billion or more, appraisals from two or more professional appraisers shall be obtained.

(3) Where the appraisal results of professional appraisers fall under any of the following circumstances, except where the appraisal results for acquired assets are all higher than the transaction amount or the appraisal results for disposed assets are all lower than the transaction amount, a CPA shall be engaged to provide a specific opinion on the reasons for the discrepancy and the fairness of the transaction price:

A. The discrepancy between the appraisal result and the transaction amount reaches 20% or more of the transaction amount.

B. The discrepancy between appraisal results from two or more professional appraisers reaches 10% or more of the transaction amount.

(4) The date of the appraisal report issued by the professional appraiser shall not be more than three months prior to the date of contract execution. However, where the same publicly announced current value is applied and the period does not exceed six months, an opinion letter may be issued by the original professional

appraiser.

3.Authorization Limits and Levels

For the acquisition or disposal of real property and equipment, except for equipment for operational use, where the transaction amount for a single transaction is NT$300 million or less, approval shall be handled in accordance with the Company's "Schedule of Authorization." Where the transaction amount for a single transaction reaches NT$300 million or more (inclusive), such transaction shall be approved by the Board of Directors prior to execution.

4.Responsible Units

The user departments and relevant responsible units shall be responsible for the execution of acquisition and disposal operations related to the Company's real property and equipment.

5.Transaction Procedures

The procedures for the Company's acquisition or disposal of real property and equipment shall be handled in accordance with the relevant provisions of the Company's internal control system.

Article 10 Procedures for Acquisition or Disposal of Real Property or Right-of-Use Assets from Related Parties

Where the Company acquires or disposes of real property or right-of-use assets from or to related parties, or acquires or disposes of assets other than real property or right-of-use assets with related parties, and the transaction amount reaches 20% of the Company's paid-in capital, 10% of total assets, or NT$300 million or more, the Company shall submit the following information to the Audit Committee and the Board of Directors for approval prior to entering into the transaction contract and making any payment.

However, this requirement shall not apply to the trading of domestic government bonds, bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises:

1.Where the Company acquires or disposes of real property or right-of-use assets from or to related parties, the following information shall be submitted to the Audit Committee and the Board of Directors for approval prior to execution:

(1) The purpose, necessity, and anticipated benefits of the acquisition or disposal of the assets.

(2) The reasons for selecting the related party as the transaction counterparty.

(3) In the case of acquiring real property or right-of-use assets from a related party, relevant information for assessing the reasonableness of the proposed transaction terms in accordance with Subparagraphs 2 and 3, Paragraph 1 of this Article.

(4) The date and price at which the related party originally acquired the property, the transaction counterparty, and the relationship between the counterparty, the Company, and the related party.

(5) A projected monthly cash inflow and outflow statement for the one-year period commencing from the expected month of contract execution, and an evaluation of the necessity of the transaction and the reasonableness of the utilization of funds.

(6) An appraisal report issued by a professional appraiser or a CPA's opinion obtained in accordance with the provisions of the preceding Article.

(7) Any restrictions and other material terms and conditions relating to the current transaction.

Where the Company engages in the following transactions with its parent company, subsidiaries, or subsidiaries in which it directly or indirectly holds 100% of the issued shares or total capital, the Board of Directors may authorize the Chairman to make decisions within a specified limit, with such transactions to be subsequently submitted to the most recent Board meeting for ratification:

A. Acquisition or disposal of equipment or right-of-use assets for operational use.

B. Acquisition or disposal of right-of-use assets of real property for operational use.

Where the Company or any of its subsidiaries that is not a domestic public company engages in any transaction set forth in Paragraph 1, and the transaction amount reaches 10% or more of the Company's total assets, the Company shall, prior to entering into the transaction contract and making any payment, submit the relevant information set forth in Paragraph 1 to the shareholders' meeting for approval. However, this requirement shall not apply to transactions between the Company and its parent company or subsidiaries, or between its subsidiaries.

The calculation of the transaction amounts referred to in Paragraph 1 and the preceding paragraph shall be made in accordance with Paragraph 2 of Article 15. The term "within one year" shall be calculated by retrospectively counting one year from the date of occurrence of the current transaction. Any portion that has already been submitted to and approved by the shareholders' meeting or the Board of Directors, and acknowledged by the supervisors in accordance with these Procedures, shall be excluded from such calculation.

2.Assessment of the Reasonableness of Transaction Costs

(1) Where the Company acquires real property or right-of-use assets from a related party, the reasonableness of the transaction costs shall be assessed using the following methods:

A. Based on the transaction price of the related party, plus necessary interest on funding and costs to be borne by the buyer in accordance with the law. The necessary interest on funding shall be calculated based on the weighted

average interest rate of the Company's borrowings in the year the asset was purchased; provided, however, that it shall not exceed the maximum lending interest rate for non-financial enterprises as announced by the Ministry of Finance.

B. Where the related party has previously mortgaged the subject property to a financial institution for a loan, the total appraised lending value assessed by the financial institution for the property may be used; provided that the cumulative actual loan amount extended by the financial institution reaches 70% or more of such appraised lending value and the loan term has exceeded one year. However, this shall not apply where the financial institution and either party to the transaction are related parties.

(2) Where land and buildings of the same property are acquired or leased together, the transaction costs for the land and the buildings may be separately assessed using any of the methods set forth in Subparagraph (1).

(3) Where the Company acquires real property or right-of-use assets from a related party, it shall assess the transaction costs in accordance with Subparagraphs (1) and (2), and shall engage a CPA to review such assessment and provide a specific opinion.

(4) Where the Company acquires real property or right-of-use assets from a related party under any of the following circumstances, it shall proceed in accordance with Item 1, Subparagraph 1, Paragraph 1 of this Article, and the provisions of Subparagraphs (1) through (3) shall not apply:

A. The related party acquired the real property or right-of-use assets through inheritance or gift.

B. More than five years have elapsed between the date the related party entered into the contract to acquire the real property or right-of-use assets and the date of the current transaction.

C. The Company enters into a joint construction agreement with the related party, or commissions the related party to construct real property on its own land or leased land, and thereby acquires the real property.

D. A public company acquires right-of-use assets of real property for operational use from its parent company, subsidiaries, or subsidiaries in which it directly or indirectly holds 100% of the issued shares or total capital, or between such subsidiaries.

3.Where the appraisal results obtained in accordance with Subparagraphs (1) and (2) of the preceding item are both lower than the transaction price, the provisions of Item 4, Subparagraph 1 of this Article shall apply.

However, this shall not apply where any of the following circumstances exist and objective evidence is provided, together with specific opinions on reasonableness

issued by a professional real property appraiser and a CPA.

(1) Where the related party acquired undeveloped land or leased land and subsequently constructed the property, proof may be provided that one of the following conditions is met:

A. The undeveloped land is evaluated in accordance with the method set forth in Subparagraph (2), and the building is calculated based on the related party's construction costs plus reasonable construction profit, and the combined amount exceeds the actual transaction price.

The term "reasonable construction profit" shall be determined based on the lower of the average gross profit margin of the related party's construction segment over the most recent three years or the most recent gross profit margin for the construction industry as announced by the Ministry of Finance.

B. Comparable transactions of other non-related parties involving the same property (land and building) on different floors, or in neighboring areas within one year, with similar floor area and comparable transaction conditions after adjustments for reasonable differences in floor level or location in accordance with real property transaction or leasing practices.

(2) Proof may be provided that the transaction terms for acquiring real property or obtaining right-of-use assets of real property from a related party are comparable to those of other non-related party transactions within one year in neighboring areas, with similar floor area.

For the purposes of the foregoing:

"Transactions in neighboring areas" shall in principle refer to transactions within the same or adjacent blocks and within a radius of no more than 500 meters from the subject property, or with comparable publicly announced current values.

"Similar floor area" shall in principle mean that the floor area of comparable transactions is not less than 50% of that of the subject property.

"Within one year" shall be calculated retrospectively from the date of occurrence of the acquisition of the real property or right-of-use asset.

4.Where the Company acquires real property or right-of-use assets from a related party and the appraisal results obtained in accordance with Subparagraphs (2) and (3) are both lower than the transaction price, the Company shall undertake the following actions:

(1) The difference between the transaction price and the appraised cost of the real property or right-of-use assets shall be set aside as a special reserve in accordance with Paragraph 1, Article 41 of the Securities and Exchange Act, and shall not be distributed or used for capitalization of shares. Where an investor adopting the equity method for investment in the Company is a public

company, such investor shall also set aside a special reserve in proportion to its shareholding in accordance with Paragraph 1, Article 41 of the Securities and Exchange Act.

(2) The Audit Committee shall act in accordance with Article 218 of the Company Act. Where an audit committee has been established in accordance with applicable laws, the provisions of the preceding sentence shall apply mutatis mutandis to the independent directors who are members of the Audit Committee.

(3) The handling of the matters described in the preceding two subparagraphs shall be reported to the shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and the prospectus.

Where a special reserve has been set aside in accordance with the foregoing provisions, such reserve may not be utilized unless and until the asset acquired or leased at a premium has been recognized with an impairment loss, or has been disposed of or the lease terminated, or appropriate compensation has been made or restoration has been completed, or other evidence demonstrates that there is no unreasonableness, and approval has been obtained from the Financial Supervisory Commission.

5.Where the Company acquires real property or right-of-use assets from a related party and there is other evidence indicating that the transaction is not conducted in the ordinary course of business, the Company shall also proceed in accordance with Subparagraph (4).

Article 11 Procedures for the Evaluation and Operation of Acquisition or Disposal of Intangible Assets, Right-of-Use Assets, or Membership Certificates

1.Methods for Determining Price and Reference Basis

For the acquisition or disposal of intangible assets, right-of-use assets, or membership certificates, the Company shall take into consideration the future economic benefits of such assets and their fair market value, and may refer to expert opinions where necessary, and negotiate with the transaction counterparty.

2.Engagement of Experts to Issue Opinions

Where the transaction amount for the acquisition or disposal of intangible assets, right-of-use assets, or membership certificates reaches 20% of the Company's paid-in capital or NT$300 million or more, except for transactions with government agencies, the Company shall, prior to the date of occurrence of the event, engage a CPA to provide an opinion on the reasonableness of the transaction price.

Where assets are acquired or disposed of through court auction procedures, certification documents issued by the court may be used in lieu of an appraisal report or a CPA's opinion.

3.Authorization Limits and Levels

Where the transaction amount for the acquisition or disposal of intangible assets, right-of-use assets, or membership certificates is NT$100 million or less (inclusive), approval from the Chairman is required. Where the transaction amount exceeds NT$100 million, such transaction shall be approved by the Board of Directors prior to execution.

4.Responsible Units

The Finance Department, administrative units, and relevant responsible units shall be responsible for the execution of acquisition and disposal operations related to the Company's intangible assets, right-of-use assets, or membership certificates.

5.Transaction Procedures

The procedures for the Company's acquisition or disposal of intangible assets, right-of-use assets, or membership certificates shall be handled in accordance with the relevant provisions of the Company's internal control system.

Article 11-1 The calculation of transaction amounts under Articles 8, 9, and 11 shall be made in accordance with Paragraph 2, Article 15. The term "within one year" shall be calculated retrospectively from the date of occurrence of the current transaction. Any portions for which an appraisal report issued by a professional appraiser or a CPA's opinion has already been obtained in accordance with these Procedures shall be excluded from such calculation.

Article 12 Procedures for the Evaluation and Operation of Acquisition or Disposal of Claims from Financial Institutions

In principle, the Company does not engage in the acquisition or disposal of claims from financial institutions. Should the Company intend to engage in such transactions in the future, it shall obtain approval from the Board of Directors and establish the relevant evaluation and operational procedures accordingly.

Article 13 Procedures for the Evaluation and Operation of Acquisition or Disposal of Derivatives

1.Trading Principles and Policies

(1) Types of Transactions

The nature of the Company's derivative transactions shall, based on their purpose, be classified into two categories: "non-trading" (hedging transactions not for trading purposes) and "trading" (non-hedging transactions conducted for trading purposes).

(2) Business and Hedging Strategies

The Company shall engage in derivative transactions primarily for risk hedging purposes, and the instruments selected shall be those that effectively hedge risks arising from its business operations.

The counterparties for derivative transactions shall be financial institutions with

favorable conditions, selected based on the Company's operational needs, in order to mitigate credit risk.

(3) Allocation of Responsibilities

The responsibilities of each unit in relation to derivative transactions shall be as follows:

A. Procurement Department: Responsible for formulating trading strategies for commodity futures and executing transactions within authorized limits.

B. Finance Department: Responsible for formulating trading strategies for derivatives other than commodity futures and executing transactions within authorized limits.

C. Accounting Department: Responsible for accounting treatment, preparation of financial statements, and periodic data consolidation related to derivative transactions.

D. Internal Audit Unit: Responsible for reviewing the appropriateness of internal controls, including segregation of duties and operating procedures, and auditing compliance with these Procedures by the trading units.

Where the Company engages in derivative transactions for non-trading (hedging) purposes, such transactions shall be conducted in accordance with the following authorization limits:

| Level | Single Contract Amount | Aggregate Net Position |
|---|---|---|
| Board of Directors | Exceeding USD 10 million | Exceeding USD 30 million |
| Chairman (subject to subsequent ratification by the Board) | Up to and including USD 10 million | Up to and including USD 30 million |
| Chairman | Up to and including USD 3 million | Up to and including USD 3 million |
| General Manager | Up to and including USD 1 million | Up to and including USD 1 million |

Where the Company engages in derivative transactions for trading purposes, each transaction shall be subject to the approval of the Chairman prior to execution, and shall be reported to the most recent meeting of the Board of Directors.

(4) Performance Evaluation

A. Non-trading (hedging) derivatives:

Based on the type of derivative instruments, the Finance Department shall, after market close on the contract maturity date, use the net realized profit or loss position as the basis for performance evaluation. Such results shall be compared against the established trading objectives, reviewed periodically,

and submitted to the Chairman for review.

B. Trading derivatives:

For realized positions, the Finance Department shall use the actual profit or loss as the basis for performance evaluation. For unrealized positions, daily closing prices shall be used to mark-to-market and calculate the net and total profit or loss of open positions as a reference for performance evaluation.

(5) Total Contract Amount

The total contract amount for non-trading (hedging) derivative transactions shall not exceed 60% of the Company's net worth, while the total contract amount for trading derivative transactions shall not exceed 20% of the Company's net worth.

(6) Loss Limits

A. As such transactions are conducted for hedging purposes, the loss limit shall not exceed 3% of the Company's net worth as shown in its most recent financial statements. This limit applies to both individual contracts and the aggregate of all contracts.

B. After a position is established, a stop-loss point shall be set to prevent excessive losses, and such stop-loss shall not exceed 10% of the amount of each individual contract. Where losses exceed 10% of the transaction amount, the matter shall be immediately reported to the General Manager and further reported to the Board of Directors for necessary responsive measures.

C. The annual loss limit for trading derivative transactions shall not exceed 1% of the Company's net worth as shown in its most recent financial statements.

2. Risk Management Measures

(1) Scope of Risk Management

A. Credit Risk Management

Counterparties shall, in principle, be domestic or foreign financial institutions with sound credit standing and the ability to provide professional information. The head of the Finance Department shall be responsible for controlling transaction limits with such financial institutions, avoiding excessive concentration, and adjusting such limits in a timely manner in response to market conditions.

B. Market Risk Management

Markets with transparent and readily available pricing information shall be selected.

C. Liquidity Risk Management

To ensure liquidity, counterpart financial institutions must possess adequate systems, information, and trading capabilities, and be able to execute transactions in various markets.

D. Cash Flow Risk Management

To maintain stable working capital, the Company shall use only its own funds for derivative transactions, and the transaction amounts shall take into account funding requirements based on projected cash inflows and outflows for the following three months.

E. Operational Risk Management

All transactions shall strictly comply with the Company's authorization limits, operating procedures, and other relevant regulations to prevent operational risks.

F. Legal Risk Management

Any documents to be executed with financial institutions must be reviewed by the legal function prior to execution to mitigate legal risks.

(2) Personnel engaged in derivative trading shall not concurrently perform duties related to confirmation, settlement, or other operational functions.

(3) Personnel responsible for risk measurement, monitoring, and control shall belong to departments independent from those described in the preceding subparagraph and shall report to the Board of Directors or to senior management not responsible for trading or position decisions.

(4) Positions held in derivative transactions shall be evaluated on a regular basis in accordance with Subparagraph (1), Item (4) of Paragraph 1 of this Article.

3. Internal Audit System

Internal auditors of the Company shall periodically review the appropriateness of internal controls over derivative transactions, and shall conduct monthly audits on the trading department's compliance with the Procedures governing derivative transactions. Audit reports shall be prepared accordingly.

In the event of any material violations, the internal auditors shall notify the Audit Committee in writing.

4. Periodic Evaluation and Handling of Irregularities

(1) Positions held in derivative transactions shall be evaluated at least weekly; provided that hedging transactions conducted for business purposes shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management authorized by the Board of Directors.

(2) The Board of Directors shall authorize senior management to regularly supervise and evaluate whether the current risk management measures are appropriate, whether derivative transactions are conducted in compliance with applicable

procedures, whether the performance of such transactions is consistent with the Company's established business strategies, and whether the risks undertaken are within the Company's risk tolerance.

In the event of any irregularities, necessary responsive measures shall be taken, and the matter shall be reported immediately to the Board of Directors.

5. Oversight and Supervision by the Board of Directors

(1) When the Company engages in derivative transactions, the Board of Directors shall exercise effective supervision and management in accordance with the following principles:：

A. Designated senior management shall continuously monitor and control the risks associated with derivative transactions.

B. Periodically evaluate whether the performance of derivative transactions is consistent with the Company's established business strategies and whether the risks undertaken remain within the Company's risk tolerance.

(2) Senior management authorized by the Board of Directors shall manage derivative transactions in accordance with the following principles:

A. Regularly evaluate whether the current risk management measures are appropriate and ensure compliance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" issued by the Financial Supervisory Commission and these Procedures.

B. Supervise trading activities and profit and loss conditions. In the event of any irregularities, necessary responsive measures shall be taken and the matter shall be reported immediately to the Board of Directors. Where independent directors have been appointed, at least one independent director shall attend the Board meeting and express an opinion.

(3) Where derivative transactions are conducted by authorized personnel in accordance with these Procedures, such transactions shall be subsequently submitted to the most recent meeting of the Board of Directors.

6. The Company shall establish and maintain a register for derivative transactions, in which the type and amount of such transactions, the date of approval by the Board of Directors, and the matters requiring prudent evaluation under Subparagraph (1) of Paragraph 4 and Subitems 2 and 1 of Paragraph 5, Subparagraphs (1) and (2) of this Article shall be recorded in detail for reference.

Article 14 Procedures for the Evaluation and Operation of Mergers, Demergers, Acquisitions, or Share Transfers

1. Methods for Determining Transaction Consideration and Reference Basis

When the Company conducts a merger, demerger, acquisition, or share transfer, it shall comprehensively consider the past and future financial and business conditions of the participating companies, the expected future benefits, and the fairness of the

transaction price as determined by market mechanisms, and shall refer to the professional opinions of a CPA, attorney, or securities underwriter in negotiating the transaction price with the counterparty.

2. Engagement of Experts to Issue Opinions

When the Company conducts a merger, demerger, acquisition, or share transfer, it shall, prior to the Board meeting for resolution, engage a CPA, attorney, or securities underwriter to provide an opinion on the reasonableness of the share exchange ratio, acquisition price, or the cash or other property to be distributed to shareholders, and submit such opinion to the Board of Directors for deliberation and approval.

3. Decision-Making Authority

Resolutions of the Company in connection with mergers, demergers, acquisitions, or share transfers shall be made in accordance with the Company Act and other applicable laws and regulations.

4.Submission of Relevant Information and Disclosure in the Event of Failure to Obtain Shareholders' Approval

(1) When the Company conducts a merger, demerger, or acquisition, it shall, prior to the shareholders' meeting, prepare a public document for shareholders detailing the material terms and relevant matters of such transaction, and shall deliver such document together with the expert opinion referred to in Subparagraph 2, Paragraph 1 of this Article and the notice of the shareholders' meeting, as a reference for shareholders in deciding whether to approve the transaction. However, this requirement shall not apply where, in accordance with other applicable laws, a shareholders' meeting is not required to be convened to approve such merger, demerger, or acquisition.

(2) Where any participating company in a merger, demerger, or acquisition is unable to convene a shareholders' meeting or reach a resolution due to insufficient attendance, lack of voting rights, or other legal restrictions, or where the proposal is rejected by the shareholders' meeting, all participating companies shall immediately make a public disclosure explaining the reasons, subsequent handling procedures, and the expected date of the next shareholders' meeting.

5. Dates of Board and Shareholders' Meetings

(1) When the Company conducts a merger, demerger, or acquisition, unless otherwise provided by law or approved in advance by the Financial Supervisory Commission due to special circumstances, it shall convene Board meetings and shareholders' meetings on the same day as the other participating companies to resolve matters relating to the transaction.

(2) When the Company conducts a share transfer, unless otherwise provided by law or approved in advance by the Financial Supervisory Commission due to special circumstances, it shall convene Board meetings on the same day as the other

participating companies.

Companies participating in a merger, demerger, acquisition, or share transfer that are listed or whose shares are traded on a securities firm's business premises shall prepare complete written records of the following information and retain such records for five years for inspection:

A. Basic Information of Personnel

Including the titles, names, and identification numbers (or passport numbers for foreign nationals) of all persons involved in the planning or execution of the transaction prior to public disclosure.

B. Dates of Key Events

Including the dates of execution of letters of intent or memoranda of understanding, engagement of financial or legal advisors, execution of agreements, and Board meetings.

C. Important Documents and Minutes

Including transaction plans, letters of intent or memoranda of understanding, major agreements, and minutes of Board meetings.

Companies participating in such transactions that are listed or whose shares are traded on a securities firm's business premises shall, within two days from the date of Board approval, report the information specified in Items 1 and 2 of the preceding paragraph to the Financial Supervisory Commission via the Internet-based information reporting system in the prescribed format.

Where any participating company is not listed or whose shares are not traded on a securities firm's business premises, the listed company or such trading company shall enter into an agreement with it and handle the matter in accordance with Paragraphs (3) and (4).

6. Confidentiality Obligations and Prevention of Insider Trading

All persons participating in or having knowledge of the Company's merger, demerger, acquisition, or share transfer plans shall execute a written confidentiality undertaking. Prior to public disclosure of such information, they shall not disclose any details of the plans to any third party, nor shall they, directly or indirectly or in the name of others, trade in the shares or other equity securities of any company related to such transactions.

7. Principles for Changes to Share Exchange Ratio or Acquisition Price

When the Company participates in a merger, demerger, acquisition, or share transfer, the share exchange ratio or acquisition price shall not be arbitrarily changed except under the following circumstances, and such circumstances permitting changes shall be stipulated in the relevant agreement:

(1) Capital increases by cash, issuance of convertible bonds, stock dividends, issuance of corporate bonds with warrants, preferred shares with warrants, warrants, or other equity securities.

(2) Disposal of major assets or other actions that materially affect the Company's

financial or business operations.

(3) Occurrence of major disasters, significant technological changes, or other events affecting shareholders' equity or the price of securities.

(4) Adjustments resulting from the lawful repurchase of treasury shares by any participating company.

(5) Changes in the entities participating in the transaction or in the number of such entities.

(6) Other conditions permitting changes as stipulated in the agreement and publicly disclosed.

8. Required Contents of Agreements

When the Company participates in a merger, demerger, acquisition, or share transfer, the agreement shall specify the rights and obligations of the participating companies and shall include the following matters:

(1) Handling of breaches of contract.

(2) Principles for handling equity securities previously issued or treasury shares repurchased by a company that is dissolved due to a merger or subject to a demerger.

(3) The quantity of treasury shares that participating companies may repurchase in accordance with the law after the record date for calculating the share exchange ratio, and the principles for handling such shares.

(4) The handling method for changes in participating entities or the number of such entities.

(5) The expected implementation schedule and estimated completion timeline.

(6) The scheduled date for convening a shareholders' meeting and related procedures in the event that the plan is not completed within the expected timeframe, in accordance with applicable laws and regulations.

9. Where any participating company, after public disclosure of the information, intends to engage in another merger, demerger, acquisition, or share transfer with other companies, all procedures or legal acts that have already been completed in the original transaction shall be re-performed by all participating companies.
However, where the number of participating entities is reduced and the shareholders' meeting has adopted a resolution authorizing the Board of Directors to make such changes, a new shareholders' resolution may be exempted.

10. Where any participating company is not a public company, the Company shall enter into an agreement with such company and handle the matter in accordance with Subparagraphs (5) and (6) of Paragraph 1 and Paragraph 9 of this Article.

Article 15 Procedures for Public Announcement and Reporting

1. Where the Company acquires or disposes of assets under any of the following

circumstances, it shall, according to the nature of the transaction and in the prescribed format, publicly announce and report the relevant information on the website designated by the Financial Supervisory Commission within two days from the date of occurrence of the event:

(1) Where the Company acquires or disposes of real property or right-of-use assets from or to related parties, or acquires or disposes of assets other than real property or right-of-use assets with related parties, and the transaction amount reaches 20% of the Company's paid-in capital, 10% of total assets, or NT$300 million or more. However, this shall not apply to the trading of domestic government bonds, bonds under repurchase and resale agreements, or the subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

(2) Where the Company conducts a merger, demerger, acquisition, or share transfer.

(3) Where losses from derivative transactions reach the loss limits prescribed for total or individual contracts under these Procedures.

(4) Where the Company acquires or disposes of equipment or right-of-use assets for operational use, and the counterparty is not a related party, and the transaction amount meets any of the following thresholds:

A. For public companies with paid-in capital of less than NT$10 billion, the transaction amount reaches NT$500 million or more.

B. For public companies with paid-in capital of NT$10 billion or more, the transaction amount reaches NT$1 billion or more.

(5) Where a public company engaged in construction business acquires or disposes of real property or right-of-use assets for construction use, and the counterparty is not a related party, and the transaction amount reaches NT$500 million or more. However, for companies with paid-in capital of NT$10 billion or more disposing of completed self-developed construction projects, where the counterparty is not a related party, the threshold shall be NT$1 billion or more.

(6) Where the Company acquires real property through arrangements such as construction on its own land, construction on leased land, joint construction with allocation of units, profit-sharing joint construction, or joint construction for sale, and the counterparty is not a related party, and the expected investment amount reaches NT$500 million or more.

(7) For asset transactions other than those set forth in the preceding six subparagraphs, disposal of claims by financial institutions, or investments in Mainland China, where the transaction amount reaches 20% of the Company's paid-in capital or NT$300 million or more. However, this shall not apply to the following circumstances:

A. Trading of domestic government bonds or foreign government bonds with a

credit rating not lower than the sovereign rating of the Republic of China (Taiwan).

B. Securities trading conducted by professional investors on domestic or foreign securities exchanges or over-the-counter markets; subscription in the domestic primary market of foreign government bonds, publicly issued corporate bonds, or general financial bonds not involving equity (excluding subordinated bonds); subscription or redemption of securities investment trust funds or futures trust funds; subscription or redemption of exchange-traded notes (ETNs); or securities subscribed by securities firms as required for underwriting business or as recommended securities firms for emerging stock companies in accordance with the regulations of the Taipei Exchange.

C. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

The transaction amounts referred to above shall be calculated in accordance with the following methods:

(1) The amount of each individual transaction.

(2) The cumulative amount of transactions involving the acquisition or disposal of assets of the same nature with the same counterparty within one year.

(3) The cumulative amount of acquisitions or disposals (calculated separately) of real property or right-of-use assets under the same development project within one year.

(4) The cumulative amount of acquisitions or disposals (calculated separately) of the same marketable securities within one year.

The term “within one year” shall be calculated retrospectively from the date of occurrence of the current transaction. Any portions that have already been publicly announced in accordance with applicable regulations shall be excluded from such calculation.

2. The Company shall, on a monthly basis, report the status of derivative transactions conducted by the Company and its subsidiaries that are not domestic public companies as of the end of the preceding month, in the prescribed format, to the information reporting website designated by the Financial Supervisory Commission before the 10th day of each month.

3. If any item required to be publicly announced or reported contains errors or omissions at the time of announcement, the Company shall, within two days from the date of becoming aware of such errors or omissions, re-announce and re-report all relevant items.

4. The Company shall retain relevant contracts, meeting minutes, registers, appraisal

reports, and opinions issued by CPAs, attorneys, or securities underwriters at the Company. Unless otherwise provided by law, such documents shall be retained for at least five years.

5. After a transaction has been publicly announced and reported in accordance with the foregoing provisions, if any of the following events occurs, the Company shall, within two days from the date of occurrence, publicly announce and report the relevant information on the website designated by the Financial Supervisory Commission:

   (1) Any amendment, termination, or rescission of the relevant contract.

   (2) Failure to complete a merger, demerger, acquisition, or share transfer in accordance with the scheduled timeline set forth in the contract.

   (3) Any change to the originally announced and reported information.

6. Where a subsidiary of the Company is not a domestic public company and its acquisition or disposal of assets meets the thresholds requiring public announcement and reporting under this Article, the Company shall handle such announcement and reporting on its behalf. For the purpose of determining the applicable thresholds for such subsidiaries, the Company's paid-in capital or total assets shall be used as the basis.

Article 15-1 For the purpose of calculating the threshold of 10% of total assets, the total assets amount shall be based on the most recent parent-only or individual financial statements prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Where the Company's shares have no par value or a par value other than NT$10 per share, the provisions under Articles 8 through 11 and Article 15 regarding transaction amounts calculated as 20% of paid-in capital shall instead be calculated as 10% of equity attributable to owners of the parent.

For the purposes of provisions referring to paid-in capital of NT$10 billion, such threshold shall instead be calculated based on equity attributable to owners of the parent of NT$20 billion.

Article 16 Control Procedures for Subsidiaries' Acquisition or Disposal of Assets

1. The Company shall supervise its subsidiaries to establish procedures for the acquisition or disposal of assets in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" issued by the Financial Supervisory Commission. Such procedures shall be approved by the Board of Directors and submitted to the shareholders' meeting for approval; the same shall apply to any amendments. The subsidiaries shall implement such procedures accordingly.

2. Where a subsidiary's acquisition or disposal of assets is required to be approved by its Board of Directors pursuant to its own procedures or applicable laws, such

matter shall be reported to the Company prior to the occurrence of the event.

The Company's finance department shall evaluate the feasibility, necessity, and reasonableness of such transaction, and shall conduct post-transaction monitoring and analysis of its execution.

3. The Company's internal auditors shall periodically audit each subsidiary's compliance with its procedures for the acquisition or disposal of assets and prepare audit reports accordingly. The findings and recommendations in such reports, upon approval, shall be communicated to the audited subsidiaries for improvement. Follow-up reports shall be prepared periodically to ensure that appropriate corrective actions have been implemented in a timely manner.

Article 17 Penalties

If any personnel of the Company, in handling the acquisition or disposal of assets, violate the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" issued by the Financial Supervisory Commission or the Company's "Procedures for Acquisition or Disposal of Assets," such personnel shall be subject to periodic performance evaluation in accordance with the Company's personnel management policies and work rules, and shall be disciplined based on the severity of the violation.

Article 18 Supplementary Provisions

Any matters not provided for in these Procedures shall be governed by the applicable laws and regulations.

Article 19 Implementation

These Procedures shall be implemented after approval by the Board of Directors, submission to the Audit Committee, and approval by the shareholders' meeting; the same shall apply to any amendments.

If any director expresses dissent and such dissent is recorded or provided in writing, the Company shall submit the dissenting opinions to the Audit Committee.

Where the Company has established independent directors in accordance with the Securities and Exchange Act, when these Procedures are submitted to the Board of Directors for discussion pursuant to the preceding paragraph, full consideration shall be given to the opinions of each independent director. Any objections or reservations expressed by independent directors shall be recorded in the minutes of the Board meeting.

Where an Audit Committee has been established in accordance with the Securities and Exchange Act, the adoption or amendment of these Procedures shall be approved by more than one-half of all members of the Audit Committee and submitted to the Board of Directors for resolution.

If the approval of more than one-half of all members of the Audit Committee is not obtained as described in the preceding paragraph, the matter may be approved by more than two-thirds of all directors, and the resolution of the Audit Committee shall

be recorded in the minutes of the Board meeting.

The term “all members of the Audit Committee” as referred to in Paragraph 3, and “all directors” as referred to in the preceding paragraph, shall be calculated based on those actually in office.

Article 20 Revision History

This Procedures was originally adopted on April 23, 1999.

- 1st revision: October 9, 2000
- 2nd revision: April 15, 2003
- 3rd revision: June 13, 2007
- 4th revision: October 14, 2009
- 5th revision: June 28, 2011
- 6th revision: June 27, 2012
- 7th revision: June 19, 2013
- 8th revision: June 26, 2014
- 9th revision: June 25, 2015
- 10th revision: June 13, 2016
- 11th revision: June 28, 2017
- 12th revision: June 25, 2019
- 13th revision: June 24, 2022
- 14th revision: June 28, 2023

## Appendix 5

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

| Item \ Year | | | 2026 (Estimated) |
|---|---|---|---|
| Initial paid-up capital (NTD thousand) | | | 2,590,111.5 |
| Annual allotments and dividends | Cash Dividends per Share (NT$): Earnings NT$0.1; Capital Surplus NT$0.4 | | 0.5 |
| | Stock dividends distributed per share from capital increase by profit (NTD) | | 0 |
| | Allotment per 1,000 shares from capital increase by capital reserve | | 0 |
| Change in operating performance | Operating profit (NTD thousand) | | Not applicable |
| | Percentage of increase (decrease) in operating profit from the same period of the previous year | | Not applicable |
| | Net income after tax (NTD thousand) | | Not applicable |
| | Percentage of increase (decrease) in net income after tax from the same period of the previous year | | Not applicable |
| | EPS (NTD) | | Not applicable |
| | Percentage of increase (decrease) in EPS from the same period of the previous year | | Not applicable |
| | Annual average ROI (annual average PE ratio) | | Not applicable |
| Pro forma EPS and PE | If all surplus is transferred to capital Distributed in cash dividends instead | Pro forma EPS | Not applicable |
| | | Pro forma annual average ROI | Not applicable |
| | If no capital increase is by capital reserve | Pro forma EPS | Not applicable |
| | | Pro forma annual average ROI | Not applicable |
| | If there is no capital reserve and surplus Change to capital increase to cash dividend payment | Pro forma EPS | Not applicable |
| | | Pro forma annual average ROI | Not applicable |

Chairman: MING-KAI HSIEH Manager: CHIH-CHUN KO Accounting Manager: YA-LING CHU

## Other Information

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

Descriptions:
1. According to Article 172-1 of the Company Act, any shareholder holding 1% or more of the total outstanding shares may submit to the Company a proposal for any regular shareholders' meeting, provided that such a proposal is limited to one item and a maximum of 300 words.
2. The Company made an announcement on the Market Observation Post System, as required by law, that it would accept shareholder proposals for the annual general meeting this year during the period from March 13 to March 25, 2026.
3. The Company did not receive any shareholder proposal.