

SINMAG EQUIPMENT CORPORATION

2025 Annual Shareholders' Meeting

Meeting Handbook

Date: June 6, 2025

Address: Room A, 3F, No. 9, Wugong 6th Road, Wugu Dist., New Taipei City (New
Taipei City Labor Activity Center)

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Sinmag Equipment Corporation

Meeting Procedure for the 2025 Annual General Shareholders' Meeting

- I. Call the Meeting to Order
- II. Chairman Remarks
- III. Report Items
- IV. Proposed Items
- V. Discussion Items
- VI. Elections
- VII. Other Proposals
- VIII. Extempore Motions
- IX. Adjournment

Sinmag Equipment Corporation
Agendas for 2025 Annual General Shareholders' Meeting

Time: June 6, 2025 (Friday) at 9:00 AM

Address: Room A, 3F, No. 9, Wugong 6th Road, Wugu Dist., New Taipei City (New Taipei City Labor Activity Center)

Method of Convening the Meeting: Physical Shareholders' Meeting

- I. Call the Meeting to Order (report the number of shares attending)
- II. Chairman Remarks
- III. Report Items
 - (I) The Company's 2024 Business Report.
 - (II) The Company's 2024 Audit Committee's Review Report.
 - (III) The Company's 2024 Employee and Director Remunerations Distribution Status Report.
 - (IV) The Company's 2024 Earnings distribution in the form of cash dividends.
 - (V) Report on the Commitments and Board Resolutions of the Company and Its Subsidiary Regarding the Overseas Listing of Sinmag Equipment (China) Co., Ltd.
 - (VI) The Company's Sustainable Development Report.
 - (VII) Other Reports.
- IV. Proposed Items
 - (I) Proposal to ratify the 2024 Business Report and Financial Statements.
 - (II) Proposal to ratify the 2024 Earnings Distribution.
- V. Discussion Items
 - (I) Proposal to amend the Company's "Articles of Incorporation."
 - (II) Proposal for Sinmag Equipment (China) Co., Ltd., a Subsidiary of the Company, to Conduct an Initial Public Offering of RMB Ordinary Shares and Apply for a Change to Listing on the Main Board of the Shanghai Stock Exchange.
- VI. Elections

To elect Directors.
- VII. Other Proposals

Proposal to lift the restrictions on competitive activities for the newly appointed directors and their representatives.
- VIII. Extempore Motions
- IX. Adjournment

Report Items

- I. To report the Company's 2024 Business Report.

Explanation: For the Company's Business Report (2024), please refer to Attachment 1 on pages 24 to 29 of this meeting handbook.

- II. To report the Company's 2024 Audit Committee's Review Report.

Explanation: For the Audit Committee's Review Report (2024), please refer to Attachment 2 on page 30 of this meeting handbook.

- III. To report the Company's 2024 Employee and Director Remunerations Distribution Status Report.

Explanation:

- (I) Pursuant to Article 29 of the Articles of Incorporation, if the Company makes a profit in the year, 2% to 10% of the profits shall be allocated as Employees' compensation and no more than 5% of the profit as Directors' compensation. In the presence of the accumulated loss, the Company shall allocate an amount to recover such loss before allocating any employees' and Directors' compensation.
- (II) The Board of Directors passed a resolution to allocate employee compensation at a rate of 2.03%, amounting to NT\$16,282,352, and director compensation at a rate of 1.38%, amounting to NT\$11,097,647. Both are to be distributed in cash according to the provisions of the Company's Articles of Incorporation.

- IV. Report on the Cash Dividend Distribution of the Company's Profits for 2024.

Explanation:

- (I) Pursuant to Article 29-1 of the Articles of Incorporation of the Company, when the earnings are distributed in the form of cash, the Company authorizes the Board of Directors to distribute them by resolution adopted by a majority in a meeting attended by two-thirds or more of the Directors, and the distribution shall then be reported to the shareholders' meeting.
- (II) The Board of Directors passed a resolution to prioritize the net profit after tax in terms of profit distribution for 2024. A shareholder dividend of NT\$452,072,178 will be allocated, with a distribution of NT\$9 per share.
- (III) The cash dividends are calculated based on NT\$1. The amount less than NT\$1 is rounded. For the fractional amount of the sum less than NT\$1, shareholders' amounts are adjusted according to the number after the decimal point from big to small and the shareholder number from front to back until it confirms the total cash dividends.
- (IV) The Chairman will set new ex-dividend and payment dates and other related matters.

Subsequently, suppose changes in the Company's share capital affect the number of outstanding shares, leading to adjustments in the dividend payout ratio for shareholders. In that case, it is proposed that the Chairman be authorized to handle this matter with full authority.

V. Report on the Commitments and Board Resolutions of the Company and Its Subsidiary Regarding the Overseas Listing of Sinmag Equipment (China) Co., Ltd., submitted for review.

Explanation:

- (I) To facilitate the submission of application documents for listing on the Growth Enterprise Market (GEM), the company, through resolutions passed by the Audit Committee and the Board of Directors on June 21, 2024, has approved the issuance of relevant commitments. For the impact of these commitments on the financial condition, operations, or shareholders' equity of the listed company and its subsidiary, please refer to Attachment 4 on page 51 to 52 of this meeting handbook.
- (II) After prudent analysis and in consideration of long-term interests, our subsidiary Sinmag Equipment (China) Co., Ltd. (hereinafter "Sinmag China") decided to withdraw its application for the initial public offering of shares and listing on the GEM on August 2, 2024.
- (III) To accommodate Sinmag China's application to change its listing board, the company, through resolutions passed by the Audit Committee and the Board of Directors on March 11, 2025, has revoked and ceased the implementation of the commitments made in the board resolutions dated October 17, 2022, November 11, 2022, March 15, 2023, April 14, 2023, and June 21, 2024, concerning the initial public offering of RMB ordinary shares (A-shares) and the application for listing on the GEM of the Shenzhen Stock Exchange. The relevant commitment letters revoked are as follows:
 - 1. Commitments Approved by the Board of Directors on October 17, 2022 are as follows:
 - (1) Commitment letter on reducing and regulating related-party transactions
 - (2) Commitment letter on avoiding competitive activities
 - (3) Commitment on measures to offset the dilution of immediate returns from the initial public offering and listing
 - (4) Commitment on share lock-up and intentions regarding share reduction
 - (5) Preliminary plan and commitment to stabilize the company's stock price within 3 years after listing
 - (6) Commitment on share repurchase in case of fraudulent issuance and listing
 - (7) Commitment on profit distribution policy
 - (8) Commitment that the prospectus and other documents contain no false

- statements, misleading representations, or material omissions
- (9) Commitment on restrictive measures in case of failure to fulfill commitments
 - (10) Special commitment on disclosure of issuer's shareholder information
 - (11) Confirmation opinion of the controlling shareholder regarding the prospectus
 - (12) Commitment letter on consistency between electronic application documents and reserved originals
 - (13) Commitment letter on ensuring no interference with the review process
 - (14) Commitment letter on matters related to temporary buildings
 - (15) Commitment letter on matters related to leased land or property
 - (16) Commitment letter on matters related to tax incentives
 - (17) Commitment letter on matters related to historical equity changes
 - (18) Commitment letter on matters related to social insurance and housing provident fund
 - (19) Declaration on the legality of shareholding and information disclosure
 - (20) Commitment letter on maintaining the independence of the issuer's assets, personnel, finances, organization, and operations
 - (21) Explanation on legal and regulatory compliance
2. Commitments Approved by the Board of Directors on November 11, 2022 are as follows:
- (1) Commitment letter on avoiding competitive activities (amended)
 - (2) Commitment letter on matters related to historical equity changes and dividends
 - (3) Commitment letter on historical equity changes
 - (4) Declaration on the absence of significant violations
 - (5) Explanation on the reasons, legality, and rationality of establishing an overseas control structure and shareholders' indirect investment in the issuer through LUCKY UNION and SINMAG LIMITED
 - (6) Special commitment on matters related to in-kind capital contributions
 - (7) Declaration and commitment on historical absorption mergers
3. Commitments Approved by the Board of Directors on March 15, 2023 are as follows:
- (1) Commitment letter on avoiding competitive activities (supplementary)
 - (2) Commitment letter on ensuring no interference with the review process (supplementary)
4. Commitments Approved by the Board of Directors on April 14, 2023 are as follows:
- (1) Commitment letter on avoiding competitive activities (amended)

5. Commitments Approved by the Board of Directors on June 21, 2024 are as follows:

- (1) Commitment on cash dividends during the review period and within three years after listing
- (2) Commitment on extending the share lock-up period

VI. Sustainable Development Policy Report for Public Review

Explanation: In accordance with Article 5 of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, the sustainable development policy has been formulated by considering the development trends of domestic and international sustainability issues, their relevance to the company's core business, and the impact of the company's overall operations on stakeholders. Please refer to Attachment 5 on page 53 of this meeting handbook.

VII. Other reports, submitted for review.

Explanation: A written proposal was received from shareholder Lin, Shi-Wei (account number: 22828), who holds more than 1% of the total issued shares. The proposal's main objective is to suggest that the company implement a treasury stock plan to enhance shareholder value. The Board of Directors reviewed this proposal on April 11, 2025. Since the implementation of a treasury stock plan, which involves the company repurchasing a portion of its shares, falls under the authority of the Board of Directors and is not a matter for resolution at the shareholders' meeting, and given that the treasury stock proposal is advisory in nature and unrelated to promoting public interest or fulfilling social responsibility, it has not been included for discussion in the shareholders' meeting agenda for the reasons stated above.

Proposed Items

Proposal 1: (Proposed by the Board of Directors)

Proposal: 2024 Business Report and Financial Statements, submitted for ratification.

Explanation:

1. The Company's 2024 financial statements, consolidated financial statements, and business reports have been reviewed by the Audit Committee, and a written audit report has been issued.
2. For the 2024 business report and financial statements, please refer to Attachment 1 on pages 24 to 29 and Attachment 3 on pages 31 to 50 of this meeting handbook.
3. Please proceed to the ratification of the proposal.

Resolution:

Proposal 2: (Proposed by the Board of Directors)

Proposal: Ratify the item proposed by the 2024 Earnings Distribution, submitted for ratification.

Explanation:

1. The Company's 2024 earnings distribution list is as follows:

Sinmag Equipment Corporation

Earnings Distribution Table

2024

Unit: NT\$

Unappropriated retained earnings at the beginning of the period	1,108,580,322
Plus: Net profit in 2024	682,665,515
Plus: Reversal of special reserve	84,408,774
Retained earnings available for distribution	1,875,654,611
Item for distribution:	
Dividends to shareholders	
Cash dividends (NT\$9 per share)	(452,072,178)
Unappropriated retained earnings at the end of the period	1,423,582,433

Chairman: Hsieh, Shun-Ho President: Hsieh, Shun-Ho

Accounting Manager: Chen Yi-Wen

2. Please proceed to the ratification of the proposal.

Resolution:

Discussion Items

Proposal 1: (Proposed by the Board of Directors)

Proposal: Amend the Company's "Articles of Incorporation," submitted for discussion.

Explanation:

1. In accordance with Article 14 of the Securities and Exchange Act, the company shall allocate a certain percentage of its annual profits to adjust the salaries or distribute compensation to grassroots employees. Accordingly, Article 29 of the "Articles of Incorporation" has been amended.
2. For the Company's "Articles of Incorporation" Before/After Amendment Table, please refer to Attachment 6 on page 54 to 55 of this meeting handbook.
3. Submitted for discussion.

Resolution:

Proposal 2: (Proposed by the Board of Directors)

Proposal: Conduct an Initial Public Offering of RMB Ordinary Shares and Apply for a Change to Listing on the Main Board of the Shanghai Stock Exchange for Sinmag Equipment (China) Co., Ltd., a Subsidiary of the Company. Submitted for discussion.

Explanation:

1. Purpose of Applying for Listing on an Overseas Securities Market:
Our subsidiary, Sinmag Equipment (China) Co., Ltd. (hereinafter referred to as "Sinmag China"), aims to integrate group resources, enhance social recognition and brand identity, attract and motivate outstanding local professionals to strengthen competitiveness, and utilize more diverse local fundraising channels to optimize its financial structure. On March 15, 2022, the Board of Directors, and on May 31, 2022, the General Shareholders' Meeting, approved Sinmag China's application for an initial public offering (IPO) of RMB common shares (A-shares) and listing on the Growth Enterprise Market (GEM) of the Shenzhen Stock Exchange.
Based on future strategic development considerations, Sinmag China now intends to change its listing venue from the GEM of the Shenzhen Stock Exchange to the Main Board of the Shanghai Stock Exchange (hereinafter referred to as "this issuance and listing").
2. Impact of the Overseas Securities Market Listing on the Company's Finances and Operations:
 - (1) Financial Impacts

- A. If Sinmag China successfully lists on the Shanghai Stock Exchange, it will be able to efficiently raise funds through diverse local channels, providing a more effective financing environment for its future operational capital and capital expenditure needs while enhancing the flexibility of the group's financial management.
- B. The funds raised locally by Sinmag China can be used to expand and upgrade production lines or equipment, strengthen research and development of new products, increase production capacity, and bolster working capital. Combined with the recruitment of talented professionals, this will enhance the company's innovation and development capabilities, improve market competitiveness, and create new revenue and profit growth opportunities.
- C. Listing on the Shanghai Stock Exchange will increase the group's asset scale and further strengthen the company's capital base. Enhancing Sinmag China's operational competitiveness will also contribute to an increase in the net profit attributable to the company, thereby benefiting overall shareholders' equity and maximizing shareholder value.

(2) Business Impacts

- A. Through the public issuance and listing of shares, Sinmag China can effectively enhance its corporate visibility, attract exceptional R&D talent, accelerate product development timelines, and promptly meet customer demands. Additionally, it can expand production capacity and improve capacity control, enabling rapid expansion in the mainland China market, increasing product market share, and boosting group profitability.
- B. Listing its shares locally will help Sinmag China elevate its corporate image, solidify its brand leadership, and recreate brand value. Furthermore, equity-based incentive measures for employees will ensure the stability of core personnel, supporting the company's prospects for expanding group operations.

3. Expected Organizational Structure and Business Adjustment Methods:

- (1) On March 15, 2022, the Board of Directors, and on May 31, 2022, the General Shareholders' Meeting, approved Sinmag China's application for an IPO of RMB common shares (A-shares) and listing on the GEM of the Shenzhen Stock Exchange. The company has already adjusted its organizational structure at an appropriate time. No further organizational adjustments will be made for this issuance and listing.

- (2) This issuance and listing is not expected to result in any foreseeable significant adjustments to the group's current business operations, with Sinmag China continuing to focus on mainland China as its primary market.
4. Expected Impact of Organizational Structure and Business Adjustments on the Company:
On March 15, 2022, the Board of Directors, and on May 31, 2022, the General Shareholders' Meeting, approved Sinmag China's application for an IPO of RMB common shares (A-shares) and listing on the GEM of the Shenzhen Stock Exchange. The company has already adjusted its organizational structure at an appropriate time. No further organizational adjustments will be made for this issuance and listing.
5. Method of Equity Diversification and Expected Reduction in Shareholding Ratio:
Sinmag China plans to conduct an IPO of RMB common shares on the mainland China securities market and apply for listing on the Shanghai Stock Exchange, with a par value of RMB 1 per share. Pursuant to relevant listing regulations in mainland China, the number of new shares to be issued will account for approximately 10% to 25% or more of Sinmag China's total shares post-issuance. After the issuance, the company's shareholding ratio in Sinmag China is expected to remain no less than 70%, ensuring continued substantial control and operational authority. The final listing market and issuance size will be submitted to the shareholders' meeting for authorization, allowing the Board of Directors or its authorized representative to determine these details in consultation with the lead underwriter, based on mainland China laws and regulations, capital needs, communications with local regulatory authorities, and market conditions. If Sinmag China successfully obtains listing approval from the Shanghai Stock Exchange, it will, prior to dispersing equity for listing, commission an independent expert to issue an opinion on the reasonableness of the number of shares to be released, the pricing and the impact on the company's shareholders' equity. This expert opinion will be submitted to the Audit Committee and subsequently discussed by the Board of Directors.
6. Basis of price determination:
Sinmag China's proposed listing on the Shanghai Stock Exchange will follow local regulations, whereby the issuance price will be determined through inquiries with target investors and based on inquiry results and market conditions or as ultimately approved by the China Securities Regulatory Commission (CSRC).

7. Equity (or Investment) Transferees or Specific Target Parties:

In accordance with local regulations, the new shares will be issued to inquiry participants meeting mainland China legal and regulatory requirements, as well as domestic natural persons, juridical persons with Shanghai Stock Exchange stock accounts, and other investors compliant with CSRC regulations. Neither the company nor any of its subsidiaries will participate in the subscription.

8. Impact on the Company's Continued Listing on the OTC Market:

Sinmag China's application for listing on the Shanghai Stock Exchange will comply with relevant regulations, ensuring that the rights and interests of our existing shareholders are fully protected. This will not affect the company's continued listing on the Taiwan OTC Market.

9. Additional Notes:

- (1) Based on long-term development needs, Sinmag China intends to apply to the competent securities authorities in mainland China for this issuance and listing. However, no formal application has been submitted yet, and uncertainties remain regarding the timing of the application and the duration of the review process.
- (2) This issuance and listing are subject to approval by the shareholders' meeting before it can proceed. If approved by the shareholders' meeting, the proposal aims to facilitate Sinmag China's planned IPO of RMB common shares and its listing on the Shanghai Stock Exchange in the mainland China capital market. The shareholders' meeting is proposed to authorize the Board of Directors or its designated representative, as well as the board of Sinmag China or its designated representative, to make adjustments based on the implementation of the listing plan. These adjustments may consider opinions from relevant government authorities, legal regulations in Taiwan and the listing jurisdiction, market conditions, or practical circumstances. They will also be fully authorized to handle all matters related to this issuance and listing, including, but not limited to, appointing professional advisors, determining issuance terms, timing, quantity, method, pricing approach, issuance price (including price range and final pricing), issuance base date, strategic placement (including allocation ratios and recipients), oversubscription matters, use of proceeds, issuance ratio, issuance of commitment letters, confirmation letters, and related listing application documents, and managing all other matters associated with this issuance and listing.

10. It is hereby submitted for discussion.

Resolution:

Elections

(Proposed by the Board of Directors)

Proposal: Reelection of all directors, submitted for discussion.

Explanation:

1. The current term of the company's directors is set to expire on May 30, 2025. It is proposed that a comprehensive reelection of the board of directors be conducted to align with this year's General Shareholders' Meeting.
2. In accordance with Article 19 of the company's Articles of Incorporation, the board shall consist of seven to nine directors. At this General Shareholders' Meeting, it is proposed that nine directors (including four independent directors) be elected. The election of directors will follow a candidate nomination system, with the new directors serving a three-year term from June 6, 2025, to June 5, 2028. The term of the current directors and independent directors will conclude upon the completion of this general shareholders' meeting.
3. This election will be conducted in accordance with the company's "Procedures for Election of Directors". Please refer to Appendix 3 on pages 76 to 78 of this meeting handbook.
4. The list of candidates for directors and independent directors, along with relevant information, is provided below:

(1) The Board of Directors Nominations

Serial No.	Director Candidate	Shares Held	Education	Experience	Current Position
1	Hsieh, Shun-Ho	2,211,267 shares	High School	President of Sheng Chia Industrial Co., Ltd. Director of Sheng Chia Investment Co., Ltd. CEO of Sinmag Equipment Corporation President of Sinmag Equipment (China) Co., Ltd.	1. Chairman & President of Sinmag Equipment Corporation 2. Chairman of Sinmag Equipment (China) Co., Ltd. 3. Chairman of Sinmag Fitting Corporation 4. Chairman of Sinmag Bakery Machine India Private Limited 5. Chairman of Sinmag Bakery Equipment SDN. BHD.

Serial No.	Director Candidate	Shares Held	Education	Experience	Current Position
				Director of San Neng Bake Ware (Wuxi) Co., Ltd.	6. Director of San Neng Group Holdings Co., Ltd. 7. Director of San Neng Bakeware Corporation 8. Director of PT. SAN NENG BAKEWARE INDONESIA 9. Director of PT. SANNENG ASIA INDUSTRY INDONESIA 10. Chairman of GREATER WIN HOLDINGS LIMITED 11. Chairman of Ximai Enterprise Management (Wuxi) Co., Ltd. 12. Chairman of SINMAG LIMITED 13. Chairman of LUCKY UNION LIMITED

Serial No.	Director Candidate	Shares Held	Education	Experience	Current Position
2	Wu, Yao-Tsung	1,788,616 shares	National Yilan High School	Deputy Chairman of Tehmag Foods Corporation Supervisor of Sinmag Equipment (China) Co., Ltd. Chairman of Taiwan Lun Chun Association Director of Zeelandia Bakery Ingredients (Wuxi) Co., Ltd.	1. Supervisor of Sinmag Fitting Corporation 2. Director of Tehmag Foods Corporation 3. Director of Wuxi New Order Control Co., Ltd. 4. Director of Yangyu Foods Corporation 5. Supervisor of Kingcraft Industrial Corp., Ltd. 6. Director of Taiwan Lun Chun Association 7. Director of Bliss & Wisdom School Foundation 8. Chairman of Purity New Materials Co., Ltd. 9. Director of Bliss & Wisdom Buddhism Foundation 10. Chairman of AMRITA Translation Foundation 11. Director of Tehmag Foods(H.K.) Company Limited 12. Director of Tehmag Foods USA Corporation 13. Director of PT.Tehmag Foods Corporation Indonesia

Serial No.	Director Candidate	Shares Held	Education	Experience	Current Position
					<p>14. Director of TEHMAG FOODS (SINGAPORE) PTE LTD</p> <p>15. Director of Bliss & Wisdom Foundation of Culture and Education</p> <p>16. Chairman of Chinese Pure Wisdom and Kindness Association</p>
3	Chang, Jui-Jung	380,981 shares	Master of Business Administration, Asia University	<p>President of San Neng Group Holdings Co., Ltd.</p> <p>President of San Neng Bake Ware (Wuxi) Co., Ltd.</p> <p>Chairman of San Neng Bakeware Corporation</p> <p>President of San Neng Bakeware Corporation</p> <p>Supervisor of Sinmag Equipment Corporation</p>	<p>1. Chairman of San Neng Bake Ware (Wuxi) Co., Ltd.</p> <p>2. Chairman of San Neng Group Holdings Co., Ltd.</p> <p>3. Chairman of PT. SAN NENG BAKEWARE INDONESIA</p> <p>4. Chairman of East Gain Investment Limited</p> <p>5. Chairman of SAN NENG Limited</p> <p>6. Chairman of Jui Jung International Limited</p> <p>7. Chairman of PT. SANNENG ASIA INDUSTRY INDONESIA</p>
4	Hsieh, Ming-Ching	2,112,980 shares	Bachelor of Economics, Fu Jen Catholic University	Chairman's Special Assistant, Sinmag Equipment Corporation	<p>1. Director of Kingcraft Industrial Corp., Ltd.</p> <p>2. Director and Vice President of LBC BAKERY</p>

Serial No.	Director Candidate	Shares Held	Education	Experience	Current Position
			Master of Financial Management, Azusa Pacific University Master of Management, Peking University	Chairman of Wuxi New Order Control Co., Ltd. Vice President of Management Office, Sinmag Equipment Corporation	EQUIPMENT INC. 3. Director of Sheng Chia Investment Co., Ltd. 4. Director of SINMAG EQUIPMENT (THAILAND) CO., LTD. 5. Director of Sinmag Equipment (China) Co., Ltd. 6. President and Vice President of Management Department, Sinmag Equipment (China) Co., Ltd. 7. Director of Wuxi New Order Control Co., Ltd. 8. Independent Director of Thomas Dynamic Material Composite Materials Technology Co., Ltd.
5	Hsiao, Shu-Chuan	127,813 shares	Industrial Engineering and Management Department, Lunghwa Polytechnic	Associate /Chairman's Special Assistant of Sinmag Equipment Corporation	Vice President of Sinmag Equipment Corporation

Serial No.	Independent Director Candidates	Shares Held	Education	Experience	Current Position
1	Huang, Huei-Wang	0 shares	Department of Business Administration, College of Law and Business, National Chung Hsing University FinTech Program, University of California, Berkeley, USA Financial Risk Manager (FRM®), Global Association of Risk Professionals (GARP)	Chief Consultant / Corporate Valuation Expert, Specialized Business Management Consulting Co., Ltd. Chief Representative, Shanghai Representative Office, Grand Cathay Securities Co., Ltd. Deputy Manager, Securities Department / Finance Department, China Development Industrial Bank Compensation Committee Member (Concurrent Role), Rotam Global Agrosiences Limited	1. Representative, Broad Think Tank Co., Ltd. 2. Representative / Corporate Valuation Expert / FRM®, Broad Think Tank Value Assessment Co., Ltd.
2	Tu, San-Chien	0 shares	Department of Accounting, National Chengchi University Master's in Accounting, Louisiana State	Lecturer, College of Commerce, National Chengchi University Partner, Deloitte & Touche Chairman, Deloitte & Touche	1. Director, Pang Kuei & Co. 2. Independent Director of Lin BioScience Inc. 3. Independent Director of Dah Chung Bills Finance Corp. 4. Supervisor of Jorjin

Serial No.	Independent Director Candidates	Shares Held	Education	Experience	Current Position
			University, USA	Independent Director, Tehmag Foods Corporation	Technologies Inc. 5. Independent Director of Synmosa Biopharma Corporation
3	Lin, Chien-Ting	0 shares	Doctorate in Business, Chinese Culture University	Associate Professor, Department of Business Administration, School of Continuing Education, Chinese Culture University Associate Professor, Master's Program in Tourism and Leisure Business Management, School of Continuing Education, Chinese Culture University Director, Master's Program in Tourism and Leisure Business Management, Department of Tourism, School of Continuing Education, Chinese Culture University	Director, Lifelong Learning Center, School of Continuing Education, Chinese Culture University

Serial No.	Independent Director Candidates	Shares Held	Education	Experience	Current Position
4	Li, Hung-Yu	0 shares	Doctorate in Economics, School of Finance, Southwestern University of Finance and Economics	Team Leader, Rongcong United Accounting Firm Section Chief of Live Young Life Mall Co., Ltd. Team Leader, Registration and Review Department, Securities Business Association Business Committee Member, Office of the President, Taipei Exchange	Consultant of Han Ding Digital Technology Co., Ltd.

Explanation of the Board's Continued Nomination of Tu, San-Chien as an Independent Director:

Mr. Tu holds a Master's degree in Accounting from Louisiana State University, USA, and currently serves as the President of Banggui Accounting Firm, among other positions. With professional expertise and practical experience in finance and accounting, he possesses the specialized knowledge and operational management experience necessary for the development of the Company. During his tenure, he has provided valuable insights into operational development and has maintained no conflicts of interest with the company's management that could compromise his independence. We hereby nominate Mr. Tu, San-Chien to continue as a candidate for independent director of the company, with the expectation that his expertise will enable him to fulfill the duties of an independent director, providing timely oversight to the board and offering professional recommendations.

(2) Nomination by shareholders holding more than 1% of shares

Serial No.	Director Candidate	Shares Held	Education	Experience	Current Position
1	Chen Min-Jyh	137,000 shares	Department of Hydraulic Engineering, Tamkang University Executive MBA Program, National Taiwan University	President, Lotus International Co., Ltd. (Lotus Taiwan) Associate, International Business Machines Co., Ltd. (IBM Taiwan) President, Sybase Taiwan Vice President, SAP Taiwan & China Vice President of Siemens Industry Software Greater China and President of Taiwan Region	President of Autodesk Taiwan, Ltd.

Serial No.	Independent Director Candidates	Shares Held	Education	Experience	Current Position
1	Chang Chin-Ter	0 shares	Ph.D. in Information Management, National Chiao Tung University	Professor, Institute of Management, Chang Gung University	Professor, Institute of Management, Chang Gung University

5. An election is respectfully requested.

Election results:

Other Proposals

(Proposed by the Board)

Proposal: Lift the non-compete restrictions on newly appointed directors and their representatives, submitted for discussion.

Explanation:

1. Pursuant to Article 209 of the Company Act, "A director who acts on behalf of themselves or others in matters falling within the scope of the company's business shall explain the key details of such actions to the shareholders' meeting and obtain its approval."
2. In consideration of the company's strategy to pursue diversification and business alliances, and without prejudice to the interests of the company, it is proposed to request the approval of the General Shareholders' Meeting to lift the non-compete restrictions on the newly elected directors and their representatives following this election.
3. The details of the directors whose non-compete restrictions are to be lifted are specified as follows:

Title and Name	Company Name and Position
Director Hsieh, Shun-He	Chairman of Sinmag Equipment (China) Co., Ltd. Chairman of Sinmag Fitting Corporation Chairman of SINMAG BAKERY MACHINE INDIA PRIVATE LIMITED Chairman of Sinmag Bakery Equipment SDN. BHD. Director of San Neng Group Holdings Co., Ltd. Director of San Neng Bakeware Corporation Director of PT. SAN NENG BAKEWARE INDONESIA Director of PT. SANNENG ASIA INDUSTRY INDONESIA Chairman of GREATER WIN HOLDINGS LIMITED Chairman of Ximai Enterprise Management (Wuxi) Co., Ltd. Chairman of SINMAG LIMITED Chairman of LUCKY UNION LIMITED

Title and Name	Company Name and Position
Director Wu, Yao-Tsung	Supervisor of Sinmag Fitting Corporation Director of Tehmag Foods Corporation Director of Wuxi New Order Control Co., Ltd. Director of Yangyu Foods Corporation Supervisor of Kingcraft Industrial Corp., Ltd. Director of Tehmag Foods(H.K.) Company Limited Director of Tehmag Foods USA Corporation Director of PT.Tehmag Foods Corporation Indonesia Director of TEHMAG FOODS (SINGAPORE) PTE LTD
Director Chang, Jui-Jung	Chairman of San Neng Group Holdings Co., Ltd. Chairman of San Neng Bake Ware (Wuxi) Co., Ltd. Chairman of PT. SAN NENG BAKEWARE INDONESIA Chairman of EAST GAIN INVESTMENT LIMITED Chairman of SAN NENG LIMITED Chairman of JUI JUNG INTERNATIONAL LIMITED Chairman of PT. SANNENG ASIA INDUSTRY INDONESIA
Director Hsieh, Ming-Ching	Director of SINMAG EQUIPMENT (THAILAND) CO., LTD. Director and Vice President of LBC BAKERY EQUIPMENT INC. Director of Sheng Chia Investment Co., Ltd. Director of Kingcraft Industrial Corp., Ltd. Director and President of Sinmag Equipment (China) Co., Ltd. Director of Wuxi New Order Control Co., Ltd. Independent Director of Thomas Dynamic Material Composite Materials Technology Co., Ltd.
Independent Director Tu, San-Chien	Director, Pang Kuei & Co. Independent Director of Lin BioScience Inc. Independent Director of Synmosa Biopharma Corporation

4. The individuals affected by the lifting of restrictions shall be the directors (including independent directors) actually elected.

5. It is hereby submitted for discussion.

Resolution:

Extempore Motions

Adjournment

Attachment 1

Sinmag Equipment Corporation

2024 Business Report

I. 2024 Business Report

(I) Implementation Results of Business Plan

In 2024, the global economy continues to recover moderately, with significant divergences among different regions. Risks and challenges remain, and the economic momentum still needs strengthening. Although global inflation showed signs of easing and the world economy did not fall into recession, downside risks increased significantly, raising concerns about a potential low-growth trap in the future.

In 2024, Sinmag continued to face a downward economic trend in the Chinese market, with market growth yet to recover to the 2021 level, and the operational challenges remained. However, Sinmag achieving historical highs in both consolidated revenue and consolidated profit, driven by the growing demand for supermarket equipment in the Americas and Australia, as well as the noticeable economic recovery in Southeast Asia countries.

The consolidated operating income of the Group in 2024 was NT\$4,792,059 thousand, an increase of 6.52% from NT\$4,498,686 thousand in 2023. The consolidated net profit after tax was NT\$682,665 thousand, an increase of 13.20% from NT\$603,037 thousand in 2023. The after tax earnings per share was NT\$13.59, an increase of 13.16% from that of 2023.

1. The Company's operating results and sales performance of main products are shown in the table below:

(1) Comparison of operating results (combined profit and loss)

Unit: Thousand NT\$

	2024	2023	Increase (Decrease) Rate (%)
Operating Revenue	4,792,059	4,498,686	6.52%
Operating Costs	2,710,054	2,593,232	4.50%
Gross Profit	2,082,005	1,905,454	9.27%
Operating Expenses	1,108,945	1,030,555	7.61%
Operating Profit	973,060	874,899	11.22%
Non-operating Income and Expenses	117,029	60,382	93.81%
Profit Before Income Tax	1,090,089	935,281	16.55%
Profit After Income Tax	682,665	603,037	13.20%

(II) Revenue Forecast and Realization

The Company did not have a public financial forecasting for 2024.

(III) Financial income and expenses (structure) and profitability analysis (consolidated financial statements)

Item		2024	2023
Financial Structure Analysis	Debt-to-Asset Ratio	25.81%	25.14%
	Long-Term Funds to Fixed Assets Ratio (%)	255.07%	253.61%
Liquidity Analysis	Current Ratio	272.85%	290.34%
	Quick Ratio	185.39%	200.21%
Profitability Analysis	Return on Assets	17.26%	16.55%
	Return on Shareholders' Equity	23.14%	22.37%
	Ratio of Paid-Operating Profit	193.72%	174.17%
	In Capital Pre-Tax income	217.01%	186.19%
	Profit Ratio	15.19%	14.14%
	Earnings per Share (NT\$)	13.59	12.01

(IV) Research and Development

Sinmag possesses robust research and manufacturing capabilities and remains dedicated to enhancing the performance of commercial baking equipment continuously. This commitment aims to support bakers in crafting fashionable, nutritious, and healthy baked goods. In 2024, our Group invested a total of NT\$166,086 thousand in research and development expenses. In addition to actively expanding our product line and venturing into new product areas, we also engaged in various process and technology developments. In addition, we have improved our product structure in response to environmental protection concepts, with the aim of continuously expanding our market share in Mainland China and creating new markets and business opportunities. This strategic positioning is crucial to the sustainable operation of our company.

II. Summary of the Company's Business Plan for 2025

(I) Operating Strategies

The market development goal for Sinmag in 2025 is to deeply cultivate the recovering demand segment market, increase sales volume, strengthen sales and after-sales service efficiency, enhance equipment competitiveness in the market, consolidate existing markets, develop new customer acquisition channel, and increase sales volume in the market.

1. Sales in China Market

- (1) To support the upgrade, transformation, and franchising of our existing customers' businesses, we will provide appropriate and complementary equipment for mutual growth.
- (2) The Company actively provides appropriate and complementary equipment packages for new customers and emerging types of operations— such as modern Chinese pastry and cake fusion tea shops, new format of cafés and restaurants, creative bakeries, and gift-oriented food businesses.
- (3) The Company is expanding its operations in the online market for equipment sales, strengthening and enhancing the functionality of Sinmag's e-commerce sales platforms both domestically and internationally. It actively supports and participates in initiatives to drive platform traffic, aiming to enhance the credibility and track record of Sinmag's equipment in the e-commerce market, combat counterfeit brands, and assist in the stable growth of e-commerce operations. In addition, the Company recognizes the need to adjust and reinforce its distribution and customer acquisition channel structures, expand collaborative sales projects, and increase the scale of online baking market sales.
- (4) The Company responds to the evolving trends of supermarket transformation in China, including the development of local specialty supermarkets and the transformation of large international supermarkets, by providing suitable and supporting equipment to foster mutual growth.
- (5) The high-end bakery store market emphasize innovative, fashionable products, stylish décor and dining environments. Bakery equipment should move away from the traditional commercial kitchen model to an open front display that reflects the brand image and allows for on-site baking. Attention to aesthetics and consistent visual harmony between the appearance and layout of front-of-house and back-of-house equipment configurations is critical. Sinmag has redesign high-end baking oven combinations to increase sales volume in the high-end baking equipment market.
- (6) The Company will expand the development of collaboratively developed advantageous technologies, which include high-efficiency energy-saving features and remote equipment control capabilities, to drive the sales of conveyor oven equipment to major international group clients in China and other markets. Furthermore, the Company is extending its reach into the foodservice composite sector, targeting large pizza restaurant groups to actively promote the adoption and usage of its equipment.

2. Overseas Market

- (1) Optimize customer order acceptance, production planning, and shipping arrangements in high-demand markets to reduce overseas sales lead time and increase agent competitiveness.
- (2) The Company arranges visits and exchanges with overseas agents and major clients to discuss market development strategies and sales activities for each country, thereby promoting sales.
- (3) There will be more frequent business visits to markets in various countries, aiming to grasp the changes and development trends in each country. We will conduct comprehensive reviews and analysis of the market alongside agents, distributors, and subsidiaries, and formulate response strategies to support agents in driving market sales.
- (4) A business expansion plan for the Central Asian market has been formulated, targeting the five Central Asian countries, the Middle East, Turkey, and Russia. The plan includes establishing a company team and inventory warehouse in Central Asia to develop the market in that region.
- (5) Arrange the continuing professional training of sales and after-sale teams for branches and agents, proactively improve the management and efficiency of work and process, improve the level of pre-sale and after-sale service standards for market customers, enhance professional sales capabilities in markets in various countries.
- (6) Continue to increase equipment items that are sold by the agents in various countries, assist in promoting necessary equipment modifications and certifications, collaborate with agents and market feedback to promote sales in local markets.

(II) Expected Sales Volume and Its Basis

The Company's main products are food machinery equipment. According to the expected growth rate of the food market and the estimated production capacity, the Company will continue to expand new customers and develop new products in 2025, other than sticking to the original market share and sales volume in Mainland China, and will continue to expand in the Americas, India, Southeast Asia, Central Asia and other markets. The Company's sales volume is still expected to show a growing trend.

(III) Production and Sales Strategies

1. Continue to adjust product structure and sales mix, integrate equipment specifications and models for lean production to reduce costs and improve production efficiency, replace products with low gross profit and sales, and promote mass-production product sales.

2. A comprehensive and regular training program for the business and engineering teams will be created in the national representative offices to strengthen the team's overall competence. This initiative aims to enhance the team's professional skills, and communication abilities, and foster mutual learning regarding sales, after-sales service work, and performance within each region. At the same time, the management of customer visits will be strengthened, the coverage and visit efficiency of the sales team for new and existing customers and the market will be improved, customer follow-up will be strengthened, and price inquiries from various regions will be promptly grasped.
3. To improve the timeliness, repair level, and service attitude of the after-sales engineering team, to increase the proactive shop and factory service by the regional engineering team, and to improve the after-sales service level for market customers.
4. The company is upgrading and implementing Customer Relationship Management (CRM) and after-sales management software. Through the use of an online cloud service management system, it aims to integrate the entire workflow from sales to after-sales, reduce manpower requirements, and improve real-time efficiency and service quality.

(IV) Impact of External Competition, Laws and Regulations, and the Regular Business Environment

In 2024, the overall baking market environment in China brought disappointing economic conditions to the industry. The downward trend in consumer spending remained severe, prompting cautious and conservative investment in the expansion of various market segments. Development plans across different market segments showed signs of slowing down and contraction. Overall consumer purchasing power remained weak, and a trend of consumption downgrade was evident. Although local supermarkets, wholesale stores, and franchise chains drove some development in different regions of the domestic market, the overall scale of expansion showed no significant acceleration. The number of new store openings decreased, inquiries and transaction volumes were low, and competition intensified.

Nevertheless, from a broader perspective, China's domestic baking market still holds considerable development potential, with the industry scale continuing to grow year by year. This indicates that the domestic market is experiencing a trend of large-scale renewal, replacement, and ongoing investment. The baking industry continues to undergo reshuffling, and bakery brands are increasingly focused on launching innovative products that meet consumer demand to guide market trends. The bakery market emphasizes innovation, fashion, diversity, and personalization. Coupled with increasingly diversified developments such as high-end composite renovations, dining services, and health food trends, the bakery industry is driving continuous transformations within the supply chain and distribution channels.

Furthermore, with the accelerating and tightening trend toward sustainability, Sinmag will incorporate the concept of sustainable management into its existing business models, strategies, products, and services from multiple dimensions. The Company will also closely monitor sustainability-related indicators and regulatory developments, striving to move steadily toward its sustainability goals.

Sinmag Group has been deeply engaged in the bakery equipment industry for 41 years. Facing multiple uncertainties and instabilities in the future, the Company recognizes that only by maintaining vigilance and adopting appropriate responses can it continue striving to provide customers with high-quality products and timely after-sales services, while further expanding its global footprint and enhancing its competitiveness. The management team and all employees of Sinmag will continue working together toward shared goals, upholding the core values of integrity, pursuit of excellence, continuous innovation, and mutual benefit. We are committed to creating greater value for all shareholders, fulfilling our corporate social responsibilities, and advancing toward sustainable development.

Chairman: Hsieh, Shun-Ho

General Manager: Hsieh, Shun-Ho

Accounting Manager: Chen Yi-Wen

Attachment 2.

Sinmag Equipment Corporation Audit Committee's Review Report

Hereby approved.

The Board of Directors has submitted the 2024 Business Report, Financial Statements and Earnings Distribution Proposals of the Company. The Financial Statements have been audited by CPAs Chang, Keng-Hsi and Chen, Chao-Mei of Deloitte & Touche, and the audit report has been issued. The aforementioned business report, financial statements, and earnings distribution proposal have been reviewed by the Audit Committee. All members believe that there is no discrepancy. Therefore, in accordance with the provisions of Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, the above report is submitted for your verification.

Sincerely,

2025 Annual Shareholders' Meeting of Sinmag Equipment Corporation

Sinmag Equipment Corporation

Convener of the Audit Committee

March 26, 2025

Attachment 3

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Sinmag Equipment Corporation

Opinion

We have audited the accompanying financial statements of Sinmag Equipment Corporation (the “Company”), which comprise the balance sheets as of December 31, 2024 and 2023, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including material accounting policy information (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter of the Company’s financial statements for the year ended December 31, 2024 is stated as follows:

Due to Sinmag Equipment Corporation being a publicly listed company, it is anticipated that there is pressure on the management to achieve projected financial goals. Among these goals, revenue is considered a key indicator of profitability and operational performance. Additionally, revenue recognition inherently carries higher risks.

Occurrence of Sales Revenue from Major Customers

The Company has thousands of customers. The total revenue of major customers (excluding related parties) accounted for 33% of the total operating revenue. The sales revenue coming from some of the major customers have continued to grow, with a higher level of growth rate in operating revenue than the average level of changes in the Company's overall operating revenue, resulting in a significant impact on the financial performance of the Company. Therefore, we deemed the validity of the occurrence of sales revenue coming from the above customers a key audit matter.

Occurrence of Sales Revenue of Investment in Subsidiaries Accounted for Using the Equity Method

In fiscal year 2024, the subsidiary's sales revenue saw a significant increase. Some of the major customers have a higher level of growth rate in operating revenue than the average level of changes in the Group's overall operating revenue, resulting in a significant impact on the financial performance of the Company. Therefore, we deemed the validity of the occurrence of sales revenue coming from the above customers a key audit matter.

Refer to the accounting policies related to revenue recognition in Note 4 to the financial statements.

The following audit procedures were performed in response to the abovementioned key audit matter:

1. We obtained an understanding of the design and implementation of the internal controls related to the recognition of sales revenue, and we designed the appropriate audit procedures of internal controls related to the occurrence of sales revenue and confirmed and evaluated the effectiveness of the design and implementation of the Subsidiaries' internal controls.
2. We selected samples of sales transactions, reviewed sales orders, bills of lading or signed documents, invoices and receipts, and confirmed confirm the occurrence of sales revenue.
3. We compared the changes in sales revenue, gross profit margin, trade receivables turnover days and credit conditions of the abovementioned major customers between the current and the previous year, and we evaluated the reasonableness of the changes.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Keng-Hsi Chang and Chao-Mei Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 26, 2025

Notice to Readers

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

Sinmag Equipment Corporation

BALANCE SHEETS

DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

ASSETS	2024		2023	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 176,667	5	\$ 157,549	5
Notes receivable (Notes 4, 9 and 21)	1,016	-	6,750	-
Trade receivables (Notes 4, 9 and 21)	20,208	-	32,904	1
Trade receivables from related parties (Notes 4, 21 and 28)	29,118	1	8,769	1
Other receivables (Notes 4 and 9)	899	-	655	-
Inventories (Notes 4 and 10)	59,837	2	65,061	2
Prepayments (Note 15)	<u>1,844</u>	<u>-</u>	<u>1,208</u>	<u>-</u>
Total current assets	<u>289,589</u>	<u>8</u>	<u>272,896</u>	<u>9</u>
NON-CURRENT ASSETS				
Financial assets at amortized cost - non-current (Notes 4, 7, 8 and 29)	50	-	50	-
Investments accounted for using the equity method (Notes 4, 11 and 28)	3,009,309	88	2,712,589	86
Property, plant and equipment (Notes 4, 12 and 29)	123,575	4	114,969	4
Right-of-use assets (Notes 4 and 13)	562	-	959	-
Intangible assets (Notes 4 and 14)	14	-	31	-
Deferred tax assets (Notes 4 and 23)	10,931	-	30,988	1
Other non-current assets (Notes 4 and 15)	<u>464</u>	<u>-</u>	<u>3,106</u>	<u>-</u>
Total non-current assets	<u>3,144,905</u>	<u>92</u>	<u>2,862,692</u>	<u>91</u>
TOTAL	<u>\$ 3,434,494</u>	<u>100</u>	<u>\$ 3,135,588</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities (Notes 4 and 21)	\$ 7,851	-	\$ 2,585	-
Trade payables	16,241	-	21,514	1
Trade payables to related parties (Note 28)	11,949	-	16,557	-
Other payables (Note 17)	50,756	2	49,754	2
Current tax liabilities (Notes 4 and 23)	23,871	1	56,932	2
Provisions - current (Notes 4 and 18)	131	-	131	-
Lease liabilities - current (Notes 4 and 13)	401	-	394	-
Current portion of long-term borrowings(Notes 16, 25 and 29)	<u>16,561</u>	<u>1</u>	<u>-</u>	<u>-</u>
Total current liabilities	<u>127,761</u>	<u>4</u>	<u>147,867</u>	<u>5</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 16, 25 and 29)	-	-	13,861	-
Deferred tax liabilities (Notes 4 and 23)	134,824	4	116,552	4
Lease liabilities - non-current (Notes 4 and 13)	<u>169</u>	<u>-</u>	<u>570</u>	<u>-</u>
Total non-current liabilities	<u>134,993</u>	<u>4</u>	<u>130,983</u>	<u>4</u>
Total liabilities	<u>262,754</u>	<u>8</u>	<u>278,850</u>	<u>9</u>
EQUITY (Notes 4 and 20)				
Share capital				
Ordinary shares	<u>502,302</u>	<u>14</u>	<u>502,302</u>	<u>16</u>
Capital surplus	<u>206,827</u>	<u>6</u>	<u>206,827</u>	<u>7</u>
Retained earnings				
Legal reserve	586,956	17	586,956	18
Special reserve	155,238	5	124,177	4
Unappropriated earnings	<u>1,791,246</u>	<u>52</u>	<u>1,591,714</u>	<u>51</u>
Total retained earnings	<u>2,533,440</u>	<u>74</u>	<u>2,302,847</u>	<u>73</u>
Other equity	<u>(70,829)</u>	<u>(2)</u>	<u>(155,238)</u>	<u>(5)</u>
Total equity	<u>3,171,740</u>	<u>92</u>	<u>2,856,738</u>	<u>91</u>
TOTAL	<u>\$ 3,434,494</u>	<u>100</u>	<u>\$ 3,135,588</u>	<u>100</u>

The accompanying notes are an integral part of the financial statements.

Sinmag Equipment Corporation

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 21 and 28)				
Sales	\$ 356,775	94	\$ 363,633	94
Service revenue	<u>23,180</u>	<u>6</u>	<u>23,452</u>	<u>6</u>
Total operating revenue	<u>379,955</u>	<u>100</u>	<u>387,085</u>	<u>100</u>
OPERATING COSTS				
Cost of goods sold (Notes 10, 22 and 28)	(297,291)	(78)	(288,291)	(74)
Service cost	<u>(3,129)</u>	<u>(1)</u>	<u>(3,410)</u>	<u>(1)</u>
Total operating costs	<u>(300,420)</u>	<u>(79)</u>	<u>(291,701)</u>	<u>(75)</u>
GROSS PROFIT	79,535	21	95,384	25
UNREALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (Note 4)	(5,491)	(1)	(3,839)	(1)
REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (Note 4)	<u>3,839</u>	<u>1</u>	<u>4,394</u>	<u>1</u>
REALIZED GROSS PROFIT	<u>77,883</u>	<u>21</u>	<u>95,939</u>	<u>25</u>
OPERATING EXPENSES (Notes 22 and 28)				
Selling and marketing expenses	(49,634)	(13)	(49,588)	(13)
General and administrative expenses	(53,593)	(14)	(48,507)	(13)
Research and development expenses	(6,206)	(2)	(7,170)	(2)
Expected credit gain (Notes 4 and 9)	<u>841</u>	<u>-</u>	<u>2,618</u>	<u>1</u>
Total operating expenses	<u>(108,592)</u>	<u>(29)</u>	<u>(102,647)</u>	<u>(27)</u>
LOSS FROM OPERATIONS	<u>(30,709)</u>	<u>(8)</u>	<u>(6,708)</u>	<u>(2)</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4, 22 and 28)				
Interest income	3,736	1	3,306	1
Other income	286	-	808	-
Other gains and losses	2,552	1	(6,768)	(2)
Finance costs	(22)	-	(151)	-
Share of profit or loss of subsidiaries, associates and joint ventures	<u>800,612</u>	<u>211</u>	<u>683,894</u>	<u>177</u>
Total non-operating income and expenses	<u>807,164</u>	<u>213</u>	<u>681,089</u>	<u>176</u>

(Continued)

Sinmag Equipment Corporation

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	\$ 776,455	205	\$ 674,381	174
INCOME TAX EXPENSE (Notes 4 and 23)	<u>(93,790)</u>	<u>(25)</u>	<u>(71,344)</u>	<u>(18)</u>
NET PROFIT FOR THE YEAR	<u>682,665</u>	<u>180</u>	<u>603,037</u>	<u>156</u>
OTHER COMPREHENSIVE INCOME/(LOSS) (Notes 4, 19, 20 and 23)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	-	-	(411)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>-</u>	<u>-</u>	<u>(2,941)</u>	<u>(1)</u>
	<u>-</u>	<u>-</u>	<u>(3,352)</u>	<u>(1)</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	105,511	28	(38,826)	(10)
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>(21,102)</u>	<u>(6)</u>	<u>7,765</u>	<u>2</u>
	<u>84,409</u>	<u>22</u>	<u>(31,061)</u>	<u>(8)</u>
Other comprehensive income (loss) for the year, net of income tax	<u>84,409</u>	<u>22</u>	<u>(34,413)</u>	<u>(9)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 767,074</u>	<u>202</u>	<u>\$ 568,624</u>	<u>147</u>
EARNINGS PER SHARE (Note 24)				
From continuing operations				
Basic	<u>\$ 13.59</u>		<u>\$ 12.01</u>	
Diluted	<u>\$ 13.56</u>		<u>\$ 11.98</u>	

The accompanying notes are an integral part of the financial statements.

(Concluded)

Sinmag Equipment Corporation

STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

			Retained Earnings			Other Equity Exchange Differences on Translating the Financial Statements of Foreign Operations	Total Equity
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings		
BALANCE AT JANUARY 1, 2023	\$ 502,302	\$ 206,827	\$ 586,956	\$ 191,235	\$ 1,226,352	\$ (124,177)	\$ 2,589,495
Appropriation of 2022 earnings (Note 20)							
Reversal of special reserve	-	-	-	(67,058)	67,058	-	-
Cash dividends distributed by the Company	-	-	-	-	(301,381)	-	(301,381)
Net profit for the year ended December 31, 2023	-	-	-	-	603,037	-	603,037
Other comprehensive loss for the year ended December 31, 2023, net of income tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,352)</u>	<u>(31,061)</u>	<u>(34,413)</u>
Total comprehensive income (loss) for the year ended December 31, 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>599,685</u>	<u>(31,061)</u>	<u>568,624</u>
BALANCE AT DECEMBER 31, 2023	502,302	206,827	586,956	124,177	1,591,714	(155,238)	2,856,738
Appropriation of 2023 earnings (Note 20)							
Special reserve	-	-	-	31,061	(31,061)	-	-
Cash dividends distributed by the Company	-	-	-	-	(452,072)	-	(452,072)
Net profit for the year ended December 31, 2024	-	-	-	-	682,665	-	682,665
Other comprehensive income for the year ended December 31, 2024, net of income tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>84,409</u>	<u>84,409</u>
Total comprehensive income for the year ended December 31, 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>682,665</u>	<u>84,409</u>	<u>767,074</u>
BALANCE AT DECEMBER 31, 2024	<u>\$ 502,302</u>	<u>\$ 206,827</u>	<u>\$ 586,956</u>	<u>\$ 155,238</u>	<u>\$ 1,791,246</u>	<u>\$ (70,829)</u>	<u>\$ 3,171,740</u>

The accompanying notes are an integral part of the financial statements.

Sinmag Equipment Corporation

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 776,455	\$ 674,381
Adjustments for:		
Depreciation expense	3,108	3,769
Amortization expense	17	17
Expected credit gain on receivables	(841)	(2,618)
Finance costs	22	151
Interest income	(3,736)	(3,306)
Share of profit of subsidiaries, associates and joint ventures	(800,612)	(683,894)
Gain on disposal of property, plant and equipment	(46)	-
Write-downs of inventories	5,024	2,358
Unrealized gain on the transactions with subsidiaries, associates and joint ventures	5,491	3,839
Realized gain on the transactions with subsidiaries associates and joint ventures	(3,839)	(4,394)
Net gain on foreign currency exchange	(2,160)	(894)
Recognition of provisions	91	85
Changes in operating assets and liabilities		
Notes receivable	5,734	904
Trade receivables	13,587	5,183
Trade receivables from related parties	(20,485)	(2,895)
Other receivables	(262)	(272)
Inventories	200	(1,895)
Prepayments	(636)	(261)
Contract liabilities	5,266	(2,096)
Notes payable	-	(704)
Trade payables	(5,273)	(4,802)
Trade payables from related parties	(4,488)	2,162
Other payables	768	11,273
Provisions	(91)	(85)
Net defined benefit liabilities - non-current	-	5,743
Cash (used in)/generated from operations	(26,706)	1,749
Income tax paid	(109,624)	(123,582)
Net cash used in operating activities	(136,330)	(121,833)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(5,878)	(1,791)
Proceeds from disposal of property, plant and equipment	107	-
Increase in other non-current assets	(158)	(2,732)
Interest received	3,754	3,276
Dividends received from subsidiaries	607,751	395,648
Net cash generated from investing activities	605,576	394,401

(Continued)

Sinmag Equipment Corporation

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	\$ 4,754	\$ 111,810
Repayments of short-term borrowings	(4,754)	(188,310)
Repayment of the principal portion of lease liabilities	(394)	(386)
Dividends paid	(452,072)	(301,381)
Interest paid	<u>(22)</u>	<u>(193)</u>
Net cash used in financing activities	<u>(452,488)</u>	<u>(378,460)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>2,360</u>	<u>1,366</u>
NET INCREASE/(DECREASE) IN CASH	19,118	(104,526)
CASH AT THE BEGINNING OF THE YEAR	<u>157,549</u>	<u>262,075</u>
CASH AT THE END OF THE YEAR	<u>\$ 176,667</u>	<u>\$ 157,549</u>

The accompanying notes are an integral part of the financial statements.

(Concluded)

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Sinmag Equipment Corporation

Opinion

We have audited the accompanying consolidated financial statements of Sinmag Equipment Corporation (the “Company”) and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter of the Group's consolidated financial statements for the year ended December 31, 2024 is stated as follows:

Due to Sinmag Equipment Corporation being a publicly listed company, it is anticipated that there is pressure on the management to achieve projected financial goals. Among these goals, revenue is considered a key indicator of profitability and operational performance. Additionally, revenue recognition inherently carries higher risks.

Occurrence of Sales Revenue from Major Customers

The Group has thousands of customers. The total revenue of major customers accounted for 42% of the total consolidated operating revenue. Some of the major customers have a higher level of growth rate in operating revenue than the average level of changes in the Group's overall consolidated operating revenue, resulting in a significant impact on the financial performance of the Group. Therefore, we deemed the validity of the occurrence of sales revenue coming from the above customers a key audit matter. Refer to the accounting policies related to revenue recognition in Note 4 to the consolidated financial statements.

The following audit procedures were performed in response to the abovementioned key audit matter:

1. We obtained an understanding of the design and implementation of the internal controls related to the recognition of sales revenue, and we designed the appropriate audit procedures of internal controls related to the occurrence of sales revenue and confirmed and evaluated the effectiveness of the design and implementation of the Group's internal controls.
2. We selected samples of sales transactions, reviewed sales orders, bills of lading or signed documents, invoices and receipts, and confirmed the occurrence of sales revenue.
3. We compared the changes in sales revenue, gross profit margin, trade receivables turnover days and credit conditions of the abovementioned major customers between the current and the previous year, and we evaluated the reasonableness of the changes.

Other Matter

We have also audited the parent company only financial statements of Sinmag Equipment Corporation as of and for the years ended December 31, 2024 and 2023 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Keng-Hsi Chang and Chao-Mei Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 26, 2025

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

Sinmag Equipment Corporation and Subsidiaries

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024		2023	
ASSETS	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 1,223,143	28	\$ 989,384	25
Financial assets at amortized cost - current (Notes 4, 7, 8 and 30)	1,556	-	151,846	4
Notes receivable (Notes 4, 9 and 22)	9,890	-	14,055	-
Trade receivables (Notes 4, 9 and 22)	582,080	13	474,611	12
Trade receivables from related parties (Notes 4, 22 and 29)	517	-	811	-
Other receivables (Notes 4 and 9)	7,167	-	22,770	1
Current tax assets (Notes 4 and 24)	14,525	-	3,739	-
Inventories (Notes 4 and 10)	845,287	19	729,617	18
Prepayments (Note 16)	22,277	1	16,394	-
Total current assets	2,706,442	61	2,403,227	60
NON-CURRENT ASSETS				
Financial assets at amortized cost - non-current (Notes 4, 7, 8 and 30)	291,120	7	216,400	6
Property, plant and equipment (Notes 4, 12 and 30)	1,299,093	29	1,180,795	30
Right-of-use assets (Notes 4, 13 and 29)	108,352	2	110,724	3
Goodwill (Notes 4, 14 and 23)	-	-	3,254	-
Intangible assets (Notes 4 and 15)	6,437	-	4,977	-
Deferred tax assets (Notes 4 and 24)	33,627	1	53,188	1
Other non-current assets (Notes 4 and 16)	21,770	-	9,553	-
Total non-current assets	1,760,399	39	1,578,891	40
TOTAL	\$ 4,466,841	100	\$ 3,982,118	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities (Notes 4, 22 and 29)	\$ 164,440	4	\$ 135,844	3
Trade payables	271,685	6	227,912	6
Trade payables to related parties (Note 29)	14,132	-	3,521	-
Other payables (Notes 18 and 26)	335,723	8	257,865	7
Current tax liabilities (Notes 4 and 24)	154,835	3	170,805	4
Provisions - current (Notes 4 and 19)	23,513	1	20,966	1
Lease liabilities - current (Notes 4, 13 and 29)	11,005	-	10,789	-
Current portion of long-term borrowings and bonds payable (Notes 17, 26 and 30)	16,561	-	-	-
Total current liabilities	991,894	22	827,702	21
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 17, 26 and 30)	-	-	13,861	-
Deferred tax liabilities (Notes 4 and 24)	141,283	3	135,557	3
Lease liabilities - non-current (Notes 4, 13 and 29)	19,964	1	24,173	1
Total non-current liabilities	161,247	4	173,591	4
Total liabilities	1,153,141	26	1,001,293	25
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 21)				
Share capital				
Ordinary shares	502,302	11	502,302	13
Capital surplus	206,827	5	206,827	5
Retained earnings				
Legal reserve	586,956	13	586,956	15
Special reserve	155,238	4	124,177	3
Unappropriated earnings	1,791,246	40	1,591,714	40
Total retained earnings	2,533,440	57	2,302,847	58
Other equity	(70,829)	(2)	(155,238)	(4)
Total equity attributable to owners of the Company	3,171,740	71	2,856,738	72
NON-CONTROLLING INTERESTS (Notes 4 and 21)	141,960	3	124,087	3
Total equity	3,313,700	74	2,980,825	75
TOTAL	\$ 4,466,841	100	\$ 3,982,118	100

The accompanying notes are an integral part of the consolidated financial statements.

Sinmag Equipment Corporation and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 22 and 29)				
Sales	\$ 4,768,879	100	\$ 4,475,232	99
Service revenue	<u>23,180</u>	<u>-</u>	<u>23,454</u>	<u>1</u>
Total operating revenue	<u>4,792,059</u>	<u>100</u>	<u>4,498,686</u>	<u>100</u>
OPERATING COSTS				
Cost of goods sold (Notes 10, 23 and 29)	(2,706,925)	(57)	(2,589,822)	(57)
Service cost	<u>(3,129)</u>	<u>-</u>	<u>(3,410)</u>	<u>-</u>
Total operating costs	<u>(2,710,054)</u>	<u>(57)</u>	<u>(2,593,232)</u>	<u>(57)</u>
GROSS PROFIT	<u>2,082,005</u>	<u>43</u>	<u>1,905,454</u>	<u>43</u>
OPERATING EXPENSES (Notes 23 and 29)				
Selling and marketing expenses	(605,471)	(13)	(540,537)	(12)
General and administrative expenses	(334,843)	(7)	(332,836)	(7)
Research and development expenses	(166,086)	(3)	(156,045)	(4)
Expected credit loss (Notes 4 and 9)	<u>(2,545)</u>	<u>-</u>	<u>(1,137)</u>	<u>-</u>
Total operating expenses	<u>(1,108,945)</u>	<u>(23)</u>	<u>(1,030,555)</u>	<u>(23)</u>
PROFIT FROM OPERATIONS	<u>973,060</u>	<u>20</u>	<u>874,899</u>	<u>20</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4, 23 and 29)				
Interest income	32,518	1	27,273	-
Other income	17,052	-	33,615	1
Other gains and losses	68,806	2	1,217	-
Finance costs	<u>(1,347)</u>	<u>-</u>	<u>(1,723)</u>	<u>-</u>
Total non-operating income and expenses	<u>117,029</u>	<u>3</u>	<u>60,382</u>	<u>1</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	1,090,089	23	935,281	21
INCOME TAX EXPENSE (Notes 4 and 24)	<u>(361,726)</u>	<u>(8)</u>	<u>(298,922)</u>	<u>(7)</u>
NET PROFIT FOR THE YEAR	<u>728,363</u>	<u>15</u>	<u>636,359</u>	<u>14</u>

(Continued)

Sinmag Equipment Corporation and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
(Notes 4, 20, 21 and 24)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ -	-	\$ (411)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>-</u>	<u>-</u>	<u>(2,941)</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>(3,352)</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	110,498	2	(40,524)	(1)
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>(21,102)</u>	<u>-</u>	<u>7,765</u>	<u>-</u>
	<u>89,396</u>	<u>2</u>	<u>(32,759)</u>	<u>(1)</u>
Other comprehensive income (loss) for the year, net of income tax	<u>89,396</u>	<u>2</u>	<u>(36,111)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 817,759</u>	<u>17</u>	<u>\$ 600,248</u>	<u>13</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 682,665	14	\$ 603,037	13
Non-controlling interests	<u>45,698</u>	<u>1</u>	<u>33,322</u>	<u>1</u>
	<u>\$ 728,363</u>	<u>15</u>	<u>\$ 636,359</u>	<u>14</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 767,074	16	\$ 568,624	12
Non-controlling interests	<u>50,685</u>	<u>1</u>	<u>31,624</u>	<u>1</u>
	<u>\$ 817,759</u>	<u>17</u>	<u>\$ 600,248</u>	<u>13</u>
EARNINGS PER SHARE (Note 25)				
From continuing operations				
Basic	<u>\$ 13.59</u>		<u>\$ 12.01</u>	
Diluted	<u>\$ 13.56</u>		<u>\$ 11.98</u>	

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

Sinmag Equipment Corporation and Subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company						Other Equity Exchange Differences on Translating the Financial Statements of Foreign Operations	Total	Non-controlling Interests	Total Equity
	Share Capital	Capital Surplus	Retained Earnings			Unappropriated Earnings				
			Legal Reserve	Special Reserve						
BALANCE AT JANUARY 1, 2023	\$ 502,302	\$ 206,827	\$ 586,956	\$ 191,235	\$ 1,226,352	\$ (124,177)	\$ 2,589,495	\$ 116,851	\$ 2,706,346	
Appropriation of 2022 earnings (Note 21)										
Reversal of special reserve	-	-	-	(67,058)	67,058	-	-	-	-	
Cash dividends distributed by the Company	-	-	-	-	(301,381)	-	(301,381)	-	(301,381)	
Net profit for the year ended December 31, 2023	-	-	-	-	603,037	-	603,037	33,322	636,359	
Other comprehensive loss for the year ended December 31, 2023, net of income tax	-	-	-	-	(3,352)	(31,061)	(34,413)	(1,698)	(36,111)	
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	599,685	(31,061)	568,624	31,624	600,248	
Cash dividends distributed by subsidiaries (Note 21)	-	-	-	-	-	-	-	(24,388)	(24,388)	
BALANCE AT DECEMBER 31, 2023	502,302	206,827	586,956	124,177	1,591,714	(155,238)	2,856,738	124,087	2,980,825	
Appropriation of 2023 earnings (Note 21)										
Special reserve	-	-	-	31,061	(31,061)	-	-	-	-	
Cash dividends distributed by the Company	-	-	-	-	(452,072)	-	(452,072)	-	(452,072)	
Net profit for the year ended December 31, 2024	-	-	-	-	682,665	-	682,665	45,698	728,363	
Other comprehensive income for the year ended December 31, 2024, net of income tax	-	-	-	-	-	84,409	84,409	4,987	89,396	
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	682,665	84,409	767,074	50,685	817,759	
Cash dividends distributed by subsidiaries (Note 21)	-	-	-	-	-	-	-	(32,812)	(32,812)	
BALANCE AT DECEMBER 31, 2024	\$ 502,302	\$ 206,827	\$ 586,956	\$ 155,238	\$ 1,791,246	\$ (70,829)	\$ 3,171,740	\$ 141,960	\$ 3,313,700	

The accompanying notes are an integral part of the consolidated financial statements.

Sinmag Equipment Corporation and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,090,089	\$ 935,281
Adjustments for:		
Depreciation expense	122,266	114,317
Amortization expense	2,052	1,434
Expected credit loss recognized on trade receivables	2,545	1,137
Finance costs	1,347	1,723
Interest income	(32,518)	(27,273)
(Gain)/loss on disposal of property, plant and equipment	(38,202)	821
Write-downs of inventories	17,646	14,841
Impairment loss on goodwill	3,254	-
Net gain on foreign currency exchange	(6,569)	(3,451)
Recognition of provisions	23,477	20,251
Loss/(gain) on lease modification	28	(16)
Changes in operating assets and liabilities		
Notes receivable	4,845	(66)
Trade receivables	(90,318)	(42,621)
Trade receivables from related parties	319	(316)
Other receivables	(360)	1,195
Inventories	(104,102)	79,547
Prepayments	(5,234)	(3,607)
Contract liabilities	23,307	(39,441)
Notes payable	-	(704)
Trade payables	36,230	28,683
Trade payables from related parties	10,298	1,015
Other payables	58,743	41,396
Provisions	(18,788)	(15,295)
Net defined benefit liabilities - non-current	-	5,743
Cash generated from operations	1,100,355	1,114,594
Income tax paid	(387,841)	(297,001)
Net cash generated from operating activities	712,514	817,593
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(85,756)	(245,666)
Proceeds from sale of financial assets at amortized cost	173,717	201,774
Purchase of financial assets at fair value through profit or loss	(1,269,390)	(439,600)
Proceeds from sale of financial assets at fair value through profit or loss	1,269,390	439,600
Payments for property, plant and equipment	(179,694)	(144,352)
Proceeds from disposal of property, plant and equipment	49,883	1,402
Payments for intangible assets	(3,333)	(3,488)
Increase in other non-current assets	(5,642)	(2,732)
		(Continued)

Sinmag Equipment Corporation and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
Decrease in other non-current assets	\$ -	\$ 4,275
Interest received	<u>38,632</u>	<u>35,985</u>
Net cash used in investing activities	<u>(12,193)</u>	<u>(152,802)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	116,104	282,553
Repayments of short-term borrowings	(116,104)	(359,053)
Repayment of the principal portion of lease liabilities	(11,945)	(12,698)
Dividends paid to owners of the Company	(452,072)	(301,381)
Interests paid	(1,347)	(1,765)
Dividends paid to non-controlling interests	<u>(32,812)</u>	<u>(24,388)</u>
Net cash used in financing activities	<u>(498,176)</u>	<u>(416,732)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>31,614</u>	<u>(1,064)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	233,759	246,995
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>989,384</u>	<u>742,389</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,223,143</u>	<u>\$ 989,384</u>

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

Attachment 4

The Company's subsidiary, Sinmag Equipment (China) Co., Ltd., has proposed an initial public offering (IPO) of RMB ordinary shares (A-shares) and applied for listing on an overseas securities exchange. The commitments made by the company and its subsidiaries, and their potential impacts on the company's and subsidiaries' financial condition, operations, or shareholders' rights, are outlined as follows:

- I. The Company's subsidiary, Sinmag Equipment (China) Co., Ltd. (hereinafter referred to as the "Issuer"), plans to apply for an initial public offering of RMB ordinary shares (A-shares) and to list on the ChiNext Market of the Shenzhen Stock Exchange (hereinafter referred to as the "Listing Project"). To further protect the rights and interests of investors, Sinmag Enterprise Co., Ltd., LUCKY UNION LIMITED, and SINMAG LIMITED (hereinafter collectively referred to as "the Company") - as the controlling shareholders of the Issuer - as well as Ximai Enterprises Management (Wuxi) Co., Ltd. (hereinafter referred to as the "Subsidiary") - as another shareholder of the Issuer - have, in accordance with the requirements of the China Securities Regulatory Commission (hereinafter referred to as the "CSRC"), provided the necessary commitment letters.

The major contents of the commitment letters that may have a material impact on the Company's and Subsidiary's financial condition, operations, or shareholders' rights are explained as follows: In response to the "Opinions on Strengthening Supervision, Preventing Risks, and Promoting the High-Quality Development of the Capital Market" (the new "Nine-Point Guidelines"), the Company and Subsidiary primarily made commitments related to regulatory compliance, in line with the spirit of ethical business conduct.

The commitment regarding "cash dividend distribution during the review period and within three years after listing" concerns changes to the Issuer's short-term dividend distribution ratio and is not expected to have a material impact on the Company's or Subsidiary's financial condition, operations, or shareholders' rights.

- II. The full commitments made by the Company in connection with the Listing Project are summarized as follows:

Commitment Regarding Extension of IPO Lock-up Period

On December 26, 2022, the Company issued the "Commitment Letter on IPO Lock-up and Share Reduction Intentions" regarding the lock-up and share reduction matters for the shares of the Issuer directly and indirectly held by the Company.

The Company hereby supplements its commitment concerning the extension of the IPO lock-up period in the event of the Issuer's performance decline as follows:

- (I) If in the year of listing, the Issuer's net profit attributable to the parent company, after deducting non-recurring gains and losses, decreases by more than 50% compared to the year prior to listing, the lock-up period for the shares of the Issuer directly or indirectly held by the Company will be automatically extended by twelve months.
 - (II) If in the second year after listing, the Issuer's net profit attributable to the parent company, after deducting non-recurring gains and losses, decreases by more than 50% compared to the year prior to listing, the lock-up period for the shares of the Issuers directly or indirectly held by the Company will be automatically extended by an additional six months based on the previous extension.
 - (III) If in the third year after listing, the Issuer's net profit attributable to the parent company, after deducting non-recurring gains and losses, decreases by more than 50% compared to the year prior to listing, the lock-up period for the shares of the Issuers directly or indirectly held by the Company will be automatically extended by an additional six months based on the previous two extensions.
- III. The full commitments made by the Subsidiary in connection with the Listing Project are summarized as follows:

Commitment Regarding Extension of IPO Lock-up Period

Please refer to Point 2 above.

- IV. The full commitments made by the Issuer in connection with the Listing Project are summarized as follows:

Commitment Regarding Cash Dividend Distribution During the Review Period and Within Three Years After Listing

To ensure reasonable returns for investors, the Issuer makes the following commitments regarding cash dividend distribution during the review period and within three years after listing:

- (I) The cumulative amount of cash dividends distributed over the three years prior to listing shall not exceed 80% of the net profit attributable to the parent company's shareholders for the same period. Within three years after listing, if no major investment plans or significant cash expenditures occur, the Issuer shall distribute no less than 80% of its realized distributable profit in cash each year.
- (II) If the Issuer fails to fulfill the above cash dividend commitments, it will publicly explain the specific reasons for non-compliance at the shareholders' meeting and through the designated media by the CSRC or the stock exchange, and will apologize to shareholders and public investors.
- (III) If the Issuer's failure to fulfill the cash dividend commitments results in false records, misleading statements, or material omissions in the prospectus, thereby causing direct economic losses to investors, the Issuer shall, upon final determination or effective judgment by the CSRC, the stock exchange, or a court of competent jurisdiction, compensate the investors for their losses in accordance with the law.

Attachment 5

Sinmag Sustainability Policy

Sinmag's vision is "to become the world's largest manufacturer and technical service provider of baking equipment, and to establish long-term, mutually beneficial partnerships with our collaborators." While pursuing mutually beneficial relationships, Sinmag is also committed to actively implementing sustainable development practices to meet stakeholder expectations. The Company shall promote the achievement of its goals through the following initiatives:

- ◆ Promoting energy conservation and carbon reduction by installing green energy equipment
- ◆ Investing in research and development of energy-saving and carbon-reduction technologies
- ◆ Enhancing resource efficiency to foster the development of a circular economy
- ◆ Continuously promoting resource reuse, with a focus on water resource management, waste management, and air pollutant management
- ◆ Complying with the Universal Declaration of Human Rights and emphasizing equal opportunities, diversity, and labor rights
- ◆ Providing and maintaining a healthy and safe working environment
- ◆ Actively participating in public welfare activities and fulfilling social responsibility
- ◆ Maintaining a sound corporate governance system and strictly adhering to business ethics
- ◆ Upholding integrity in business operations by rejecting improper benefits, corruption, and bribery
- ◆ Safeguarding shareholder rights and enhancing information transparency and balanced disclosure

Hsieh, Shun-Ho

2024.12.16

Attachment 6

Sinmag Equipment Corporation

Comparison Table for the Articles of Incorporation Before and After Revision

Article No.	Articles after the amendments	Articles before the amendments	Amendment Note
Article 29	The Company shall allocate <u>no less than 1%</u> of its annual pre-tax profit before employee and director compensation as employee remuneration, and no more than 5% as director remuneration. <u>Of the amount allocated for employee remuneration, no less than 40% shall be distributed to grassroots employees.</u> Employee remuneration may be distributed in the form of stock or cash, and may include employees of subsidiaries who meet conditions set by the Board of Directors. The director remuneration mentioned above shall be distributed only in cash. The two aforementioned allocations shall be resolved by the Board of Directors and reported to the shareholders' meeting. If the Board of Directors resolves to distribute employee remuneration in the form of stock, it may simultaneously resolve to issue new shares or repurchase existing shares for this purpose. The Company shall reserve the amount of compensations in advance if there is cumulative loss before appropriating employees' and directors' compensation in accordance with the aforementioned percentage.	The Company shall allocate <u>2%</u> to 10% of its annual pre-tax profit before employee and director compensation as employee remuneration, and no more than 5% as director remuneration. Employee remuneration mentioned above may be distributed in the form of stock or cash, and may include employees of subsidiaries who meet conditions set by the Board of Directors. The director remuneration mentioned above shall be distributed only in cash. The two aforementioned allocations shall be resolved by the Board of Directors and reported to the shareholders' meeting. If the Board of Directors resolves to distribute employee remuneration in the form of stock, it may simultaneously resolve to issue new shares or repurchase existing shares for this purpose. The Company shall reserve the amount of compensations in advance if there is cumulative loss before appropriating employees' and directors' compensation in accordance with the aforementioned percentage.	The amendments are made simultaneously in accordance with the revision of the articles of the competent authorities. In accordance with the Securities and Exchange Act, the Company must stipulate in its Articles of Association that a certain percentage of its annual earnings shall be allocated for salary adjustments or remuneration distribution to grassroots employees.

Article No.	Articles after the amendments	Articles before the amendments	Amendment Note
Article 32	<p>The 1st amendment was made on September 15, 1983.</p> <p>The 25th amendment was made on May 31, 2022.</p> <p><u>The 26th amendment was made on June 6, 2025.</u></p>	<p>The 1st amendment was made on September 15, 1983.</p> <p>The 25th amendment was made on May 31, 2022.</p>	Add amendment dates and number of times for this update.

Appendix 1

Sinmag Equipment Corporation

Articles of Incorporation

Chapter 1. General Provisions

- Article 1. The Company is organized in accordance with the provisions of the Company Act, and is named as Sinmag Equipment Corporation.
- Article 2. The Company's businesses are as follows:
1. F113010: Wholesale of Machinery
 2. F213080: Retail Sale of Machinery and Equipment
 3. CB01010: Machinery and Equipment Manufacturing
 4. F401010: International Trade
 5. ZZ99999: All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3. The Company has its head office in New Taipei City. If necessary, it may set up branches in Taiwan and abroad after the resolution of the Board of Directors and the approval of the competent authority.
- Article 4. The announcement method of the Company shall be made in accordance with the provisions of the Company Law and the competent authority.
- Article 5. The Company may act as a guarantor for other party upon the Board of Directors' resolution if necessary for its operations.
- Article 6. The total foreign investment of the Company is not subjected to the limit of 40% of the paid-in capital as stipulated in Article 13 of the Company Act, and the Board of Directors is authorized to execute.
- Article 6-1. When a public issue of shares is proposed to be revoked, the Company shall propose to the shareholders' meeting for resolution and this article shall not be changed during listing period.

Chapter 2. Shares

- Article 7. The total capital of the Company is NT\$600 million, divided into 60,000,000 shares, at NT\$10 each. The Board of Directors is authorized to issue the Company's shares in installments according to the business of the Company. Within the aforementioned capital, NT\$21,000,000 divided into 2,100,000 shares at a par value NT\$10, is for employee stock options.
- Article 7-1. According to Article 56-1 of Regulations Governing the Offering and Issuance of Securities by Securities Issuers and Article 10-1 of Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies, the Company shall issue the employee's executive stock option at the price lower than the closing price of the Company's common stock in the issuing date and repurchase the treasury stock at an average price lower than average price of the actual share redemption price, and transfers it to the employee, with the consent of more than two-thirds of the voting rights of the shareholders present in the shareholders' meeting by shareholders representing more than half of total number of voting shares.
- Article 8. The Company's shares are registered, and shall be signed or stamped by three or more directors, and shall be affixed with the logo and number of the Company, and shall be issued upon signing by competent authority or the issuing agency approved by the competent authority according to the Law.

When the Company issues new shares, it is exempted from printing stocks, but it should be registered with the securities centralized depository institutions. The same procedures shall be followed for other securities.

Article 9. Administration of shareholder service shall be in accordance with Regulations Governing the Administration of Shareholder Service of Public Companies and relevant laws and regulations issued by the competent authority.

Article 10. Registration for transfer of shares shall be suspended 60 days before the date of regular shareholders' meeting, within 30 days before the date of extraordinary shareholders' meeting or within five days before the record dates for distribution of dividends, bonuses or other benefits of the Company.

Chapter 3. Shareholders' Meeting

Article 11. The shareholders' meeting of the Company shall be of two types, namely extraordinary meeting and temporary meeting. The regular meeting is held once a year and within six months after the end of each fiscal year. The extraordinary meeting shall be convened in accordance with the relevant laws when necessary. When the company's shareholders' meeting is held, it may be held by video conferencing or other methods announced by the central competent authority in a public announcement.

Article 12. The shareholders' meeting shall be convened by the Board of Directors and chaired by the Chairman. When the Chairman is absent, the Chairman shall designate one director as his representative. If no representative is designated, the directors shall elect one director to act as Chairman. When a meeting is convened by any other person having the convening right, the Chairman shall be the convener. If the conveners have one or more persons, the Chairman shall be elected among themselves.

Article 13. The date, place and cause of the meeting shall be notified to the shareholders 30 days before the date of the shareholders' meeting, and 15 days before the date of the extraordinary shareholders' meeting.

The notice of the convening of the shareholders' meeting may be delivered in electronic transmission after obtaining consent from the recipients.

For the shareholders holding less than 1,000 shares of registered shares, the convening notice of the shareholders' meeting may be notice by announcing on Market Observation Post System.

Article 14. A shareholder who is unable to attend a shareholders' meeting, he/she may appoint a proxy to attend the meeting by providing a power of attorney printed by the Company specifying the scope of authorization, or by electronic means. In addition to the provisions of the Company Act, the procedure for proxy for attendance of the shareholders shall be in accordance with Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Company promulgated by the competent authority.

Article 15. The shareholders' meeting of the Company shall be in accordance with the "Rules of Procedures for Shareholders' Meetings" unless otherwise stipulated by law.

Article 16. Shareholders of the Company have one vote per share and may be exercised in writing or electronically. However, this restriction does not apply to any non-voting shares having a restricted right or those with non-voting right under Article 179, Paragraph 2 of the Company Act.

Article 17. Resolution at a shareholder's meeting shall, unless otherwise provided for in the

Company Act, be adopted by a majority vote of shareholders present, who represent more than half of the total voting shares.

Article 18. The resolution of the shareholders' meeting shall be recorded in the minute. The minute shall be made in accordance with Article 183 of the Company Act.

Chapter 4. Directors and Audit Committee

Article 19. The Company shall be seven to nine directors, who shall be elected by the shareholders' meeting from among the persons with disposing capacity, with a term of three years. They shall be eligible for re-election. The election of directors of the Company adopts a cumulative voting system. Each share has the same voting rights as the number of directors to be elected. One person may be collectively elected, or several persons may be allocated for election. The person represented by more votes will be elected as directors.

Article 19-1. The Company shall appoint Independent Directors in the abovementioned Directors in accordance with Article 14-2 of the Securities and Exchange Act. Independent directors shall not be less than three in numbers, and not less than one-fifth of the number of directors.

The election and appointment of directors of the Company shall be subject to the system of nomination of candidates under Article 192-1 of the Company Law, and directors shall be elected by shareholders on the list of candidates for directors. The matters to be complied with in relation to the independent directors shall be handled in accordance with the provisions of the Company Act and the securities competent authority.

Article 19-2. The Company shall establish an audit committee, which shall consist of all independent directors in accordance with Article 14-4 of the Securities and Exchange Act. The audit committee is responsible for the implementation of the functions and powers of the supervisor stipulated in the Company Act, the Securities and Exchange Act and other laws. The audit committee shall be composed of all independent directors and the relevant organizational rules are determined by the resolutions of the Board of Directors.

Article 20. When the vacancy of positions of directors reaches one third, the Board of Directors shall convene an extraordinary shareholders' meeting within 60 days for a by-election, and the term of office shall be limited to the period of replenishment of the original term.

Article 21. When a director's term expires and another director cannot be elected in time, he or she shall extend his or her duties until the re-elected director takes office.

Article 22. The Board of Directors' meeting is organized by the directors and shall be attended by more than two-thirds of the directors, among whom the Chairman of the board shall be elected with the consents of more than one-half of the directors. The Chairman of the Board of Directors represents the Company.

Article 23. Except for the first meeting of each term of the Board of Directors shall be convened in accordance with Article 203 of the Company Act, any meeting of the Board of Directors shall be convened by the Chairman who also serves as Chairman of the Board of Directors' meeting. Except as otherwise stipulated in the Company Act, the resolutions of the Board of Directors shall be attended by more than half of all the directors shall obtain the consents of more than half of the directors present. If a director is unavailable to attend the Board of Directors' meeting in person for some reasons, he/she may issue a power of attorney to entrust another director to attend the meeting on his/her behalf in accordance with Article 205 of the Company Act. However, the proxy may only be entrusted by one person.

When the Board of Directors' meeting is in the form of a video conference, the

directors attending the meeting by video are deemed to be present in person.

When convening of the Board of Directors' meeting of the Company, the reasons shall be stated and the directors shall be notified seven days before the meeting. However, in the event of an emergency, the meeting may be convened at any time. When convening of the Board of Directors' meeting of the Company, the directors shall be notified in writing, e-mail or fax.

Article 24. When the Chairman of the Board of Directors asks for leave or fails to perform his duties for any reason, the Chairman of the Board of Directors shall appoint one of the directors to be the proxy. If the Chairman does not appoint a proxy, the directors shall recommend a director as the Chairman.

Article 24-1. The remuneration of all directors shall be determined by the Board of Directors according to the degree of directors' participation in the operation of the Company and their contribution, and shall be determined by reference to the standard of the industry.

Article 24-2. The Company shall purchase directors and officers liability insurance for its directors during their term.

Article 25. The board of directors' functions and responsibilities are as follows:

- I. Examination and review of operational policy and medium-term and long-term development plans.
- II. Review and supervision of the annual business plan.
- III. Review of the budget and final accounts.
- IV. Review of capital increase/decrease plans.
- V. Examinations of earnings distribution or deficit compensation.
- VI. Review and approval of important external contracts.
- VII. Review of the Company's Articles of Incorporation or its amendments.
- VIII. Review of the Company's organizational rules and important business rules.
- IX. Review and approve the branch's establishment, reorganization or cancellation.
- X. Approval of major capital expenditure plans.
- XI. Appointment and discharge of general manager.
- XII. Implementation of resolutions of the shareholders' meeting.
- XIII. Review of matters submitted by general manager.
- XIV. Convening of shareholders' meetings and preparing business reports.
- XV. Other business that shall be handled according to the law.

Article 26. Deleted.

Chapter 5. Executive Officers

Article 27. The Company has a general manager whose appointment, discharge and remuneration shall be in accordance with Article 29 of the Company Act.

Chapter 6. Accounting

Article 28. The Company's fiscal year begins on January 1 and ends on December 31. After fiscal year, the Board of Directors shall prepare the following reports and submit to the regular meeting of shareholders for audit and approval in accordance with legal procedures.

- I. Business Report
- II. Financial Statements
- III. Proposal for Earnings Distribution and Deficit Compensation

Article 29. The Company shall appropriate 2% to 10% of the net income before tax of the fiscal year as employees' compensation and no more than 5% of the bonus to director from the current pre-tax profit before the appropriation of employee bonus and directors' bonus. The employees' compensation will be distributed in shares or cash by the resolution of the board of directors. The employees of the subordinate companies that meet certain conditions set by the Board of Directors may be granted such compensation. Directors compensation shall be paid in cash. The preceding two paragraphs shall be determined by the resolution of Board of Directors and reported to the shareholders' meeting. Where the Board of Directors has decided to reward employees in the form of shares, the same resolution may decide whether it will be made by issuing new shares or by buying off one's own shares. The Company shall reserve the amount of compensations in advance if there is cumulative loss before appropriating employees' and directors' compensation in accordance with the aforementioned percentage.

Article 29-1. If there is a net profit after tax in the Company's annual final accounts, they shall be first appropriated to make up for the accumulated losses (including adjusting the retained surplus amount), and then appropriate 10% as legal capital reserve according to law, unless the legal capital reserve has reached the paid-up capital of the Company. Then, the Company shall set aside or reverse special reserve according to the regulations or the competent authority; the remaining surplus, together with the opening retained surplus (including adjustment of the retained surplus amount), shall be proposed by the Board of Directors with a surplus distribution proposal, and the shareholders' meeting shall propose the resolution of appropriation of the dividends of the shareholders.

When the Company sets aside the special surplus reserve according to the law, the amount of the "net increase in the fair value of investment real estate accumulated in the previous period" and the "net decrease in other equity accumulated in the previous period" shall be deducted prior to the distribution of earnings. The special surplus reserve of the same amount is withdrawn from the undistributed surplus of the previous period. If there is still insufficient, the current after-tax net profit is added to the current after-tax net profit and the items other than the current after-tax net profit are included in the undistributed surplus of the current period.

When the Company distributes cash from dividends in the preceding paragraph in accordance with the provisions of Article 240 of the Company Act, or from the legal reserve and capital reserve in accordance with the provisions of Article 241, the Company authorizes the Board of Directors to adopt resolution by a majority in a meeting attended by two-thirds or more of the directors, and the distribution shall then be reported to the shareholders' meeting.

The Company's dividend policy is to be in line with the current and future development plans, considering the investment environment, capital needs, domestic and foreign competition, and taking into account the shareholders' interests and other factors. Every year, no less than 20% of the distributable earnings shall be allocated for the distribution of dividends to shareholders. The distribution of dividends to shareholders may be done in cash or stocks, in which the cash dividends shall not be less than 20% of the total dividends.

Chapter 7. Supplementary Provisions

Article 30. The Company's organizational rules and regulations shall be stipulated separately by the Board of Directors.

Article 31. Matters not specified in the Articles of Incorporation shall be handled in accordance with the provisions of the Company Act and the relevant laws and regulations.

Article 32. The 1st amendment was made on September 15, 1983.
The 2nd amendment was made on October 8, 1984.
The 3rd amendment was made on September 12, 1985.
The 4th amendment was made on September 17, 1991.
The 5th amendment was made on July 9, 1995.
The 6th amendment was made on February 18, 1997.
The 7th amendment was made on May 14, 1997.
The 8th amendment was made on March 29, 2002.
The 9th amendment was made on November 20, 2003.
The 10th amendment was made on June 16, 2004.
The 11th amendment was made on June 25, 2005.
The 12th amendment was made on June 24, 2006.
The 13th amendment was made on May 30, 2007.
The 14th amendment was made on June 13, 2008.
The 15th amendment was made on June 16, 2009.
The 16th amendment was made on June 17, 2010.
The 17th amendment was made on June 19, 2012.
The 18th amendment was made on June 28, 2013.
The 19th amendment was made on June 23, 2014.
The 20th amendment was made on June 30, 2015.
The 21st amendment was made on June 6, 2016.
The 22nd amendment was made on June 19, 2017.
The 23rd amendment was made on June 13, 2018.
The 24th amendment was made on June 14, 2019.
The 25th amendment was made on May 31, 2022.

Sinmag Equipment Corporation

Chairman: Hsieh, Shun-Ho

Appendix 2

Sinmag Equipment Corporation Rules of Procedure for Shareholders' Meetings

Article 1: Basis of the Rules

To establish a sound governance system and strengthen the supervisory and management functions for the Company's shareholders' meeting, the Rules are formulated in accordance with the Code of Practice of the Corporate Governance for TWSE/TPEX Listed Companies.

Article 2: The rules of procedure for the Company shareholders' meetings, except as otherwise provided by law or the Articles of Incorporation, shall be in accordance with the provisions of these Rules.

Article 3: Convention of Shareholders' Meeting and meeting notice

Unless otherwise provided by law, the shareholders' meeting of the Company shall be convened by the Board of Directors.

The Company conducted a shareholder meeting via video conference. Unless otherwise specified in the Regulations Governing the Administration of Shareholder Services of Public Companies, such procedures should be outlined in the articles of incorporation and approved by the Board of Directors. Resolutions made during the video conference shareholder meeting should be executed with the presence of two-thirds or more of the directors and the agreement of a majority of those in attendance.

Changes to how the Company convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.

The Company shall, 30 days prior to the regular shareholders' meeting, or 15 days prior to the extraordinary meeting of shareholders, make electronic files of the notice of meeting, the power of attorney, the cause of action and explanatory materials on various motions concerning admission, discussion, appointment or removal of directors, and other relevant information and send it to the Market Observation Post System (MOPS).

The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS 21 days before the date of the regular shareholders meeting or 15 days before the extraordinary shareholders' meeting. If, however, this Corporation has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and Mainland Chinese shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders' meeting held in the immediately

preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders' meeting. 15 days before the shareholders' meeting, the shareholders' meeting agenda handbook and supplementary information shall be prepared for shareholders to obtain a timely request and displayed in the Company and the Company's professional shareholder services agency, and they shall be distributed at the meeting.

The Company shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders' meeting:

- I. For physical shareholders meetings, to be distributed on-site at the meeting.
- II. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
- III. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.

The reasons for convening meeting and public announcements shall be stated in the meeting notice. With the consent of addressees, the meeting notice may be given in electronic form.

Election/dismissal of Directors, changes in the Articles of Incorporation, capital reduction, application of halting public offering, permission for the Directors to compete with the Company, capitalization of retained earnings, capitalization of capital reserves, dissolution/merging/splitting of the Company, or all items pertaining to Paragraph 1, Article 185 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, or items pertaining to Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be listed as reasons to convene the meeting, with their essential contents specified, and shall not be raised as extempore motions.

The reasons for the convening of the shareholders' meeting have indicated the full re-election of directors and the date of taking office. After the re-election of the shareholders' meeting is completed, the date of taking office shall not be changed by temporary motion or other means at the same meeting.

Shareholders holding 1% or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders' meeting, provided that only one matter shall be allowed in each single proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda. If the circumstances in Article 172-1, Paragraph 4 of the Company Act are proposed by a shareholder, the Board of Directors may not list it as a proposal. Shareholders shall submit proposals to urge the Company to promote public interests or fulfill its social responsibilities. From a procedural point of view, only one matter shall be allowed in each proposal pursuant to

Article 172-1 of the Company Act. Where a proposal contains more than one matter, such proposal shall not be included in the agenda.

Prior to the book closure date before a General Shareholders' Meeting is held, the Company shall publicly announce that it will receive shareholder proposals, written or electronic acceptance and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

A proposal submitted by a shareholder shall be limited to 300 words and proposals exceeding 300 words shall not be included in the agenda. A shareholder who submitted a proposal shall attend the general shareholders' meeting in person or by proxy, and shall participate in the discussion of the proposal.

The Company shall notify the shareholders of the results before the date of the notice of the meeting, and shall include the resolutions stipulated in this Article in the notice of the meeting. For proposals by shareholders that are not included in the agenda, the board shall explain the reasons in the shareholders' meeting.

Article 4: Proxy Attendance and Delegation of Authority

For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing a power of attorney issued by the Company, stating the scope of the proxy's authorization.

A shareholder shall issue a power of attorney, limited to one person, which shall be delivered to the Company five days prior to the date of the shareholders' meeting. When a written proxy is delivered, whichever one received first shall prevail. However, this restriction does not apply to the withdrawal of prior proxy declaration.

After the power of attorney is delivered to the Company, if a shareholder wishes to attend a shareholders' meeting in person or exercise their voting rights in writing or electronically, they shall, two days prior to the shareholders' meeting, issue the Company a written notice regarding the withdrawal of the proxy. In case of late cancellation, the voting right exercised by the proxy shall be adopted.

After the power of attorney is delivered to the Company, if a shareholder wishes to attend a shareholders' meeting with video, he shall, two days prior to the shareholders' meeting, issue the Company a written notice regarding the withdrawal of the proxy. In case of late cancellation, the voting right exercised by the proxy shall be adopted.

Article 5: Principle of Convening Shareholders' Meeting

The place of a shareholders' meeting shall be the Company location or a place where all shareholders are easy to attend. The meeting shall be held at a venue after 9 AM or not later than 3 PM. The meeting shall be held in a place agreed by all shareholders.

The restrictions on the place of the meeting mentioned in the preceding paragraph shall not apply when the Company convenes a virtual-only shareholders meeting.

Article 6: Preparation of Sign-in Book and Other Documents

The notice of meeting of the Company shall state the time and place of registration to

shareholders, solicitors and proxies (hereinafter referred to as the shareholders), and other matters needing attention.

The registration time of shareholders mentioned in the preceding paragraph shall be at least 30 minutes before the meeting begins. There shall be clear signs at the registration area and adequate personnel shall be designated for handling the registration procedure. 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 attend the shareholders' meeting in person.

Shareholders shall attend the shareholders' meeting. The Company shall not offer a written record of the shareholders' meeting. The Company shall not request the shareholders to attend the meeting for the purpose of providing for the request of the proxy documents; the solicitors who are soliciting by the solicitors shall bring their identification documents for verification.

The Company shall prepare an attendance book for attending shareholders, or attending shareholders submit the attendance cards in lieu of signing.

The Company shall furnish attending shareholders with the meeting agenda handbook, annual report, attendance card, speaker's slips, voting slips and other meeting materials. Where there is an election of directors (including independent directors), pre-printed ballots shall also be furnished.

When a government unit or a judicial person is a shareholder, a representative of a shareholder attending a meeting is not limited to one. When a juristic person is appointed to attend a shareholders' meeting, it may designate one person to attend the meeting.

In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with this Corporation 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 shareholders meeting notice

To convene a virtual shareholders meeting, the Company shall include the follow 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 not having 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 shareholder 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 meeting agenda of that shareholders meeting.
 - (IV) Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.
- III. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified. Except for the circumstances stipulated in Article 44-9, Paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company should provide shareholders with the necessary equipment and assistance for online connection, and specify the period during which shareholders can apply to the Company and other relevant matters to be noted.

Article 7: Chairman and Chief Executive Officer

If a shareholder is convened by the Board of Directors, the Chairman shall be the Chairman of the board. If the Chairman asks for leave or cannot exercise his/her power for some reason, the vice chairman shall act as his/her proxy. If there is no vice chairman or if the vice chairman asks for leave or cannot exercise his/her power for some reason, the Chairman shall appoint a managing director to act as his/her proxy. If there are no managing directors, the Chairman shall appoint a director to act as his/her proxy. Where the Chairman of the board has not appointed a proxy, the managing director or the directors shall appoint one person as Chairman among themselves.

The Chairman referred to in the preceding paragraph shall be the managing director or director who serves for six months or more, and understand the Company's financial operations. The same rules will prevail to the Chairman who is the proxy of the judicial person.

Shareholders' meetings convened by the Board of Directors shall be held by Chairman of the board. The Chairman shall be held by a majority of the Directors, and a majority

of the functional committee members shall be present at least one-half of the Board and the attendance record shall be recorded in the minute book.

If a shareholders' meeting is convened by a convener other than the Board of Directors, the convener shall be the Chairman. If there are two or more conveners, they shall elect one chairman from among themselves.

The Company may designate its attorneys, certified public accountants, or related persons to attend the shareholders' meeting.

Article 8: Recording of the Shareholder's Meeting

The Company shall, upon receiving the shareholders' report, keep recording the entire shareholders' meeting, the proceedings and the counting of voting.

The aforementioned video information shall be kept for at least one year. However, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be kept until the conclusion of the litigation.

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 this Corporation, and continuously audio and video record, without interruption, 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.

In case of a virtual shareholders meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.

Article 9: Calculation of number of shares present and meeting commencement

Attendance at shareholders' meetings shall be calculated based on the number of shares. The number of attended shares shall be calculated according to the number of shares issued by the Company and sign-in cards and the shares checked in on the virtual meeting platform, plus the number of shares that may be exercised in writing or electronically.

At the time scheduled for the meeting, the Chairman shall immediately announce the meeting, and at the same time announce the relevant information such as the number of non-voting rights and the number of shares present.

However, if no shareholders representing more than half of the total number of issued shares are present, the Chairman may announce a postponement of the meeting. However, there shall not be more than two postponements in total and the total time accumulated in the postponement(s) shall not exceed one hour. 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 at the virtual meeting platform.

If the aforementioned two postponements still fail according to the preceding paragraph, if the number of shares that represent more than one-third of the total number of issued shares is still less than one-third of the total number of issued shares, the tentative resolution may be determined as a tentative resolution in accordance with Article 175-1 of the Company Act, and the shareholders will be notified of the tentative resolution for each one month to convene a new meeting within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 6.

If, prior to the conclusion of the meeting, the attending shareholders represent a majority of the total number of shares, the Chairman may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

Article 10: Proposal Discussion

If the shareholders' meeting is convened by the Board of Directors, its agenda shall be determined by the Board of Directors. Relevant motions, including temporary motions and amendments to the original motion, shall be decided by vote. The meeting shall be held according to the determined agenda and shall not be changed without the resolution of the Board of Shareholders.

The provisions of the preceding paragraph apply to a shareholders' meeting convened by a convener other than the Board of Directors.

Before the end of the proceedings (including provisional motions), the Chairman shall not announce the adjournment of the meeting without a resolution. If the Chairman violates the rules of procedure and announces the adjournment, the other members of the Board of Directors shall promptly assist the attending shareholders to elect another Chairman and continue the meeting with the consent of more than half of the voting rights of the shareholders present.

The Chairman shall give the opportunity to fully explain and discuss the proposals, as well as the amendments or motions proposed by the shareholders. When the Chairman is of the opinion that a proposal has been sufficiently discussed to a degree of putting to a vote, the Chairman may announce the discussion closed and bring the proposal to vote. The Chairman shall also allocate sufficient time for voting.

Article 11: Shareholder's Speech

Before speaking, an attending shareholder must fill in a speaker's slip specifying the subject of the speech, the shareholder account number (or attendance card number) and account name, and the sequence of the speech shall be determined by the Chairman.

A shareholder who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. A shareholder who

has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Each shareholder shall not speak more than twice on the same proposal without the consent of the Chairman, and shall not speak for more than five minutes at a time. The chairman shall stop the shareholder from speaking if the shareholder violates the regulations or exceeds the scope of the topic.

When a shareholder attends the meeting, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the Chairman. The Chairman has the right to stop any violation.

When a judicial person shareholder appoints two or more representatives to attend the shareholders' meeting, only one of the representatives for the same proposal may speak. After the shareholders' speech, the Chairman may respond in person or designate relevant personnel to respond.

Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.

As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

Article 12: System of Calculation and Withdrawal of the Number of Voting Shares

Voting at a shareholders' meeting shall be calculated based on the number of shares.

Resolutions of the board of shareholders regarding the number of shares of non-voting shareholders shall not be counted as the total number of shares issued.

When a shareholder's interest in the meeting may lead to damage to the interests of the Company, the shareholder shall not vote and shall not exercise his voting rights on behalf of other shareholders.

The number of shares unexecuted voting rights under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

When a person accepts the entrustment of more than two shareholders at the same time, the voting rights of the person acting shall not exceed 3% of the total number of shares issued, except for trust undertakings or the stock agency approved by the regulator. If the voting rights exceed 3%, the voting rights representing the exceeding part shall not be counted.

Article 13: Voting, Monitoring and Counting Methods

A shareholder shall be entitled to one vote per share, except the non-voting shares under

Article 179, Paragraph 2 of the Company Act.

When the Company convenes a shareholders' meeting, shareholders shall exercise their voting rights by electronic means and may exercise their voting rights in writing. The method for exercising voting rights in writing or by electronic means shall be indicated in the notice of shareholders' meeting. A shareholder exercising voting rights in writing or electronically shall be deemed to have attended the meeting in person. However, in respect of the extempore and motions and amendments to the original proposals of that meeting, the shareholder shall be deemed to have waived his/her rights and it is therefore advisable that the Company avoid the submission of provisional motions and amendments to the original proposals.

A shareholder intending to exercise voting rights in writing or electronically as stated in the preceding paragraph, its intention shall be delivered to the Company two days before the shareholders' meeting. When a duplicate declaration is delivered, whichever one is received earlier shall prevail. However, those who express their intention before revoking the declaration shall not be subject to this restriction.

If a shareholder wishes to attend a shareholders' meeting in person after the exercise of his voting rights in writing or electronically, the shareholder shall, two days prior to the meeting of shareholders' meeting or virtual meeting, cancel his intention to exercise the voting rights referred to in the preceding paragraph in the same manner as he exercised his voting rights; in case of late cancellation, the voting right shall be exercised in writing or electronically. Where a shareholder is entitled to exercise voting rights in writing or electronically and a proxy is appointed to attend a shareholder's meeting, the voting right exercised by the proxy shall prevail.

Except as otherwise provided in the Company Act and in the Company's Articles of Association, a proposal shall be adopted by a majority of the attending shareholders who attend a meeting. At the time of a vote, the Chairman or designated personnel shall announce the total number of voting rights represented by the attending shareholders, and the shareholders shall then conduct the vote for each proposal case by case. On the same day, the meeting is held, the results of consent, objection or abstentions for each proposal shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the Chairman shall present the amended or alternative proposal together with the original proposal and decide which shall be put to a vote first. If one of the proposals has been passed, the other proposals shall be deemed rejected, and no further voting shall be required.

The Chairman shall appoint the controller of ballot and counting personnel for the votes. However, the controller of ballot shall be one of the shareholders.

Vote counting or election of the meeting shall be conducted at an open public at the venue of the shareholders' meeting. After counting, the results of voting shall be

announced on the spot immediately after counting and recording.

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 voting session ends or will be deemed abstained from voting.

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

When the Company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online 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 shareholders meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will 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

When there is a director election in the shareholders' meeting, the election shall be conducted in accordance with the applicable election and appointment rules of the Company. The results of the election shall be announced immediately at the meeting on site, including the list of directors elected and the number of voting rights thereof, as well as the list of unelected directors and the number of voting rights thereof.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the controller of ballot and kept properly and safely for at least one year. However, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be kept until the conclusion of the litigation.

Article 15: Minutes and Signatures of Meetings

Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the Chairman of the meeting and a copy distributed to each shareholder within 20 days after the termination of the meeting. The production and distribution of the meeting minutes may be effected by electronic means.

The distribution of the meeting minutes as described in the preceding paragraph can be done through a public announcement on the Market Observation Post System.

The minutes of the meeting shall be recorded in accordance with the year, month, day,

place, name of the Chairman, method of resolution, essentials of the meeting process and voting results (including the statistical votes). When there is an election of directors, the number of votes obtained by each candidate shall be disclosed. It shall be kept permanently for the duration of the Company.

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 chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online 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-only shareholder 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-only shareholders meeting online.

Article 16: Announcements

On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, 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 place of the shareholders meeting; In the event 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.

During the Company's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or GreTai Securities Market) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17: Rank and Security

Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.

The Chairman may direct the inspectors or security personnel to help maintain order at the meeting place. The pickets or security personnel shall wear armbands with the word "Picket" when maintaining order.

At the place of a shareholders' meeting, if a shareholder attempts to speak through any

device other than the public address equipment set up by the Company, the Chairman may stop the shareholder from so doing.

If the shareholder violates the rules of procedures and defies the Chairman's instruction, and obstructs the proceedings and refuses to stop, the Chairman may direct the pickets or security personnel to escort the shareholder out of the venue.

Article 18: Break and Resume of Meeting

When the meeting is held, the Chairman may announce a break. When an unpreventable event occurs, the Chairman may decide to temporarily suspended the meeting and announce the time for the meeting to be resumed depending on the conditions.

The board of shareholders may decide to find another venue to continue the meeting if the venue cannot be used at that time before the end of the agenda (including provisional motions) scheduled by the board of shareholders.

The shareholders' meeting may resolve that the meeting be postponed or reconvened within five days in accordance with Article 182 of the Company Act.

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-only shareholders meeting

When the Company convenes a virtual-only 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 communication technical issues.

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 shareholders meeting

online 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 by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, 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 list of elected directors and supervisors.

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

Under the circumstances where a meeting should continue as in the preceding paragraph, 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, provided these shareholders shall be deemed abstaining from voting on all proposals on 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 dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of 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 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 online. Except for the circumstances stipulated in Article

44-9, Paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company should provide shareholders with the necessary equipment and assistance for online connection, and specify the period during which shareholders can apply to the Company and other relevant matters to be noted.

Article 23: These Rules shall be implemented after approval by the shareholders' meeting. The same procedure applies for amendments.

Article 24:

The shareholders' meeting agreed to implement these Rules on April 30, 2003.

The 1st amendment was made on June 24, 2006.

The 2nd amendment was made on June 19, 2012.

The 3rd amendment was made on June 28, 2013.

The 4th amendment was made on June 30, 2015.

The 5th amendment was made on June 6, 2016.

The 6th amendment was made on June 19, 2017.

The 7th amendment was made on June 20, 2020.

The 8th amendment was made on August 13, 2021.

The 9th amendment was made on May 31, 2022.

The 10th amendment was made on June 21, 2024.

Appendix 3

Sinmag Equipment Corporation

Procedures for Election of Directors

Article 1

To select directors fairly, justly and publicly, this procedure shall be formulated in accordance with the Code of Practice for Listed Over-the-counter Corporate Governance.

Article 2

Except as otherwise stimulated by law or the Articles of Incorporation, elections of the directors of the Company shall be conducted in accordance with this Procedure.

Article 3

The selection of directors of the Company shall take into account the overall configuration of the Board of Directors. The composition of the Board of Directors shall be in a diversified manner and appropriate diversification guidelines should be developed for its own operations, operational style and development needs, including but not limited to the following two standards:

- I. Basic conditions and values: Gender, age, nationality, and culture, etc.
- II. Professional knowledge and skills: Professional backgrounds (such as law, accounting, industry, finance, marketing, or technology), professional skills and industry experience, and so on.

All members of the Board of Directors shall possess the knowledge, skills and literacy required to perform their duties. The overall abilities of the board shall be as follows:

- I. Business judgment ability
- II. Accounting and financial analysis ability.
- III. Business management ability.
- IV. Crisis management ability.
- V. Knowledge of the industry.
- VI. International market perspective.
- VII. Leadership.
- VIII. Decision-making ability.

The directors shall have more than half of the seats and shall not be a spouse or a relative within the second degree of kinship.

The Board of Directors of the Company shall adjust the composition of the Board of Directors according to the results of performance evaluation.

Article 4

The qualifications of the independent directors of the Company shall be in accordance with the provisions of the “Measures for the Establishment of Independent Directors of Public Offering Companies and Measures to Be Followed.”

The election of independent directors of the Company shall be in compliance with the provisions of the “Measures for the Establishment of Independent Directors of Public Offering Companies and Measures to Be Followed,” and shall be implemented in accordance with the “Code of Practice for Listed Over-the-counter Corporate Governance.”

Article 5

The Company's election of Directors shall adopt the candidate nomination system in accordance with Article 192-1 of the Company Act.

If the dismissal of a director results in a board with less than five directors, the Company shall hold a by-election at the next shareholders meeting. However, when the number of directors fall short by one third of the total number prescribed in the Company's Articles

of Incorporation, the Company shall call a temporary shareholders' meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

If the number of independent directors is less than that required by Article 14-2, Paragraph 1 of the Securities Exchange Act, new independent directors shall be elected at the most recent shareholders' meeting; When all the independent directors are dismissed,

Article 6

The cumulative voting system shall be adopted for the election of directors. Each share shall have the same voting rights as the number of directors to be elected. One person may be collectively elected, or several persons may be allocated for election.

Article 7

The board of directors shall prepare electoral votes equal to the number of directors to be elected, fill in their weights, and distribute to the shareholders presenting at the shareholders' meeting. The name of the voters shall be replaced by attendance card number printed on electoral votes.

Article 8

The directors of the Company shall, in accordance with the quotas set out in the Articles of Incorporation, calculate the voting rights of the independent directors and the non-independent directors respectively. The winners of the election votes shall be elected in turn, and if more than two persons have the same number of votes and exceed the prescribed quota, they shall be determined by drawing lots for those who have the same votes, and the Chairman shall draw lots for those who is not present.

Article 9

Before the beginning of the election, the Chairman shall appoint a number of controller of ballot and tally clerks with shareholder status to perform various related functions. The ballot boxes shall be prepared by the board of directors and publicly checked by the controller of ballot before voting.

Article 10

An election vote is invalid in the following circumstances:

- I. The ballot was not prepared by parties entitled to convene the meeting.
- II. A blank ballot is put into the ballot box.
- III. The writing is unclear and indecipherable or altered.
- IV. Where the name of candidate entered into the ballot is found not included in the candidate list.
- V. A ballot with other words or marks are entered in addition to the number of voting rights allocated.

Article 11

Ballots shall be counted at the spot upon completion of casting the ballots, and the elected directors including the list of directors elected and number of votes shall be announced by the Chairman.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the controller of ballot and kept properly and safely for at least one year. However, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be kept until the conclusion of the litigation.

Article 12

The elected Directors shall be given a notice of the election by the Board of Directors of the Company.

Article 13

The Procedures shall be implemented after approval by the Shareholders' Meeting. The same procedure applies to amendments.

Article 14

The shareholders' meeting agreed to implement these Rules on April 30, 2003.

The 1st amendment was made on June 24, 2006.

The 2nd amendment was made on June 30, 2015.

The 3rd amendment was made on June 6, 2016.

The 4th amendment was made on June 19, 2017.

The 5th amendment was made on August 13, 2021.

Appendix 4

Sinmag Equipment Corporation Shareholding of Directors

- I. The Company's paid-in capital is NT\$502,302,420 and the total number of issued shares is 50,230,242 shares.
- II. According to Article 26 of the Securities and Exchange Act, the minimum number of shares required to be held by all Directors shall be 4,018,419 shares. As the Company has established an Audit Committee, there is no provision for the number of shares required by the Supervisors to be held.
(Note)
- III. As of 2025 Annual Shareholders' Meeting (April 8, 2025), the number of shares held by individual and all directors recorded in the Shareholder Register is as follows, which meets the percentage standard specified in Article 26 of the Securities and Exchange Act.

Title	Name	Number of shares held recorded in the shareholder's roster book on the book closure date	
		Number of Shares	Shareholding Ratio
Chairman	Hsieh, Shun-Ho	2,211,267	4.40%
Director	Wu, Yao-Tsung	1,788,616	3.56%
Director	Chang, Jui-Jung	380,981	0.76%
Director	Hsieh, Ming-Ching	2,112,980	4.21%
Director	Hsiao, Shu-Chuan	127,813	0.25%
Director	Chang, Yu-Chuan	11,517	0.02%
Independent Director	Chan, Shih-Hung	0	0.00%
Independent Director	Tu, San-Chien	0	0.00%
Independent Director	Huang, Huei-Wang	0	0.00%
Number of Shares Held by all Directors and Shareholding ratio		6,633,174	13.20%

Note: According to Article 2 of the "Rules Governing the Equity Percentage of the Company's Director and Supervisors and the Audit Implementation Rules," if more than two independent directors are elected, the number of shares held by all directors and supervisors other than the independent directors will be reduced to 80%.

Appendix 5

The effect of proposed stock dividends in this Shareholders' Meeting on the Company's operating performance, earnings per share, and return on equity:

The Company did not have any proposed distribution of stock dividends in 2025, and the Company does not need to make any financial forecast according to regulations, therefore it is not applicable.

Thank you for attending the General Shareholders'
Meeting!

Any comments or suggestions will be appreciated.