

SINMAG

Stock Code: 1580

SINMAG EQUIPMENT CORPORATION

2026 Annual Shareholders' Meeting

Meeting Handbook

Date: June 12, 2026

Address: Auditorium, 3F, No. 95, Wugong Rd., Xinzhuang Dist., New Taipei City,
Taiwan (New Taipei Industrial Park Service Center)

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Sinmag Equipment Corporation

Meeting Procedure for the 2026 Annual General Shareholders' Meeting

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

Sinmag Equipment Corporation
Agendas of 2026 Annual General Shareholders' Meeting

Time: 9 a.m., Friday, June 12, 2026

Address: Auditorium, 3F, No. 95, Wugong Rd., Xinzhuang Dist., New Taipei City,
Taiwan (New Taipei Industrial Park Service Center)

Method of Convening the Meeting: Physical Shareholders' Meeting

- I. Call the Meeting to Order (Reporting number of shares attending)
- II. Chairman Remarks
- III. Report Items
 1. 2025 Business Report
 2. 2025 Audit Committee's Review Report
 3. 2025 Employees' and Director's Compensation Distribution Report
 4. 2025 Earnings distribution in the form of cash dividends
 5. The amendment to the Company's "Ethical Corporate Management Best Practice Principles" report.
 6. The report on the implementation of the repurchase of treasury shares by the Company.
 7. Undertaking issued by the Company and its subsidiaries to the overseas listing of its subsidiary Sinmag Equipment (China) Co., Ltd. and the resolutions of the Board of Directors
- IV. Proposed Items
 1. To approve 2025 Business Report and Financial Statements
 2. To approve the proposal for 2025 Earnings Distribution
- V. Discussion Items
 1. Amendments to the "Articles of Incorporation"
 2. Amendments to the "Rules of Procedure for Shareholders' Meetings"
- VI. Extempore Motions
- VII. Adjournment

Report Items

I. To report 2025 Business Report

Explanation: For the Company's Business Report (2025), please refer to Attachment 1 on Page 9 to 14 of this meeting handbook.

II. To report 2025 Audit Committee's Review Report

Explanation: For the Audit Committee's Review Report (2025), please refer to Attachment 2 on Page 15 of this meeting handbook.

III. To report 2025 Employees' and Directors' Distribution Report

Explanation:

1. According to Article 29 of Articles of Incorporation, if the Company makes a profit in the year, no less than 1% of the profits shall be allocated as Employees' compensation and no more than 5% of the profit as Directors' compensation. In the aforementioned employee compensation ratio, no less than 40% should be allocated for the distribution of compensation to grassroots employees. The Company shall reserve the amount of compensations in advance if there is cumulative loss.
2. Upon resolution by the Board of Directors, 1.80% of employee compensation is allocated, amounting to NT\$13,355,420 (of which the actual allocation rate for grassroots employees is 50.99%, totaling NT\$6,810,000), and 1.36% of director compensation is allocated, amounting to NT\$10,087,549, all to be disbursed in cash, in accordance with the Articles of Incorporation of the Company.

IV. To report 2025 earnings distribution in the form of cash dividends

Explanation:

1. Pursuant to Article 29-1 of the Articles of Incorporation of the Company, the Company authorizes the Board of Directors to distribute all or part of the dividends and bonuses in cash 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.
2. Approved by the resolution of the Board of Directors, the after-tax net profit in 2025 is distributed first in the amount of the 2023 earnings distribution. NT\$419,383,557 in dividends for shareholders is to be distributed, amounting to NT\$8.5 being distributed per share.
3. 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 to the total cash dividends.

4. 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, the Chairman is authorized to handle this matter with full authority.
- V. To report the amendment to the Company's "Ethical Corporate Management Best Practice Principles" report.

Explanation:

1. In response to the practical operational needs of the Company, certain articles of the Ethical Corporate Management Best Practice Principles have been amended.
2. For the Comparison Table for the Ethical Corporate Management Best Practice Principles Before and After Revision, please refer to Attachment 4 on Page 36 to 37 of this meeting handbook.

- VI. To report the report on the implementation of the repurchase of treasury shares by the Company.

Explanation: The implementation status of the repurchase of treasury shares is as follows:

Number of Repurchases	First time
Date of Board of Directors Resolution	2025/04/11
Purpose of Repurchase	Maintain the Company's credit and shareholder interests
Repurchase Period	2025/04/14~2025/06/13
Price Range of Repurchase	NT\$90 to NT\$160
Types and number of shares repurchased	Common stock 891,000 shares
Total amount of shares repurchased	NT\$128,543,311
The ratio of the number of shares repurchased to the expected number of shares to be repurchased (%)	89.1%
Number of shares that have been canceled and transferred	891,000 shares
Accumulated number of shares held in the Company.	0 Shares
The ratio of accumulated number of shares held in the Company to the total number of issued shares (%)	0.00%
Reasons for this Incomplete Implementation	To balance market mechanisms and protect the overall interests of shareholders and given that the stock price have stabilized, the decision was made not to completely implement it.

VIII. To report the undertaking issued by the Company and its subsidiaries to the overseas listing of its subsidiary Sinmag Equipment (China) Co., Ltd. and the resolutions of the Board of Directors
Explanation:

1. The initial public offering of ordinary shares denominated in CNY (A shares) of the Company's subsidiary Sinmag Equipment (China) Co., Ltd. and the application of undertaking for listing in motherboard of Shanghai Stock Exchange were approved at the Company's Annual Shareholders' Meeting on June 6, 2025.
2. To comply with the regulations concerning the submission of the application, the Company, LUCKY UNION LIMITED, SINMAG LIMITED, Ximai Enterprises Management (Wuxi) Co., Ltd. and Sinmag Equipment (China) Co., Ltd. issued relevant undertakings as follows:

No.	Undertaking Items	Sinmag Equipment Corporation	LUCKY UNION LIMITED	SINMAG LIMITED	Ximai Enterprises Management (Wuxi) Co., Ltd.	Sinmag Equipment (China) Co., Ltd.
1	Letter of undertaking on matters related to social insurance and Housing Provident Fund	V	V	V		
2	Explanation on legal compliance	V	V	V		
3	Letter of undertaking on matters related to temporary buildings	V	V	V		
4	Letter of undertaking on matters related to lease of land or real estates	V	V	V		
5	Letter of undertaking on matters related to historical equity changes and distribution of dividends	V	V	V		
6	Specific undertaking on investment in kind	V	V	V		
7	Statement and undertaking on matters related to historical mergers	V	V	V		
8	Statement and undertaking on avoiding competition within the same industry	V	V	V		
9	Undertaking on book closure and intention to reduce holdings	V	V	V	V	

No.	Undertaking Items	Sinmag Equipment Corporation	LUCKY UNION LIMITED	SINMAG LIMITED	Ximai Enterprises Management (Wuxi) Co., Ltd.	Sinmag Equipment (China) Co., Ltd.
10	Plan and undertaking to stabilize the stock price within three years after listing	V	V	V		V
11	Undertaking on share repurchase of fraudulent issuance and listing	V	V	V		V
12	Measures and undertaking on filling diluted immediate returns	V	V	V		V
13	Undertaking on disclosure of information in the prospectus and the liable for compensation in accordance with the law	V	V	V		V
14	Undertaking on the binding measures for failure to comply with public undertakings	V	V	V	V	V
15	Undertaking on regulating and reducing related party transactions	V	V	V		
16	Undertaking on avoiding fund appropriation and non-compliant guarantees	V	V	V		
17	Undertaking on the distribution of cash dividends during the review period and within three years following the listing.					V
18	Undertaking on disclosing information related to shareholders					V

3. The impact of the relevant undertakings on the finance, business or shareholders' equity of the Company and its subsidiaries has been reviewed by the Audit Committee and approved by the Board of Directors on April 29, 2026. Please refer to Attachment 5 on Page 38 to 43 of this meeting handbook.

Proposed Items

Motion 1 (Proposed by the Board of Directors)

To approve the 2025 Business Report and Financial Statements.

Explanation:

1. The Company's 2025 financial statements and consolidated financial statements and Business Report have been reviewed by the Audit Committee, and a written audit report has been issued.
2. For the Business Report and financial statements for the year 2025, please refer to Attachment 1 on Page 9 to 14 and Attachment 3 on Page 16 to 35 of this meeting handbook.
3. Please proceed to the ratification of the proposal.

Resolution:

Motion 2 (Proposed by the Board of Directors)

Motion: To approve the proposed item for 2025 Earnings Distribution.

Explanation:

1. The Company's 2025 Earnings Distribution Proposal is as follows:

Sinmag Equipment Corporation
Earnings Distribution Table
2025

Unit: NT\$

Unappropriated retained earnings at the beginning of the period	1,423,582,433
Plus: Net profit in 2025	622,491,719
Less: Cancellation of treasury shares debited to retained earnings	(118,306,294)
Net profit for the period plus adjustment	504,185,425
Less: Appropriated as special reserves	(702,917)
Retained earnings available for distribution	1,927,064,941
Item for distribution:	
Dividends to shareholders	
Cash dividends (NT\$8.5 per share)	(419,383,557)
Unappropriated retained earnings at the end of the period	1,507,681,384

Chairman: Hsieh, Shun-Ho General Manager: Hsieh, Shun-Ho Accounting Manager: Chen Yi-Wen

1. Please proceed to the ratification of the proposal.

Resolution:

Discussion Items

Motion 1: (Proposed by the Board of Directors)

Motion: Discussion of the amendments to the “Articles of Incorporation”.

Explanation:

1. In accordance with Article 162 of the Company Act, in order to comply with current laws and to meet the operational needs of the company, it is proposed to amend certain articles of the Articles of Incorporation.
2. For the Comparison Table for the Articles of Incorporation Before and After Revision, please refer to Attachment 6 on Page 44 of this meeting handbook.
3. It is hereby submitted for discussion.

Resolution:

Motion 2: (Proposed by the Board of Directors)

Motion: Discussion of the amendments to the “Rules of Procedures for Shareholders’ Meetings”.

Explanation:

1. According to Letter No. Securities-TPEX-Supervision-11500549052 issued by the Taiwan Stock Exchange on March 16, 2026 and in response to the operational needs of the Company, it is proposed to revise certain articles of the "Rules of Procedure for Shareholders' Meetings."
2. For the Comparison Table for the Rules of Procedure for Shareholders' Meeting Before and After Revision, please refer to Attachment 7 on Page 45 to 47 of this meeting handbook.
3. It is hereby submitted for discussion.

Resolution:

Extempore Motions

Adjournment

Attachments

Attachment 1

Sinmag Equipment Corporation 2025 Business Report

I. 2025 Business Report

(I) Implementation Results of Business Plan

In 2025, influenced by geopolitical conflicts and adjustments in international trade policies, the United States' tariff and trade protection policies continued to impact the global supply chain layout. This was accompanied by rising energy and raw material costs, as well as the rapid rise of emerging Southeast Asian markets, resulting in a complex and volatile overseas market environment. These factors affected market demand, supply chain operations, and cost structures, making the overall growth prospect susceptible to external environment. At the same time, the consumption momentum in the Mainland market is weak, and market competition is intensifying, which increases the overall operational complexity.

In response to the changes in the U.S.-China tariff policies and the pressure from the domestic market in Mainland China, Sinmag Equipment faces challenges in revenue and profit growth in both the Mainland China and Americas regions. To enhance overall competitiveness, Sinmag Equipment continues to strengthen its manufacturing capabilities, accelerates its global layouts, and deepen its technological research and development. Additionally, through product portfolio optimization, cost control, and price strategy adjustments, the Company aims to improve its overall financial structure and operational efficiency.

Under the global economic and trade uncertainties and the slowdown in consumption in the Mainland region, Sinmag Equipment has continued to deepen its business layout in the Mainland, Southeast Asia, and Central Asia. The market demand of related regions has gradually emerged, driving the growth of the overall revenue performance. However, due to product structure adjustments and rising tariff costs, overall profitability has slightly declined compared to the previous year.

The consolidated operating income of the Group in 2025 was NT\$4,879,103 thousand, an increase of 1.82% from NT\$4,792,059 thousand in 2024. The consolidated net profit after tax was NT\$622,491 thousand, a decrease of 8.81% from NT\$682,665 thousand in 2024. The after tax earnings per share was NT\$12.54, a decrease of 7.73% from that of 2024.

1. The Company's operating results and sales of its main products are as follows:

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

Unit: Thousand NT\$

	2025	2024	Increase (Decrease) Rate (%)
Operating Revenue	4,879,103	4,792,059	1.82%
Operating costs	2,799,098	2,710,054	3.29%
Gross profit	2,080,005	2,082,005	(0.10%)
Operating Expenses	1,159,488	1,108,945	4.56%
Operating Profit	920,517	973,060	(5.40%)
Non-operating Income and Expenses	60,298	117,029	(48.48%)
Profit Before Income Tax	980,815	1,090,089	(10.02%)
Profit After Income Tax	622,491	682,665	(8.81%)

(II) Revenue Forecast and Realization

The Company did not have a public financial forecasting for 2025.

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

Item		2025	2024	
Financial Structure Analysis	Debt-to-Asset Ratio	25.85%	25.81%	
	Long-Term Funds to Fixed Assets Ratio (%)	247.17%	255.07%	
Liquidity Analysis	Current Ratio	298.75%	272.85%	
	Quick Ratio	199.48%	185.39%	
Profitability Analysis	Return on Assets	14.74%	17.26%	
	Return on Shareholders' Equity	19.84%	23.14%	
	Ratio of Paid-In Capital	Operating Profit	186.56%	193.72%
		Pre-Tax income	198.79%	217.01%
	Profit Ratio	13.59%	15.19%	
Earnings per Share (NT\$)	12.54	13.59		

(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 baked goods that are fashionable, delicious, nutritious, and healthy. In 2025, our Group invested a total of NT\$160,965 thousand in research and development expenses. In addition to actively expanding our existing product line and venturing into new product areas, engaging in various process and technology developments, we have also improved our product structure to align with environmental protection concepts, with the aim of continuously increasing our market share in key markets while creating new markets and business opportunities. These strategies establish a solid foundation for the company's sustainable operation.

II. Summary of the Company's Business Plan for 2026

(I) Operating Strategies

In 2025, the consumption of the baking market in Mainland China continued to decline, increasing operational and transformation pressures. The baking market faces challenges such as rising raw material costs, intensified homogenization competitions, rapid expansion of franchise models with insufficient subsequent support, and changes in consumer habits. This has led to a significant number of closures of stores of traditional brands and insufficient growth momentum for emerging business models, resulting in overall sluggish growth in the baking industry.

However, the market in Mainland China still holds significant development potential, as the baking industry continues to undergo transformation and restructuring, with brand competition gradually shifting towards meeting consumer demand through innovative products. The future baking market will develop in the directions of diversified and healthier products, supply chain optimization, channel innovation in new business models (bakery in supermarket), and the empowerment of baking industrial technology.

1. Sales in Mainland China Market

- (1) Sinmag Equipment closely tracks the transformation trends of industry leaders and support our existing clients in their store upgrades and transformation developments. By aligning with the equipment requirements of franchise-based operational models and adapting to the innovative operational models of emerging brands and clients, the Company provide suitable equipment solutions to grow alongside our clients.

- (2) In response to the development trends of freshly baked goods in the supermarkets of Mainland market, freshly baked goods in central factories and brand franchising layouts, including the restructuring of regional supermarket bakeries and the transformation and needs of replacing old international large supermarkets (Walmart, Sam's Club) with new ones, the Company provide suitable equipment solutions to position in the emerging supermarket-based bakery market.
- (3) With the vigorous development of emerging bakery models in the Mainland market (such as new Chinese pastries combining tea, coffee, and dining, cultural and creative baking, and souvenirs), information on equipment procurement has expanded from traditional channels to diverse media, industry events, and connections with baking organizations. Sinmag Equipment will match suitable equipment specifications according to various demand channels, providing sales of complete set of equipment and comprehensive after-sales service.
- (4) Sinmag Equipment continuously strengthens the online equipment sales platform to consolidate its e-commerce capabilities in Mainland China and overseas. Sinmag Equipment collaborates with platform activities to enhance traffic and bolster the credibility and performance of the company's products in the e-commerce market. At the same time, stabilize the growth of the e-commerce market, expand diverse online and live broadcast promotions, promote more project-based sales collaborations, and enhance the overall sales volume of the baking market.
- (5) The new generation of high-end bakery stores has higher equipment needs. The baking equipment must possess efficient heating and heat retention, as well as energy-saving features. Additionally, the appearance 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 while ensuring an aesthetics and consistent visual harmony between the appearance and layout of front-of-house and back-of-house equipment.

2. Overseas Market

- (1) The Company will deepen its presence in key sales regions overseas by increasing various on-site market visits to grasp the market changes and development trends. Additionally, reviews and analyses of the current market situation are being carried out in collaboration with local agents, distributors, branches, in order to formulate corresponding market strategies that assists agents in expanding market sales.

- (2) The Company plans to expand exchanges with overseas agents or key clients, conducting in-depth discussions on the direction of development of various markets and sales promotion to facilitate sales growth.
- (3) The Company continues to develop in the Central Asia region, advancing the establishment and operation of the subsidiary in Kazakhstan, building the company team and warehouse for inventories, and expanding sales in the Central Asia market.
- (4) For potential overseas markets where Sinmag Equipment's sales has not yet fully developed, it will conduct market visits, research and assessments. It aims to expand its market by deploying sales personnel, increasing the number of agents, or establishing cross-border sales models.
- (5) In response to the growing global customer base and close engagement with Mainland China's cross-border online e-commerce transactions, Sinmag Equipment has initiated a cross-border sales model establishment plan since 2025. In the initial phase, Sinmag Equipment established a cross-border platform to grasp transaction rules, customer acquisition from traffic and conversion operations, as well as order acceptance, sales, transportation, and after-sales system correspondence. The Company is gradually improving its sales model and transaction service system to position itself for global cross-border e-commerce opportunities in advance.

(II) Expected Sales Volume and Its Basis

Sinmag Equipment'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 2026, other than sticking to the original market share and sales volume in Mainland China, and will continue to expand in the America, 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. By tracking clients' brand transformations and grasping the development of emerging brands, the Company provides suitable equipment solutions to deepen collaboration and enhance its market share.
2. Provide comprehensive equipment and supporting solutions for supermarkets, central factories, and clients with new business models, promoting channel expansion and sales scale.
3. Enhance the functionality of the e-commerce platform, integrate marketing and media promotion, and improve sales scale and brand credibility.

4. Focus on the demand for high-end bakery stores, develop intelligent and energy-efficient equipment to enhance added value and expand the Company's share in the high-end market.

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

In 2025, the baking market in the Mainland China faced changes in the competitive landscape, while overall operations were also influenced by fluctuations in the macroeconomy and the policy environment. The market's sentiment in investment has become more conservative, with cautious plans for opening new stores and expansion. The inquiry volumes and transaction scales is subject to certain constraints. At the same time, relevant regulations and policies have set higher standards for food safety, environmental protection, energy consumption management, and sustainable operation, increasing pressures on companies to ensure compliance and manage costs across manufacturing, operations, and management.

Furthermore, as various governments impose increasingly stringent requirements on energy saving, carbon reduction, environmentally responsible emissions, and supply chain management, companies must continuously invest resources to adapt to regulatory adjustments and institutional changes. This involves enhancing product design, manufacturing efficiency, and management systems to ensure compliance with regulatory requirements and reduce operational risks.

Sinmag Equipment will continue to monitor the trend of the market, policy and regulations, integrating sustainability concepts into its operation strategies, product development, and service systems. Through comprehensive product quality control, after-sales service, and a global operational layout, it aims to enhance overall competitiveness. The entire management team and employees will uphold the core values of integrity, pursuit of excellence, continuous innovation, and mutual benefit, advancing towards the goals of sustainable development and maximizing shareholder value.

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 2025 Business Report, Financial Statements and Earnings Distribution Proposals of the Company. The Financial Statements have been audited by CPAs Keng-Hsi Chang and Liu, Li-Wei 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,

2026 Annual Shareholders' Meeting of Sinmag Equipment Corporation

Sinmag Equipment Corporation

Convener of the Audit Committee San-Chien Tu

Mar. 26, 2026

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, 2025 and 2024, 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, 2025 and 2024, 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, 2025. 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, 2025 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 Specific Customers

The Company has thousands of customers. The total sales revenue of specific customers was significant. The sales revenue coming from some of the specific 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 specific customers a key audit matter.

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

In fiscal year 2025, the subsidiary's sales revenue increase. Sales revenue from specific customers was significant, and some of these 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 specific 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 from the abovementioned specific customers 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 specific 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, 2025 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 Li-Wei Liu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 26, 2026

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, 2025 AND 2024

(In Thousands of New Taiwan Dollars)

ASSETS	2025		2024	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 70,257	2	\$ 176,667	5
Notes receivable (Notes 4, 9 and 21)	2,218	-	1,016	-
Trade receivables (Notes 4, 9 and 21)	20,128	-	20,208	-
Trade receivables from related parties (Notes 4, 21 and 28)	23,958	1	29,118	1
Other receivables (Notes 4 and 9)	600	-	899	-
Inventories (Notes 4 and 10)	60,509	2	59,837	2
Prepayments (Note 15)	2,578	-	1,844	-
Total current assets	<u>180,248</u>	<u>5</u>	<u>289,589</u>	<u>8</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)	3,215,851	91	3,009,309	88
Property, plant and equipment (Notes 4, 12 and 29)	117,544	4	123,575	4
Right-of-use assets (Notes 4 and 13)	165	-	562	-
Intangible assets (Notes 4 and 14)	-	-	14	-
Deferred tax assets (Notes 4 and 23)	10,299	-	10,931	-
Other non-current assets (Notes 4 and 15)	215	-	464	-
Total non-current assets	<u>3,344,124</u>	<u>95</u>	<u>3,144,905</u>	<u>92</u>
TOTAL	<u>\$ 3,524,372</u>	<u>100</u>	<u>\$ 3,434,494</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 16 and 29)	\$ 50,000	1	\$ -	-
Contract liabilities (Notes 4 and 21)	10,510	-	7,851	-
Trade payables	21,339	1	16,241	-
Trade payables to related parties (Note 28)	16,725	1	11,949	-
Other payables (Note 17)	47,241	1	50,756	2
Current tax liabilities (Notes 4 and 23)	7,021	-	23,871	1
Provisions - current (Notes 4 and 18)	131	-	131	-
Lease liabilities - current (Notes 4 and 13)	169	-	401	-
Current portion of long-term borrowings (Notes 16, 25 and 29)	-	-	16,561	1
Total current liabilities	<u>153,136</u>	<u>4</u>	<u>127,761</u>	<u>4</u>
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 23)	158,323	5	134,824	4
Lease liabilities - non-current (Notes 4 and 13)	-	-	169	-
Total non-current liabilities	<u>158,323</u>	<u>5</u>	<u>134,993</u>	<u>4</u>
Total liabilities	<u>311,459</u>	<u>9</u>	<u>262,754</u>	<u>8</u>
EQUITY (Notes 4 and 20)				
Share capital				
Ordinary shares	<u>493,392</u>	<u>14</u>	<u>502,302</u>	<u>14</u>
Capital surplus	<u>205,500</u>	<u>6</u>	<u>206,827</u>	<u>6</u>
Retained earnings				
Legal reserve	586,956	16	586,956	17
Special reserve	70,829	2	155,238	5
Unappropriated earnings	<u>1,927,768</u>	<u>55</u>	<u>1,791,246</u>	<u>52</u>
Total retained earnings	<u>2,585,553</u>	<u>73</u>	<u>2,533,440</u>	<u>74</u>
Other equity	<u>(71,532)</u>	<u>(2)</u>	<u>(70,829)</u>	<u>(2)</u>
Treasury shares	-	-	-	-
Total equity	<u>3,212,913</u>	<u>91</u>	<u>3,171,740</u>	<u>92</u>
TOTAL	<u>\$ 3,524,372</u>	<u>100</u>	<u>\$ 3,434,494</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, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 21 and 28)				
Sales	\$ 402,372	94	\$ 356,775	94
Service revenue	<u>23,865</u>	<u>6</u>	<u>23,180</u>	<u>6</u>
Total operating revenue	<u>426,237</u>	<u>100</u>	<u>379,955</u>	<u>100</u>
OPERATING COSTS				
Cost of goods sold (Notes 10, 22 and 28)	(313,178)	(73)	(297,291)	(78)
Service cost	<u>(3,465)</u>	<u>(1)</u>	<u>(3,129)</u>	<u>(1)</u>
Total operating costs	<u>(316,643)</u>	<u>(74)</u>	<u>(300,420)</u>	<u>(79)</u>
GROSS PROFIT	109,594	26	79,535	21
UNREALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (Note 4)	(9,050)	(2)	(5,491)	(1)
REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (Note 4)	<u>5,491</u>	<u>1</u>	<u>3,839</u>	<u>1</u>
REALIZED GROSS PROFIT	<u>106,035</u>	<u>25</u>	<u>77,883</u>	<u>21</u>
OPERATING EXPENSES (Notes 22 and 28)				
Selling and marketing expenses	(49,131)	(11)	(49,634)	(13)
General and administrative expenses	(49,293)	(12)	(53,593)	(14)
Research and development expenses	(4,974)	(1)	(6,206)	(2)
Expected credit (loss) gain (Notes 4 and 9)	<u>(279)</u>	<u>-</u>	<u>841</u>	<u>-</u>
Total operating expenses	<u>(103,677)</u>	<u>(24)</u>	<u>(108,592)</u>	<u>(29)</u>
PROFIT (LOSS) FROM OPERATIONS	<u>2,358</u>	<u>1</u>	<u>(30,709)</u>	<u>(8)</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4 and 22)				
Interest income	1,271	-	3,736	1
Other income	123	-	286	-
Other gains and losses	4,087	1	2,552	1
Finance costs	(599)	-	(22)	-
Share of profit or loss of subsidiaries, associates and joint ventures	<u>712,405</u>	<u>167</u>	<u>800,612</u>	<u>211</u>
Total non-operating income and expenses	<u>717,287</u>	<u>168</u>	<u>807,164</u>	<u>213</u>

(Continued)

Sinmag Equipment Corporation

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	2025		2024	
	Amount	%	Amount	%
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	\$ 719,645	169	\$ 776,455	205
INCOME TAX EXPENSE (Notes 4 and 23)	<u>(97,154)</u>	<u>(23)</u>	<u>(93,790)</u>	<u>(25)</u>
NET PROFIT FOR THE YEAR	<u>622,491</u>	<u>146</u>	<u>682,665</u>	<u>180</u>
OTHER COMPREHENSIVE INCOME/(LOSS) (Notes 4, 20 and 23)				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	(879)	-	105,511	28
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>176</u>	<u>-</u>	<u>(21,102)</u>	<u>(6)</u>
Other comprehensive income (loss) for the year, net of income tax	<u>(703)</u>	<u>-</u>	<u>84,409</u>	<u>22</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 621,788</u>	<u>146</u>	<u>\$ 767,074</u>	<u>202</u>
EARNINGS PER SHARE (Note 24)				
From continuing operations				
Basic	<u>\$ 12.54</u>		<u>\$ 13.59</u>	
Diluted	<u>\$ 12.51</u>		<u>\$ 13.56</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, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	Share Capital	Capital Surplus	Retained Earnings			Other Equity Exchange Differences on Translating the Financial Statements of Foreign Operations	Treasury Shares	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings			
BALANCE ON JANUARY 1, 2024	\$ 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	-	-	-	-	-	84,409	-	84,409
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	682,665	84,409	-	767,074
BALANCE ON DECEMBER 31, 2024	502,302	206,827	586,956	155,238	1,791,246	(70,829)	-	3,171,740
Appropriation of 2024 earnings (Note 20)								
Reversal of special reserve	-	-	-	(84,409)	84,409	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(452,072)	-	-	(452,072)
Net profit for the year ended December 31, 2025	-	-	-	-	622,491	-	-	622,491
Other comprehensive loss for the year ended December 31, 2025, net of income tax	-	-	-	-	-	(703)	-	(703)
Total comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	622,491	(703)	-	621,788
Buy-back of ordinary shares (Note 20)	-	-	-	-	-	-	(128,543)	(128,543)
Cancellation of treasury shares (Note 20)	(8,910)	(1,327)	-	-	(118,306)	-	128,543	-
BALANCE ON DECEMBER 31, 2025	\$ 493,392	\$ 205,500	\$ 586,956	\$ 70,829	\$ 1,927,768	\$ (71,532)	\$ -	\$ 3,212,913

The accompanying notes are an integral part of the financial statements

Sinmag Equipment Corporation

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 719,645	\$ 776,455
Adjustments for:		
Depreciation expense	3,847	3,108
Amortization expense	14	17
Expected credit loss (gain) on receivables	279	(841)
Finance costs	599	22
Interest income	(1,271)	(3,736)
Share of profit of subsidiaries, associates and joint ventures	(712,405)	(800,612)
Gain on disposal of property, plant and equipment	-	(46)
Write-downs of inventories	-	5,024
Unrealized gain on the transactions with subsidiaries, associates and joint ventures	9,050	5,491
Realized gain on the transactions with subsidiaries associates and joint ventures	(5,491)	(3,839)
Net loss (gain) on foreign currency exchange	891	(2,160)
Recognition of provisions	120	91
Changes in operating assets and liabilities		
Notes receivable	(1,202)	5,734
Trade receivables	(174)	13,587
Trade receivables from related parties	5,700	(20,485)
Other receivables	204	(262)
Inventories	(672)	200
Prepayments	64	(636)
Contract liabilities	2,659	5,266
Trade payables	5,098	(5,273)
Trade payables from related parties	4,681	(4,488)
Other payables	(3,635)	768
Provisions	(120)	(91)
Cash generated from/(used in) operations	27,881	(26,706)
Income tax paid	(89,697)	(109,624)
Net cash used in operating activities	<u>(61,816)</u>	<u>(136,330)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(301)	(5,878)
Proceeds from disposal of property, plant and equipment	-	107
Increase in other non-current assets	-	(158)
Decrease in other non-current assets	249	-
Interest received	1,366	3,754
Dividends received from subsidiaries	501,425	607,751
Receipt of cash compensation for rights exchange differences	2,277	-
Net cash generated from investing activities	<u>505,016</u>	<u>605,576</u>

(Continued)

Sinmag Equipment Corporation

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	2025	2024
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	\$ 260,000	\$ 4,754
Repayments of short-term borrowings	(210,000)	(4,754)
Repayments of long-term borrowings	(16,630)	-
Repayment of the principal portion of lease liabilities	(401)	(394)
Dividends paid	(452,072)	(452,072)
Payments for buy-back of ordinary shares	(128,543)	-
Interest paid	<u>(665)</u>	<u>(22)</u>
Net cash used in financing activities	<u>(548,311)</u>	<u>(452,488)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(1,299)</u>	<u>2,360</u>
NET (DECREASE)/INCREASE IN CASH	(106,410)	19,118
CASH AT THE BEGINNING OF THE YEAR	<u>176,667</u>	<u>157,549</u>
CASH AT THE END OF THE YEAR	<u>\$ 70,257</u>	<u>\$ 176,667</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, 2025 and 2024, 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, 2025 and 2024, 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, 2025. 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, 2025 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 Specific Customers

The Group has thousands of customers. Sales revenue from specific customers was significant, and some of these 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 specific 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 from the abovementioned specific customers 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 specific 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, 2025 and 2024 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, 2025 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 Li-Wei Liu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 26, 2026

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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, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

ASSETS	2025		2024	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 1,148,603	25	\$ 1,223,143	28
Financial assets at amortized cost - current (Notes 4, 7, 8 and 30)	225,132	5	1,556	-
Notes receivable (Notes 4, 9 and 22)	10,166	-	9,890	-
Trade receivables (Notes 4, 9 and 22)	529,993	12	582,080	13
Trade receivables from related parties (Notes 4, 22 and 29)	758	-	517	-
Other receivables (Notes 4 and 9)	24,810	1	7,167	-
Current tax assets (Notes 4 and 24)	555	-	14,525	-
Inventories (Notes 4 and 10)	928,318	20	845,287	19
Prepayments (Note 16)	37,031	1	22,277	1
Total current assets	<u>2,905,366</u>	<u>64</u>	<u>2,706,442</u>	<u>61</u>
NON-CURRENT ASSETS				
Financial assets at amortized cost - non-current (Notes 4, 7, 8 and 30)	67,658	2	291,120	7
Property, plant and equipment (Notes 4, 12, 29 and 30)	1,363,558	30	1,299,093	29
Right-of-use assets (Notes 4 and 13)	143,773	3	108,352	2
Goodwill (Notes 4, 14 and 23)	-	-	-	-
Intangible assets (Notes 4 and 15)	6,151	-	6,437	-
Deferred tax assets (Notes 4 and 24)	38,325	1	33,627	1
Other non-current assets (Notes 4 and 16)	20,627	-	21,770	-
Total non-current assets	<u>1,640,092</u>	<u>36</u>	<u>1,760,399</u>	<u>39</u>
TOTAL	<u>\$ 4,545,458</u>	<u>100</u>	<u>\$ 4,466,841</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 17 and 30)	\$ 50,000	1	\$ -	-
Contract liabilities (Notes 4, 22 and 29)	192,400	4	164,440	4
Trade payables	260,096	6	271,685	6
Trade payables to related parties (Note 29)	9,339	-	14,132	-
Other payables (Notes 18 and 26)	338,649	7	335,723	8
Current tax liabilities (Notes 4 and 24)	85,323	2	154,835	3
Provisions - current (Notes 4 and 19)	23,109	1	23,513	1
Lease liabilities - current (Notes 4, 13 and 29)	13,591	-	11,005	-
Current portion of long-term borrowings and bonds payable (Notes 17, 26 and 30)	-	-	16,561	-
Total current liabilities	<u>972,507</u>	<u>21</u>	<u>991,894</u>	<u>22</u>
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 24)	170,462	4	141,283	3
Lease liabilities - non-current (Notes 4, 13 and 29)	32,087	1	19,964	1
Total non-current liabilities	<u>202,549</u>	<u>5</u>	<u>161,247</u>	<u>4</u>
Total liabilities	<u>1,175,056</u>	<u>26</u>	<u>1,153,141</u>	<u>26</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 21)				
Share capital				
Ordinary shares	<u>493,392</u>	<u>11</u>	<u>502,302</u>	<u>11</u>
Capital surplus	<u>205,500</u>	<u>5</u>	<u>206,827</u>	<u>5</u>
Retained earnings				
Legal reserve	586,956	13	586,956	13
Special reserve	70,829	2	155,238	4
Unappropriated earnings	<u>1,927,768</u>	<u>42</u>	<u>1,791,246</u>	<u>40</u>
Total retained earnings	<u>2,585,553</u>	<u>57</u>	<u>2,533,440</u>	<u>57</u>
Other equity	<u>(71,532)</u>	<u>(2)</u>	<u>(70,829)</u>	<u>(2)</u>
Treasury shares	-	-	-	-
Total equity attributable to owners of the Company	3,212,913	71	3,171,740	71
NON-CONTROLLING INTERESTS (Notes 4 and 21)	<u>157,489</u>	<u>3</u>	<u>141,960</u>	<u>3</u>
Total equity	<u>3,370,402</u>	<u>74</u>	<u>3,313,700</u>	<u>74</u>
TOTAL	<u>\$ 4,545,458</u>	<u>100</u>	<u>\$ 4,466,841</u>	<u>100</u>

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, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 22 and 29)				
Sales	\$ 4,855,238	100	\$ 4,768,879	100
Service revenue	<u>23,865</u>	<u>-</u>	<u>23,180</u>	<u>-</u>
Total operating revenue	<u>4,879,103</u>	<u>100</u>	<u>4,792,059</u>	<u>100</u>
OPERATING COSTS				
Cost of goods sold (Notes 10, 23 and 29)	(2,795,633)	(57)	(2,706,925)	(57)
Service cost	<u>(3,465)</u>	<u>-</u>	<u>(3,129)</u>	<u>-</u>
Total operating costs	<u>(2,799,098)</u>	<u>(57)</u>	<u>(2,710,054)</u>	<u>(57)</u>
GROSS PROFIT	<u>2,080,005</u>	<u>43</u>	<u>2,082,005</u>	<u>43</u>
OPERATING EXPENSES (Notes 23 and 29)				
Selling and marketing expenses	(646,198)	(13)	(605,471)	(13)
General and administrative expenses	(343,382)	(7)	(334,843)	(7)
Research and development expenses	(160,965)	(4)	(166,086)	(3)
Expected credit loss (Notes 4 and 9)	<u>(8,943)</u>	<u>-</u>	<u>(2,545)</u>	<u>-</u>
Total operating expenses	<u>(1,159,488)</u>	<u>(24)</u>	<u>(1,108,945)</u>	<u>(23)</u>
PROFIT FROM OPERATIONS	<u>920,517</u>	<u>19</u>	<u>973,060</u>	<u>20</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4, 23 and 29)				
Interest income	30,255	1	32,518	1
Other income	22,044	-	17,052	-
Other gains and losses	9,540	-	68,806	2
Finance costs	<u>(1,541)</u>	<u>-</u>	<u>(1,347)</u>	<u>-</u>
Total non-operating income and expenses	<u>60,298</u>	<u>1</u>	<u>117,029</u>	<u>3</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	980,815	20	1,090,089	23
INCOME TAX EXPENSE (Notes 4 and 24)	<u>(317,442)</u>	<u>(6)</u>	<u>(361,726)</u>	<u>(8)</u>
NET PROFIT FOR THE YEAR	<u>663,373</u>	<u>14</u>	<u>728,363</u>	<u>15</u>

(Continued)

Sinmag Equipment Corporation and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 21 and 24)				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	\$ (840)	-	\$ 110,498	2
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>176</u>	<u>-</u>	<u>(21,102)</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>(664)</u>	<u>-</u>	<u>89,396</u>	<u>2</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 662,709</u>	<u>14</u>	<u>\$ 817,759</u>	<u>17</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 622,491	13	\$ 682,665	14
Non-controlling interests	<u>40,882</u>	<u>1</u>	<u>45,698</u>	<u>1</u>
	<u>\$ 663,373</u>	<u>14</u>	<u>\$ 728,363</u>	<u>15</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 621,788	13	\$ 767,074	16
Non-controlling interests	<u>40,921</u>	<u>1</u>	<u>50,685</u>	<u>1</u>
	<u>\$ 662,709</u>	<u>14</u>	<u>\$ 817,759</u>	<u>17</u>
EARNINGS PER SHARE (Note 25)				
From continuing operations				
Basic	<u>\$ 12.54</u>		<u>\$ 13.59</u>	
Diluted	<u>\$ 12.51</u>		<u>\$ 13.56</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, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company										
	Share Capital	Capital Surplus	Retained Earnings			Unappropriated Earnings	Other Equity Exchange Differences on Translating the Financial Statements of Foreign Operations	Treasury Shares	Total	Non-controlling Interests	Total Equity
			Legal Reserve	Special Reserve							
BALANCE ON JANUARY 1, 2024	\$ 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 ON DECEMBER 31, 2024	502,302	206,827	586,956	155,238	1,791,246	(70,829)	-	3,171,740	141,960	3,313,700	
Appropriation of 2024 earnings (Note 21)											
Reversal of special reserve	-	-	-	(84,409)	84,409	-	-	-	-	-	
Cash dividends distributed by the Company	-	-	-	-	(452,072)	-	-	(452,072)	-	(452,072)	
Net profit for the year ended December 31, 2025	-	-	-	-	622,491	-	-	622,491	40,882	663,373	
Other comprehensive income (loss) for the year ended December 31, 2025, net of income tax	-	-	-	-	-	(703)	-	(703)	39	(664)	
Total comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	622,491	(703)	-	621,788	40,921	662,709	
Buy-back of ordinary shares (Note 21)	-	-	-	-	-	-	(128,543)	(128,543)	-	(128,543)	
Cancellation of treasury shares (Note 21)	(8,910)	(1,327)	-	-	(118,306)	-	128,543	-	-	-	
Cash dividends distributed by subsidiaries (Note 21)	-	-	-	-	-	-	-	-	(25,392)	(25,392)	
BALANCE ON DECEMBER 31, 2025	\$ 493,392	\$ 205,500	\$ 586,956	\$ 70,829	\$ 1,927,768	\$ (71,532)	\$ -	\$ 3,212,913	\$ 157,489	\$ 3,370,402	

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, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 980,815	\$ 1,090,089
Adjustments for:		
Depreciation expense	124,295	122,266
Amortization expense	2,375	2,052
Expected credit loss recognized on trade receivables	8,943	2,545
Finance costs	1,541	1,347
Interest income	(30,255)	(32,518)
Loss (gain) on disposal of property, plant and equipment	2,693	(38,202)
Write-downs of inventories	9,757	17,646
Impairment loss on goodwill	-	3,254
Net loss (gain) on foreign currency exchange	7,932	(6,569)
Recognition of provisions	23,381	23,477
Loss on lease modification	-	28
Changes in operating assets and liabilities		
Notes receivable	264	4,845
Trade receivables	40,265	(90,318)
Trade receivables from related parties	(230)	319
Other receivables	209	(360)
Inventories	(91,263)	(104,102)
Prepayments	(13,465)	(5,234)
Contract liabilities	26,329	23,307
Trade payables	(11,751)	36,230
Trade payables from related parties	(4,788)	10,298
Other payables	12,713	58,743
Provisions	(23,633)	(18,788)
Cash generated from operations	1,066,127	1,100,355
Income tax paid	(347,714)	(387,841)
Net cash generated from operating activities	<u>718,413</u>	<u>712,514</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(28,849)	(85,756)
Proceeds from sale of financial assets at amortized cost	29,872	173,717
Purchase of financial assets at fair value through profit or loss	(1,135,246)	(1,269,390)
Proceeds from sale of financial assets at fair value through profit or loss	1,135,246	1,269,390
Payments for property, plant and equipment	(177,302)	(179,694)
Proceeds from disposal of property, plant and equipment	787	49,883
Payments for intangible assets	(2,074)	(3,333)
Payments for right-of-use assets	(9,392)	-
Increase in other non-current assets	(11,606)	(5,642)
Decrease in other non-current assets	249	-

(Continued)

Sinmag Equipment Corporation and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	2025	2024
Interest received	\$ 20,218	\$ 38,632
Receipt of cash compensation for rights exchange differences	<u>2,277</u>	<u>-</u>
Net cash used in investing activities	<u>(175,820)</u>	<u>(12,193)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	260,000	116,104
Repayments of short-term borrowings	(210,000)	(116,104)
Repayments of long-term borrowings	(16,630)	-
Repayment of the principal portion of lease liabilities	(24,340)	(11,945)
Dividends paid to owners of the Company	(452,072)	(452,072)
Payments for buy-back of ordinary shares	(128,543)	-
Interests paid	(1,607)	(1,347)
Dividends paid to non-controlling interests	<u>(25,392)</u>	<u>(32,812)</u>
Net cash used in financing activities	<u>(598,584)</u>	<u>(498,176)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(18,549)</u>	<u>31,614</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(74,540)	233,759
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,223,143</u>	<u>989,384</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,148,603</u>	<u>\$ 1,223,143</u>

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

Attachment 4

Sinmag Equipment Corporation

The Comparison Table for the Ethical Corporate Management Best Practice Principles Before and After Revision

Article No.	Articles after the amendments	Articles before the amendments	Amendment Note
Article 17	<p>(Organization and Responsibilities) (1): Omitted To ensure a robust integrity management, the <u>human resources department</u> is responsible for formulating, supervising, and executing ethical management policies and prevention programs. It primarily manages include the following matters, which are reported to the Board of Directors on a regular basis (at least once a year):</p> <p>I. Assist in integrating integrity and ethical values into the company's operation strategy, and establish relevant malpractice measures in accordance with laws and regulations to ensure integrity management.</p> <p>II. Regularly analyze and assess the risks of unethical behavior within the scope of operations, and based on this, establish measures to prevent unethical behavior, as well as set forth relevant standard operating procedures and behavioral guidelines within each measure.</p> <p>III. Plan the internal organization, structure, and responsibilities, and establish a mutual supervision and checks-and-balances mechanism for business activities that carry a higher risk of unethical behavior within the scope of operations.</p> <p>IV. Implementation and coordination of integrity policy promotion and training.</p> <p>V. Establish a reporting system and ensure the effectiveness of its implementation.</p>	<p>(Organization and Responsibilities) (1): Omitted To ensure a robust integrity management, the <u>audit unit</u> is responsible for formulating, supervising, and executing ethical management policies and prevention programs. It primarily manages include the following matters, which are reported to the Board of Directors on a regular basis (at least once a year):</p> <p>I. Assist in integrating integrity and ethical values into the company's operation strategy, and establish relevant malpractice measures in accordance with laws and regulations to ensure integrity management.</p> <p>II. Regularly analyze and assess the risks of unethical behavior within the scope of operations, and based on this, establish measures to prevent unethical behavior, as well as set forth relevant standard operating procedures and behavioral guidelines within each measure.</p> <p>III. Plan the internal organization, structure, and responsibilities, and establish a mutual supervision and checks-and-balances mechanism for business activities that carry a higher risk of unethical behavior within the scope of operations.</p> <p>IV. Implementation and coordination of integrity policy promotion and training.</p> <p>V. Establish a reporting system and ensure the effectiveness of its implementation.</p>	<p>Amendment in accordance with the practical operational needs of the Company.</p>

Article No.	Articles after the amendments	Articles before the amendments	Amendment Note
	VI. Assist the Board of Directors and management in auditing and evaluating the effectiveness of the preventive measures established for integrity management, and regularly assess compliance with relevant business processes and prepare reports.	VI. Assist the Board of Directors and management in auditing and evaluating the effectiveness of the preventive measures established for integrity management, and regularly assess compliance with relevant business processes and prepare reports.	

Attachment 5

For the Company's subsidiary Sinmag Equipment (China) Co., Ltd.'s initial public offering of ordinary shares denominated in CNY (A shares) and application for listing on overseas stock exchanges, the undertaking issued by the Company and its subsidiaries and the impact of listing to the Company and its subsidiaries on the finances, business, or shareholders' equity

- I. Sinmag Equipment (China) Co., Ltd., a subsidiary of the Company (hereinafter referred to as "the issuer"), is intended to apply for the initial public offering of ordinary shares denominated in CNY (A shares) and its listing on motherboard under Shanghai Stock Exchange (hereinafter referred to as "the listing case"). In order to further protect the rights and interests of investors, Sinmag Equipment Corporation, LUCKY UNION LIMITED, and SINMAG LIMITED (hereinafter referred to as "the Company") are the controlling shareholders of the issuer, while Ximai Enterprises Management (Wuxi) Co., Ltd. (hereinafter referred to as "subsidiary") is the other shareholders of the issuer. The Company provides relevant undertakings in accordance with the regulations of the China Securities Regulatory Commission (hereinafter referred to as the "CSRC"). The contents of the letters of undertaking which may have a significant impact on the finance, business or shareholders' equity of the Company and its subsidiary are explained as follows:
- Statement and undertaking on avoiding competition within the same industry
- The issuer engages in the same or similar business activities limited to the design, production, and sales of baking equipment in Taiwan, distributor acting as the issuer in the Indian market, and continuing to supply certain overseas customers with products (excluding components) that are self-designed and produced by the Company due to local usage habits and after-sales demands. Such sales should be exclusively conducted through the issuer; that is, any sales of products that compete with the issuer to customers outside of China must first be sold to the issuer, which will then sell them to the final customers. Sales of components for non-urgent procurement shall also be conducted exclusively through the Issuer. However, components for urgent procurement may be sold directly to overseas customers.
- Except for the aforementioned circumstances, if the Company obtains any business opportunities that may result in competition with peers, it shall notify and transfer them to the issuer, unless the issuer refuses; in the China market, there are no businesses that exist or competes with peers; nor shall it provide support such as funding, management, technology, sales channels, or customer information to competitive entities. In the event of a violation, the Company is willing to compensate for all losses, and any benefits obtained shall belong to the issuer.
- Generally speaking, there is no material impact on the finance, business or shareholders' equity of the Company.
- II. The excerpts of all the undertakings issued by the Company due to the listing case are as follows:
- (I) Letter of undertaking on matters related to social insurance and Housing Provident Fund
- The issuer and its subsidiary are required to make retroactive payments for social insurance fees or housing provident fund that were incurred prior to the initial public offering and listing for employees. In the event that they incur any liability for compensation, fines, or losses, the Company is willing to unconditionally bear all expenses and losses incurred by the issuer and its subsidiary.

- (II) Explanation on legal compliance
The Company has not committed any criminal offenses of corruption, bribery, embezzlement of properties, misappropriation of properties or disruption of the socialist market economic order since its establishment. There have been no fraudulent issuance, material information disclosure violations or other material illegal acts in the areas of national security, public security, ecological security, production security or public health security, no administrative penalties related to the regulations involving the Company's operations, no material litigation or arbitration still pending, no suspected crimes being investigated by judicial authorities or suspected illegal violations being investigated by the CSRC.
- (III) Letter of undertaking on matters related to temporary buildings
If the issuer and its subsidiary need to bear any fines or compensation arising from disputes for the temporary buildings that existed before this issuance and listing, the Company will unconditionally and fully compensate the issuer and its subsidiary all expenses and all losses incurred as a result.
- (IV) Letter of undertaking on matters related to lease of land or real estates
During the validity period of the lease contract, if the issuer and its subsidiary cannot use the leased land or real estate due to non-subjective reasons of the issuer and its subsidiary, and this occurs before the issuer's listing, the Company is willing to unconditionally bear all expenses or losses incurred by the issuer and its subsidiary. Furthermore, should any government penalties be imposed due to the failure to complete lease registration and filing procedures for the leased properties (occurring prior to the issuer's listing), the Company shall unconditionally and fully bear the expenses or losses incurred.
- (V) Letter of undertaking on matters related to historical equity changes and distribution of dividends
If the issuer and its holding subsidiaries are required to bear any penalties, make any retroactive payments or disputes that have arisen due to the requirements of competent government or judicial authority, defects in the establishment of the Company, capital contributions, changes in shareholdings or distribution of dividends, or any underpayment/omission of taxes or other expenses. The Company will compensate the issuer and its holding subsidiaries in full for all expenses and losses incurred.
- (VI) Specific undertaking on investment in kind
If the issuer is determined to have insufficient capital contribution due to the Company's shareholder's capital contribution in December 1994 and the investment in kind involved in the capital increase in January 1996, resulting in the issuer needing to bear any expenses, compensation or losses, the Company promises to fulfill the obligation of unconditionally compensating the issuer the equal amount.
- (VII) Statement and undertaking on matters related to historical mergers
The issuer was a wholly-owned subsidiary of the Company when it was merged in 2008 and 2010.
The personnel involved have been resettled in accordance with the merger agreement, and the businesses and assets have been effectively transferred to the issuer, and the creditor's rights and debts have also been borne by the issuer of the surviving company, without any controversies or disputes. The merger is implemented in accordance with the applicable laws and regulations at the time. Should any defects exist, the Company promises to compensate the issuer for all expenses and losses incurred.
- (VIII) Statement and undertaking on avoiding competition within the same industry
Please refer to I. above.

- (IX) Undertaking on book closure and intention to reduce holdings
From the date of issuance of the letter of undertaking until the issuer's stock has been listed for 36 months, the shares prior to the initial public offering shall not be transferred or entrusted to others for management, nor shall there be a proposal for the issuer to repurchase the shares. If the stock's closing price is below the issue price for 20 consecutive trading days within 6 months after listing, or if the closing price at the end of the period is below the issue price, the book closure period shall be automatically extended by 6 months. Within 24 months after the restricted stock trade period for shares expired prior to the initial public offering, the reduction in shareholding shall not exceed 100% of the total shares held, and the price shall not be lower than the issue price. If the issuer's net profit in the year of listing and the following 2 years declines by more than 50% compared to the year prior to listing, the book closure period shall each be extended by 12 months; in cases of suspected violations, administrative penalties, public reprimands by the Stock Exchange, or potential major violations leading to delisting, the Company shall not reduce its holdings; the issuer shall not reduce its shares through call auction or block trading if dividends have not been realized or if the stock price is below net assets or the issue price. Prior to any reduction in holdings, a plan must be disclosed and reported in a timely manner. Any reduction in holding must comply with relevant regulations. In the event of non-compliance with these undertakings, any proceeds derived therefrom shall belong to the issuer.
- (X) Plan and undertaking to stabilize the stock price within three years after listing
When the issuer's stock closing price is below the net assets per share for 20 consecutive trading days and simultaneously meets the regulatory requirements for actions such as increasing holdings or repurchasing the issuer's shares, the issuer shall, within 10 trading days, negotiate a specific plan to stabilize the issuer's stock price with the controlling shareholders, indirect controlling shareholders, directors, and senior management based on the then-effective laws and regulations, this letter of undertaking, as well as the issuer's actual situation and stock market conditions, and fulfill the corresponding approval procedures and information disclosure obligations. After the implementation of measures to stabilize the stock price, the distribution of the issuer's stake should meet the listing requirements. When the conditions for activation are met, the issuer will promptly take partial or full measures to stabilize the stock price based on negotiations with all parties involved. These measures may include the issuer repurchasing shares, as well as increasing stock holdings by the controlling shareholder, indirect controlling shareholder, directors, and senior management.
- (XI) Undertaking on share repurchase of fraudulent issuance and listing
The Company guarantees that the issuer will not have any fraudulent issuance in this offering and listing. If the issuer has obtained the registration of issuance through deceptive means and has already issued and listed the shares, the Company shall, within 5 trading days after the China Securities Regulatory Commission identifies the violation, initiate the repurchase of all new shares issued in the initial public offering according to the regulations. The repurchase price shall not be lower than the issue price. Simultaneously, the Company or its entrusted legal entity shall repurchase all shares originally restricted for trading in accordance with the regulations, at a price no lower than the issue price.
- (XII) Measures and undertaking on filling diluted immediate returns
The Company does not overstep its authority to interfere with the operational management activities of the issuer, nor does it encroach upon the interests of the issuer. It will take necessary, legal, and reasonable measures to ensure the effective implementation of the issuer's measures for diluting immediate returns in accordance with the regulations of the China Securities Regulatory Commission and the Stock Exchange. Should this undertaking contain any falsehood, misleading statements, or omissions, the Company shall provide

compensation to the issuer or its shareholders. In the event of a breach of this undertakings, the Company agrees to accept relevant penalties or management measures imposed by the regulatory authorities.

- (XIII) Undertaking on disclosure of information in the prospectus and the liable for compensation in accordance with the law

The Company guarantees that the prospectus for this issuance and listing by the issuer does not contain any false records, misleading statements, or material omissions that would cause investors to suffer losses. The Company will compensate investors for their direct economic losses.

- (XIV) Undertaking on the binding measures for failure to comply with public undertakings

If the Company fails to fulfill its public undertakings due to reasons other than force majeure, it voluntarily bears corresponding legal responsibilities. The Company will publicly explain the reasons and apologize; agrees to use the cash dividends it is entitled to for fulfilling undertakings or for compensation, and will not transfer shares of the issuer during the period of non-performance of the undertakings. The Company will propose supplementary or alternative undertakings if necessary, if any profits are obtained due to the breach of undertakings, such profits shall belong to the issuer, and it will compensate investors for their losses, while undertakings that remain capable of being performed shall continue to be executed.

If the Company fails to fulfill its public undertakings due to force majeure, it will promptly disclose the reasons and propose supplementary or alternative undertakings to protect investors' interests.

- (XV) Undertaking on regulating and reducing related party transactions

The Company will respect the issuer's status as an independent legal entity, ensuring its independent operation and autonomous decision-making, safeguarding the independence of its business, assets, personnel, and finances, and strictly controlling related party transactions. For unavoidable related party transactions, the decision-making process and information disclosure obligations will be carried out in accordance with laws and regulations as well as the Articles of Incorporation, adhering to the principles of openness, fairness, and impartiality. The Company will not request or accept more favorable conditions from the issuer than those offered to any third party in a fair market transaction, will not occupy or misappropriate the issuer's funds, and will not request illegal guarantees. The above undertakings can be independently enforced, and the Company shall bear all losses in the event of any breach.

- (XVI) Undertaking on avoiding fund appropriation and non-compliant guarantees

During the period in which the Company serves as the controlling shareholder of the issuer, it does not occupy the issuer's funds or assets, nor does it request the issuer to provide any illegal guarantees. When engaging in financial transactions with the issuer, it will strictly adhere to the approval procedures in accordance with laws, regulations, and the Articles of Incorporation. It will not abuse its controlling position to harm the issuer or the interests of other shareholders, nor will it exceed its authority to interfere with the operations and management. In the event of a violation, the Company is willing to bear legal responsibility and compensate for any losses.

III. The contents of all undertakings issued by the subsidiary in relation to the listing case are extracted as follows:

(I) Undertaking on book closure and intention to reduce holdings

From the date of issuance of this letter of undertaking until the issuer's stock has been listed for 36 months, the shares of the issuer's publicly issued stock held by the subsidiary shall not be transferred or entrusted to others for management, nor shall they be repurchased by the issuer. Within six months after listing, if the closing price of the issuer's stock is lower than the issue price for 20 consecutive trading days, or the closing price at the end of the period is lower than the issue price, the book closure period of the issuer's shares held by the subsidiary will be automatically extended for six months.

If the issuer's net profit declines by more than 50% in the year of listing compared to the year prior to listing, and in the second year compared to the year prior to listing, and in the third year compared to the year prior to listing, the book closure period for the shares held by the subsidiary will be extended by 12 months, 6 months, and 6 months, respectively. After the book closure period expires, the reduction in holdings within two years must not be below the issue price, and any changes in shares due to equity distribution must still comply with the undertakings. In the event of a violation, the earnings will belong to the issuer, and losses will be compensated.

(II) Undertaking on the binding measures for failure to comply with public undertakings

Please refer to II.(XIV) above

IV. The contents of all undertakings issued by the issuer in relation to the listing case are extracted as follows:

(I) Plan and undertaking to stabilize the stock price within three years after listing

Please refer to II.(X) above.

(II) Undertaking on share repurchase of fraudulent issuance and listing

Issuer guarantees that there is no fraudulent issuance in this offering and listing. If the issuer has obtained the registration of issuance through deceptive means and is found to have committed fraudulent issuance, it will repurchase the stocks that were purchased and still held from the date of this issuance until the date of disclosure of the fraudulent issuance or the correction date, excluding stocks purchased by responsible parties and those acquired after becoming aware of the fraud. The repurchase price is determined based on the base price. If the purchase price exceeds the base price, the repurchase price will be the purchase price. If the price undertook is higher, the repurchase price will be the price undertook, and the procedures for the repurchase plan formulated will be performed.

(III) Measures and undertaking on filling diluted immediate returns

The issuer has established the "Regulations Governing the Raising, and Management of Funds" to regulate the use of raised funds and improve their efficiency. The funds raised in this issuance will be deposited in a designated special account and a third party supervision system will be established to ensure strict management and expedite the establishment of fundraising and investment projects. At the same time, the raised funds will be used to develop core business operations, expand market scale, explore new sectors, develop new technologies and products, and enhance overall competitiveness and continuous profitability. The issuer will improve the corporate governance structure to ensure that shareholders can exercise their rights. The "Articles of Incorporation" will clearly define the profit distribution and cash dividend policies, and the profit distribution policy will be implemented scientifically to create long-term value. In the event of any violations, an announcement will be made, and an apology will be made to investors along with supplementary or alternative undertakings, which will be implemented after approval by the shareholders' meeting.

- (IV) Undertaking on disclosure of information in the prospectus and the liable for compensation in accordance with the law
The issuer's prospectus and related documents do not contain false records, misleading statements, or material omissions. If investors suffer losses as a result, compensation procedures will be initiated within five trading days from the date of final determination. In the event of a violation, the reasons will be announced, and the remuneration and allowances for directors and senior management will be suspended, along with the cessation of capital operations until the undertakings are performed.
- (V) Undertaking on the binding measures for failure to comply with public undertakings
If the issuer fails to perform its public undertakings due to reasons other than force majeure, it will bear legal responsibilities, provide an explanation, and apologize. The remuneration or allowances of responsible directors and senior management personnel will be reduced or suspended, and applications for voluntary resignation will not be approved. If the failure is due to force majeure, new undertakings must be made. This letter of undertaking shall take effect from the date of signing and is irrevocable. In the event of any violation, the issuer shall bear legal responsibilities in accordance with the law.
- (VI) Undertaking on the distribution of cash dividends during the review period and within three years following the listing.
The issuer undertakes to implementing a continuous and stable profit distribution policy in accordance with regulations and the Articles of Incorporation during the review period of the issuance and listing and for three years following the listing. The issuer will strive to increase the dividend payout ratio. If this undertaking is not fulfilled, the issuer will publicly explain the reasons and apologize, and will compensate for any losses incurred by investors in accordance with the law.
- (VII) Undertaking on disclosing information related to shareholders
The issuer has truthfully, accurately, and completely disclosed shareholder information. Shareholders hold their shares legally at all levels is clear. There are no instances of nominee holding, entrusted shareholding, pledging, freezing, or disputes. The intermediaries and its personnel do not hold shares. Shareholders do not engage in improper benefit transfers, and the ultimate holders do not include personnel from the China Securities Regulatory Commission. In the event of any violation, the issuer shall bear all legal consequences.

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 8	<p>The shares of the Company shall be in registered form, signed by or affixed with the seals of the directors <u>representing the Company</u>, and shall be issued after being <u>attested by a bank competent to serve as attestors for issuance of shares in accordance with the law.</u></p> <p>The <u>shares</u> issued by the Company may be exempted from printing stocks, <u>however</u> the shares issued should be registered <u>with the securities centralized depository institutions and matters should be handled according to the regulations of that institution.</u></p>	<p>The Company's shares are registered, and shall be signed or stamped by <u>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</u> competent authority according to the Law.</p> <p>When the Company issues <u>new shares</u>, it is exempted from printing stocks, <u>but</u> it should be registered with the securities centralized depository institutions. <u>The same procedures shall be followed for other securities.</u></p>	<p>In accordance with Article 162 of the Company Act, adjustments to the wording are made in order to comply with current laws and to meet the operational needs of the company.</p>
Article 32	<p>The 1st amendment was made on September 15, 1983.</p> <p>The 26th amendment was made on June 6, 2025. <u>The 27th amendment was made on June 12, 2026.</u></p>	<p>The 1st amendment was made on September 15, 1983.</p> <p>The 26th amendment was made on June 6, 2025.</p>	<p>The amendment dates and number of times have been added.</p>

Attachment 7

Sinmag Equipment Corporation

Comparison Table for the Rules of Procedure for Shareholders' Meetings Before and After
Revision

Article No.	Articles after the amendments	Articles before the amendments	Amendment Note
Article 3	<p>Convention of Shareholders' Meeting and meeting notice (I)~(III): Omitted.</p> <p>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, <u>shareholders' meeting agenda handbook and supplemental meeting materials</u> 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). <u>The Company shall prepare the shareholders' meeting agenda handbook and supplementary information 15 days before the shareholders' meeting 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.</u></p>	<p>Convention of Shareholders' Meeting and meeting notice (I)~(III): Omitted.</p> <p>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). This Corporation 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</p>	<p>The amendments are made simultaneously in accordance with the revision of the articles of the competent authorities. The scope of disclosure regarding the meeting agenda and related information should be expanded to include all publicly listed OTC companies at least 30 days prior to the Annual Shareholders' Meeting.</p>

Article No.	Articles after the amendments	Articles before the amendments	Amendment Note
	(V)~(XII): Omitted.	request and displayed in the Company and the Company's professional shareholder services agency, and they shall be distributed at the meeting. (V)~(XII): Omitted.	
Article 13	<p>Voting, Monitoring and Counting Methods (I)~(VI): Omitted.</p> <p>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.</p> <p><u>In the event that the Shareholders' Meeting involves proposals for the election of directors where the number of candidates exceeds the number of seats to be elected, proposals for the removal of directors, or proposals specified under Articles 185 and 316 of the Company Act, Articles 18, 27, 29, and 35 of the Business Mergers and Acquisitions Act, Article 24, Paragraph 2, Subparagraph 1, and Article 26, Paragraph 2, Subparagraph 1 of the Financial Holding Company Act, it is advisable for the Chairman to designate a lawyer, CPA, or notary public to serve as the controller of ballot.</u></p> <p><u>The personnel as designated by the Chairman in the preceding paragraph, shall not be responsible for matters related to the voting procedure, nor shall they be a director, managerial officer, or employee of the company or its affiliates.</u></p> <p><u>The controller of ballot shall oversee the voting and ballot counting processes and shall sign the summary table of election results.</u></p> <p><u>According to the designated controller of ballot in Paragraph 8, the minutes of the shareholders'</u></p>	<p>Voting, Monitoring and Counting Methods (I)~(VI): Omitted.</p> <p>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.</p>	<p>The amendments are made simultaneously in accordance with the revision of the articles of the competent authorities. To strengthen the independence of vote monitoring for material proposals and in reference to international standards regarding controllers of ballot, the Chairman is advised to designate an independent lawyer, CPA, or notary public as the controller of ballot for the shareholders' meetings under specific circumstances. These include proposals for the election of directors where the number of</p>

Article No.	Articles after the amendments	Articles before the amendments	Amendment Note
	<p><u>meeting should include the names and titles of the controllers of ballot.</u></p> <p>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.</p> <p>Following provisions omitted.</p>	<p>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.</p> <p>Following provisions omitted.</p>	<p>candidates exceeds the seats to be elected, the dismissal of directors, or material asset disposals and mergers and acquisitions as stipulated under the Company Act, the Business Mergers and Acquisitions Act, and the Financial Holding Company Act.</p>
Article 24	<p>The shareholders' meeting agreed to implement these Rules on April 30, 2003.</p> <p>The 1st amendment was made on June 24, 2006.</p> <p>.....</p> <p>The 10th amendment was made on June 21, 2024.</p> <p><u>The 11th amendment was made on June 12, 2026.</u></p>	<p>The shareholders' meeting agreed to implement these Rules on April 30, 2003.</p> <p>The 1st amendment was made on June 24, 2006.</p> <p>.....</p> <p>The 10th amendment was made on June 21, 2024.</p>	<p>Add amendment dates and number of times.</p>

Appendices

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 suspend 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 Shareholding of Directors

- I. The Company's paid-in capital is NT\$493,392,420 and the total number of issued shares is 49,339,242 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 3,947,140 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 2026 Annual Shareholders' Meeting (April 14, 2026), 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	Shun-Ho Hsieh	2,211,267	4.48%
Director	Yao-Tsung Wu	1,788,616	3.63%
Director	Ming-Ching Hsieh	2,112,980	4.28%
Director	Shu-Chuan Hsiao	127,813	0.26%
Director	Min-Chih Chen	137,000	0.28%
Independent Director	San-Chien Tu	0	0.00%
Independent Director	Huei-Wang Huang	0	0.00%
Independent Director	Hung-Yu Li	0	0.00%
Independent Director	Chien-Ting Lin	0	0.00%
Number of Shares Held by all Directors and Shareholding ratio		6,377,676	12.93%

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 4

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 2026, 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.