Stock Code: 1513

Chung-Hsin Electric & Machinery Mfg. Corp.

2026 Annual Shareholders' Meeting

(Physical Meeting)

Agenda Handbook

May 25, 2026

CHEM's Linkou Plant Auditorium
at No. 25, Wende Rd., Guishan Dist., Taoyuan City

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I. Meeting Agenda

Topic: 2026 Annual Shareholders' Meeting of Chung-Hsin Electric & Machinery Mfg. Corp. ("CHEM" or the "Company")

Time: May 25, 2026, Monday 9 AM

Location: Auditorium of CHEM's Linkou Plant

Address: No. 25, Wende Rd., Guishan Dist., Taoyuan City, Taiwan

Meeting Procedures:

1. Calling the Meeting to Order
2. Chairperson Taking Seat
3. Chairperson's Remarks
4. Report Items
   a. Change in accounting policy for the parking management business' right-of-use assets that were originally recognized as leases by reclassifying them as concession rights
   b. Fiscal year 2025 business report
   c. Audit Committee's review report of fiscal year 2025 financial statements
   d. Report on endorsements and guarantees for fiscal year 2025
   e. Report on indirect investments in China
   f. Report on employee compensation and director remuneration for fiscal year 2025
   g. Report on contract signed with San Feng Construction Co., Ltd. for Yuanbei Office renovation regarding a substation & power transmission and distribution project
5. Ratification Items
   a. The Company's financial statements for fiscal year 2025
   b. The Company's profit distribution for fiscal year 2025
6. Discussion Items
   a. Amendments to the Articles of Incorporation
7. Election Items
   a. Election of the 25th Board of Directors
8. Other Proposals
   a. Lifting of non-compete restrictions on board directors
9. Ad-Hoc Motions
10. Adjournment

II. Report Items

Item 1 (Submitted by the Board of Directors)

Subject: Change in accounting policy for the parking management business' right-of-use assets that were originally recognized as leases by reclassifying them as concession rights

Description:

a. Handled in accordance with Article 6 of the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Interpretations Committee Interpretation 12 "Recognition of Concessions" ("IFRIC 12") and International Accounting Standard 8 "Accounting Policies, Changes in Accounting Estimates, and Errors" ("IAS 8").
b. The parking management business' right-of-use assets were originally recognized according to International Financial Reporting Standard 16 "Leases" ("IFRS 16"). However, in view of Baosen International Co., Ltd.'s IPO plan, and based on peer practices, some government contracts originally handled under IFRS 16 are now recognized in accordance with IFRIC 12. The accounting policy change has been approved by the Audit Committee and the Board of Directors and, according to the law, has to be reported at the shareholders' meeting.
c. A CPA's review opinion is attached (see Attachment 1, page 7 of this handbook)

Item 2 (Submitted by the Board of Directors)

Subject: Fiscal year 2025 business report

Description: See Attachment 2 (page 12 of this handbook) for the fiscal year 2025 business report.

Item 3 (Submitted by the Board of Directors)

Subject: The Audit Committee's review report of the fiscal year 2025 financial statements

Description: The Company's fiscal year 2025 financial statements have been audited and certified by accountants Chun-Chih Lin and Ya-Chuan Chang from Crowe (TW) CPAs, and reviewed by the Audit Committee. In accordance with the regulations of the Company Act, a written audit report is provided, including the accountants' audit report and the Audit Committee's review report (see Attachments 3 and 4, pages 17 and 18-38 of this handbook).

Item 4 (Submitted by the Board of Directors)

Subject: Report on endorsements and guarantees for fiscal year 2025

Description:

a. Handled in accordance with the Company's Endorsement and Guarantee Procedures.
b. As of December 31, 2025, the total endorsements and guarantees provided by the Company amounted to NT$9,794,797,000. The guaranteed parties are business partners or investee companies, and the nature of the guarantees pertains to bank financing revolving credit facilities. Details are as follows:

Chung-Hsin Electric & Machinery Mfg. Corp. Endorsement and Guarantee Reference List December 2025	
Endorsed or Guaranteed Party	Amount (NT$)
Cheng-Hsin Engineering & Services Co., Ltd.	700,000,000
San Feng Construction Co., Ltd.	700,000,000
Baosen International Co., Ltd.	600,082,000
Wha Dun Building Management Service Co., Ltd.	10,000,000
Tian Chong Energy Co., Ltd.	4,395,200,000
Tian Peng Energy Co., Ltd.	3,059,515,000
Tian Cin Energy Co., Ltd.	330,000,000
Total	9,794,797,000

Item 5 (Submitted by the Board of Directors)

Subject: Report on indirect investments in China

Description: As of February 2026, the Company has obtained approval from the Investment Review Commission of the Ministry of Economic Affairs for indirect investments in China, amounting to US$102,221,195.75, with the cumulative amount of funds invested from Taiwan to China being US$96,241,576.67.

Item 6 (Submitted by the Board of Directors)

Subject: Report on employee compensation and director remuneration for fiscal year 2025

Description:

a. Handled in accordance with Article 33 of the Company's Articles of Incorporation, which reads in part: "If the Company has any earnings for the year, it shall allocate at least 1% as employee compensation …. However, any accumulated losses shall be deducted first and the remaining amount shall be calculated for allocation. Of the employee compensation mentioned above, no less than 50% shall be allocated as rank-and-file employees' compensation."
b. Based on the accountants' financial statement audit, the pre-tax net profit after deducting employee compensation and director remuneration is NT$4,949,367,997. The employee compensation and director remuneration for fiscal year 2025, as approved at the 13th meeting of the 5th Compensation Committee on March 10, 2026, are as follows:
   1. Employee Compensation (1%) (Cash): NT$49,493,680 (including rank-and-file compensation)
   2. Director Remuneration (2%): NT$98,987,360

Item 7 (Submitted by the Board of Directors)

Subject: Contract signed with San Feng Construction Co., Ltd. for Yuanbei office renovation regarding a substation & power transmission and distribution project

Description:

a. Due to urgent demands of a land substation project timeline, the Company has engaged San Feng Construction Co., Ltd. to handle the renovation of Yuanbei office for that project at the price of

NT$8.7 million.

b. San Feng Construction Co., Ltd. is a wholly-owned subsidiary of the CHEM Group. Since its establishment, it has focused on developing residential, commercial, and industrial office buildings, as well as planning and executing large-scale projects such as complete factory constructions. It was honored with an Excellence Award in the Public Construction Golden Quality Awards, presented by the Public Construction Commission of the Executive Yuan. After comparing San Feng Construction Co., Ltd. with other companies and in view of the business urgency, the Company has decided to sign a contract with it for the said renovation work.

III. Ratification Items

Item 1 (Submitted by the Board of Directors)

Subject: Ratification of the fiscal year 2025 financial statements

Description: The fiscal year 2025 business report and financial statements (including consolidated statements) have been approved by the Board of Directors and reviewed by the Audit Committee (see pages 12-38 of this handbook).

Resolution:

Item 2 (Submitted by the Board of Directors)

Subject: Ratification of the fiscal year 2025 profit distribution proposal

Description:

a. The profit distribution proposal for fiscal year 2025 has been reviewed and approved by the Audit Committee.

b. The profit distribution is as follows:

Chung-Hsin Electric & Machinery Mfg. Corp.
Profit Distribution Table
Fiscal Year 2025

Item	Amount (NT$)
Beginning Balance of Undistributed Earnings (A)	2,283,440,546
This Year's (2025) Net Profit after Tax (B)	3,988,219,711
Less: Changes in Ownership and Equity of Subsidiaries (C)	(6,758,826)
Add: Retained Earnings Adjustment – Actuarial Gain Recognized for Current Period (D)	60,013,000
Add: Retained Earnings Adjustment – Others (E)	26,055
Amount of After-tax Net Profit for This Year Plus Other Items Not Included in this Year's Net Profit - Included in Current Year's Undistributed Earnings (F=B-C+D+E)	4,041,499,940
Less: 10% Allocation to Statutory Reserve (G=F*10%)	(404,149,994)
Earnings Available for Distribution (H=A+F-G)	5,920,790,492
Distribution Items:	
Dividends for Ordinary Shareholders (NT$6/share) (I)	(3,018,675,090)
Ending Undistributed Earnings (J=H-I)	2,902,115,402

Chairperson: Chiang, Fu-Nien President: Kuo, Hui-Chuan Accounting Director: Wu, Shu-Chen

c. Shareholder dividends will be distributed as cash dividends, with the distribution amount rounded down to the nearest New Taiwan dollar. Any fractional amounts less than one New Taiwan dollar will be aggregated and transferred back to undistributed earnings. The Board of Directors is authorized to set the dividend distribution record date.
d. Following the Board's resolution on the profit distribution proposal, in the event of share buybacks, transfers, conversions, or cancellations pursuant to Article 28-2 of the Securities and Exchange Act, which may affect the number of outstanding shares as of the dividend distribution record date, the Board of Directors is authorized to adjust the shareholder dividend rate based on the total approved cash dividend for the profit distribution proposal, according to the actual number of outstanding shares on the dividend distribution record date.

Resolution:

IV. Discussion Items

Item 1 (Submitted by the Board of Directors)

Subject: Amendments to Articles of Incorporation

Description:
a. It is proposed that Article 9 be amended in accordance with Article 162 of the Company Act.
b. It is proposed that Article 33-2 be amended to meet business needs.
c. It is proposed that Article 37 be amended to include the date of the 66th amendment.
d. A comparison table of amendments is provided in Attachment 5 (see page 39 of this handbook).

Resolution:

V. Election Items

Item 1 (Submitted by the Board of Directors)

Subject: Election of the 25th Board of Directors

Description:
a. The Company's 24th Board of Directors' term of office will end on May 23, 2026. According to the law, the election of new board members should be held at the 2026 Annual Shareholders' Meeting.
b. According to Article 20 of the Company's Articles of Incorporation, nine directors (including three independent directors) should be elected.
c. Newly elected directors should take office immediately upon election for a term of three years from May 25, 2026 to May 24, 2029. The original directors' term of office will end upon the election of new directors at the 2026 Annual Shareholders' Meeting.
d. According to Article 17 of the Company's Articles of Incorporation, the election of directors members adopts a nomination system, with shareholders electing directors (including independent directors) from a list of director candidates. A list of candidates (including candidates for independent directors) was approved by the Board of Directors on March 10, 2026. Details of the candidates are provided in Attachment 6 (see page 40 of this handbook).

Election Results:

VI. Other Proposals

Item 1 (Submitted by the Board of Directors)

Subject: Lifting of non-compete restrictions on board members

Description:

a. Paragraph 1, Article 209 of the Company Act reads: "A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval."

b. The Company's newly elected directors and the representatives of juristic-person directors may be engaging in businesses that are identical or similar to those of the Company due to positions held in other companies. Thus, consent is hereby sought to lift the non-compete restrictions on board members.

c. A table showing the positions concurrently held by board members in other companies is given in Attachment 7 (see page 43 of this handbook).

Resolution:

VII. Ad Hoc Motions

VIII. Attachments

Attachment 1

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CPA's Review Opinion

Chung-Hsin Electric & Machinery Mfg. Corp. (hereinafter "CHEM") and Baosen International Co., Ltd. (hereinafter "Baosen") have leased certain government parking lots—which were originally recognized as right-of-use assets and lease liabilities under International Financial Reporting Standards 16 "Leases" (hereinafter "IFRS 16")—and plan to follow the accounting principles of International Financial Reporting Interpretations Committee Interpretation 12 "Service Concession Arrangements" (hereinafter "IFRIC 12") starting from January 1, 2025 and use retrospective application under International Accounting Standard 8 (hereinafter "IAS 8").

The purpose of the change in accounting policy is to improve consistency and comparability of information. Regarding the items and the actual number of items affected by the retrospective application of the change in accounting policy, and the reasonableness and necessity of changing the accounting policy starting from the beginning of the financial year, after my review of the regulations in Article 6 of the Regulations Governing the Preparation of Financial Reports by Securities Issuers, I would like to explain as follows:

1. Case background and nature of contracts

In accordance with the government's public tender procedures, CHEM and Baosen have been leasing certain government-owned parking lots for operating parking lot business. Major contract terms include:

- Pay rentals to government agencies according to the contracts
- Collect payments from users directly and issue invoices to them
- Be directly responsible for operation equipment at the sites and their repair and maintenance
- Return the parking lots in accordance with the contracts upon their expiration, except that the operation equipment will be returned to the company

Under the above arrangements, while the CHEM Group is taking operational risks, it is benefiting from operational results. The government agencies neither have guaranteed a minimum revenue nor have participated in the decision-making of day-to-day operations. The economic nature of those contracts is to run a parking business after leasing those parking lots.

In view of Baosen's recent plan to file for IPO, the new CPA, based on peer practices, has a different viewpoint on the classification of some contract terms for parking lots, indicating that they may fall within the scope of IFRIC 12. The following explanation is provided to clarify the application of the relevant principles for judgment and subsequent consistent handling.

2. Judgment of the applicability conditions of IFRIC 12

According to to the requirements in paragraph 5 of IFRIC 12, service concession arrangements must include the following:

1. the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; and
2. the grantor controls any significant residual interest in the infrastructure at the end of the term of the arrangement.

In addition, paragraph 11 states that if the infrastructure falls within the scope of IFRIC 12, it must not be recognized as property, plant and equipment of the operator.

Upon evaluation of the contract terms and the principles in IFRIC 12, I consider that not all public-private partnership agreements necessarily fall within the scope of IFRIC 12 and they should be judged individually based on the economic nature of the agreements.

3. Judgement basis of current accounting principles

(1) Construction or renovation
IFRIC 12 mainly regulates the recognition of the consideration received or receivable for the construction or upgrade services provided (paragraphs 14-17).

The fixed assets and deferred fees in the CHEM Group's accounts are mainly renovation and upgrade expenses required for operation. They are by nature investments out of performance of its lease-and-operate obligation and do not involve any government-guaranteed consideration or concession revenue. The relevant amounts in the past years accounted for less than 1% of the total amount of the consolidated financial reports, and thus, based on the principle of materiality, were not classified as concession rights assets.

(2) Rents during the operation period (concerning right-of-use assets)
According to AG8 in an appendix to IFRIC 12, if an agreement, in substance, constitutes a lease from the grantor to the operator, IFRS 16 should be followed.

After leasing the parking lots, the CHEM Group:

- collects payments from users directly
- takes on operational risks directly
- has no minimum revenue guaranteed from the government.

Although some of the parking lots are subject to stricter public safety and return requirements, those requirements are common practices in the government-owned asset management system and do not change the lease nature of the relevant contracts.

Therefore, upon my evaluation, it is found that recognizing the rents paid during the operation period as right-of-use assets and lease liabilities under IFRS 16 is a reasonable professional judgement within the permitted scope of relevant principles.

4. Reason for change in accounting policy

The new CPA, based on peer practices, considers that government parking lots may, based on the purpose of service agreements, be deemed as existing infrastructure entrusted to the operator for its use. Because users do not have control over the use of those assets, which thus do not fall within the scope of IFRS 16, that CPA has suggested classifying the rents paid during the operation period as concession rights assets.

Upon a comprehensive assessment, I opine as follows:

1. IFRIC 12 does not exclude the co-existence of leases in public-private partnership agreements (see AG8 and information note 2 of Part B).
2. The applicability of accounting principles must still be determined based on the economic substance of public-private partnership agreements.
3. IFRIC 12 mainly regulates the recognition of consideration received for construction/renovation.
4. Distinction should be made between lease rights and concession rights.

Based on the above, this case concerns a difference "in judgement of applicability of principles" and is not a situation of current accounting treatment violating relevant principles or correction of errors.

5. Nature and handling of accounting policy change

In view of Baosen's plan to file for IPO, and in order to ensure consistency in accounting policies within the CHEM Group and improve the comparability and stability of financial reports, I have reviewed relevant contract terms and the applicability conditions of IFRIC 12 and opine that the contractual arrangements for some parking lots may follow IFRIC 12.

This accounting policy change is based on a different judgement in applicability of principles and consistency of financial reports, and is not based on errors in existing accounting treatment or violation of principles.

The CHEM Group will, in accordance with the requirements in IAS 8, handle this using retrospective application.

6. Actual effect of retrospective application

This accounting policy change has been handled using retrospective application under IAS 8, and the financial report for fiscal year 2024 has been restated as if it was prepared based on the accounting principles of IFRIC 12 from the beginning.

(1) Effect on parent company only financial report for fiscal year 2024

Unit: NT$1,000

Fiscal Year	Change in Amount	Total Assets of Parent Company	Percentage out of Parent Company's Total Assets
2024	228,024	39,248,824	0.58%

Although the change in amount for fiscal year 2024 exceeds the NT$15 million threshold, it accounts for only 0.58% of the total assets in the original financial report for that year and thus does not meet the relevant threshold in Paragraph 1, Article 6 of the Enforcement Rules of the Securities and Exchange Act, which is 1.5% of the total assets in the original financial report.

(2) Effect on consolidated financial report for fiscal year 2024

Unit: NT$1,000

Fiscal Year	Change in Amount	Total Consolidated Assets	Percentage out of Total Consolidated Assets
2024	1,150,611	49,267,832	2.34%

Although the change in amount for fiscal year 2024 exceeds the NT$30 million threshold, it accounts for only 2.34% of the total assets in the original financial report and thus does not meet the relevant threshold in Paragraph 1, Article 6 of the Enforcement Rules of the Securities and Exchange Act, which is 3% of the total assets in the original financial report.

(3) Effect on financial structure and key financial indicators

Changes in CHEM's financial reports for fiscal year 2024 as a result of the accounting policy change are as follows:

Parent company only financial report

Unit: NT$1,000

Accounting Item	Before Restatement	Change in Amount	After Restatement
Assets:			
Property, plant and equipment	4,969,195	(16,941)	4,962,254
Right-of-use assets	1,683,230	(172,370)	1,510,860
Intangible assets	17,184	228,024	245,208
Other non-current assets	646,749	(38,713)	608,036
	7,316,358	0	7,316,358

Parent company only financial report

Unit: NT$1,000

Accounting Item	Before Restatement	Change in Amount	After Restatement
Liabilities:			
Financial liabilities measured at amortized cost – current	-	120,990	120,990
Lease liabilities – current	874,827	(120,990)	753,837
Financial liabilities measured at amortized cost – non-current	-	53,043	53,043
Lease liabilities – non-current	760,133	(53,043)	707,090
	1,634,960	-	1,634,960

Consolidated financial report

Unit: NT$1,000

Accounting Item	Before Restatement	Change in Amount	After Restatement
Assets:			
Property, plant and equipment	13,918,489	(25,103)	13,893,386
Right-of-use assets	4,381,952	(1,029,130)	3,352,822
Intangible assets	318,660	1,150,611	1,469,271
Other non-current assets	1,218,871	(96,378)	1,122,493
	19,837,972	0	19,837,972
Liabilities:			
Financial liabilities measured at amortized cost – current	-	489,306	489,306
Lease liabilities – current	1,815,537	(489,306)	1,326,231
Financial liabilities measured at amortized cost – non-current	-	515,423	515,423
Lease liabilities – non-current	2,305,441	(515,423)	1,790,018
	4,120,978	0	4,120,978

CHEM has handled this using retrospective application in accordance with IAS 8 and has restated the financial reports for the comparative period as if the accounting principles of IFRC 12 had been applied from the beginning. The restatement mainly affects the recognition basis and presentation methods of asset-related items. It neither changes the amounts of revenue, profit and loss, cash flow, total liabilities, total equity and earnings per share, nor has a material impact on key financial ratios.

Based on the above, although this case exceeds the value thresholds in the Enforcements Rules of the Securities and Exchange Act, it does not meet the percentage thresholds. Thus, according to the law, there is no need to publicly disclose or reprepare financial reports in accordance with the regulations in Article 6 of the said Enforcements Rules.

7. CPA's review opinion

I have, in accordance with the regulations in Article 6 of the Regulations Governing the Preparation of Financial Reports by Securities Issuers, reviewed the reasonableness, necessity and method of retrospective application of the accounting policy change voluntarily made by CHEM and Baosen in this case.

Upon review of relevant contract terms, analysis of the applicability of principles and restated and recalculated data, I opine that:

1. The accounting policy change at issue takes into consideration a different judgement on applicability of principles and consistency in accounting policies within the CHEM Group, and is reasonable and necessary.
2. The retrospective application and restatement of the financial reports for the comparative period are in compliance with the requirements in IAS 8.
3. No material unreasonableness or irregularity has been identified with regard to the calculation process for the comparative period's financial reports and the changes in amounts.
4. An assessment based on the principle of materiality shows that the accounting policy change at issue has not affected the overall fair presentation of the financial reports.

Crowe (TW) CPAs
CPA: Chun-Chih Lin
March 2, 2026
(seal)

Attachment 2

Fiscal Year 2025 Business Report

I. Business Report for fiscal year 2025

(1) Business Overview

1. Consolidated operating revenue for fiscal year 2025 was NT$27.44902 billion, representing a 7.18% increase compared to the NT$25.60946 billion recorded in fiscal year 2024.
   The Company's operating revenue for fiscal year 2025 was NT$21.41333 billion, representing a 5.61% increase compared to the NT$20.27568 billion recorded in fiscal year 2024.
2. Net profit from continuing operations for the current period was NT$3.99034 billion, an increase of 10.01% compared to NT$3.62715 billion in fiscal year 2024, of which net profit attributable to owners of the parent company was NT$3.98822 billion, representing a 10.09% increase from the 2024 net profit of NT$3.62278 billion; basic earnings per share were NT$8.07.

(2) Budget Execution

Consolidated operating revenue for fiscal year 2025 was NT$27.44902 billion, achieving 109.58% of the budgeted NT$25.04943 billion.

(3) Financial Analysis of Revenues, Expenses, and Profitability

1. As of the end of 2025, consolidated total assets were NT$47.69879 billion, and total liabilities were NT$26.81243 billion (including long-term borrowings of NT$2.37310 billion, short-term borrowings of NT$3.84905 billion, totaling NT$6.22215 billion), and total net worth of NT$20.88636 billion. After deducting minority interest, net worth per share, calculated based on the weighted average number of shares, was NT$41.85.

2. Analysis of the Company's Consolidated Operations for the Past Two Years

Year / Item	2025	2024
(1) Debt Ratio	56.21%	60.94%
(2) Current Ratio	110.14%	137.97%
(3) Gross Profit Margin	25.75%	26.24%
(4) Pre-tax Profit Margin	18.24%	17.42%
(5) Return on Equity	19.89%	20.61%
(6) Net Profit Margin	14.54%	14.16%

(4) Research and Development ("R&D") Status: Please refer to pages 51-52 of the Annual Report.

II. Overview of Business Strategy for 2026

In 2025, the US government announced the implementation of a reciprocal tariff policy, dealing another blow to a global economy already reeling from geopolitical conflicts. Fortunately, a strong investment boom in artificial intelligence (“AI”) has driven major economies to maintain moderate growth amid the volatile and unpredictable landscape. However, the recent sharp escalation of geopolitical risks in the Middle East and the continued deterioration of fiscal conditions in many economies have added further uncertainty to the global economy.

At a time when both global markets and the Taiwanese economy face multiple severe challenges, CHEM continues to demonstrate corporate resilience and adaptability, with green energy as its core development focus, charting a blueprint for long-term operational growth and profit enhancement. In 2025, through the joint efforts of CHEM and all its investee companies, the CHEM Group achieved consolidated total revenue of NT$27.45 billion, after-tax net profit of NT$3.99 billion, and earnings per share of NT$8.07—setting new historical records.

Honors and Recognition

1. CHEM has never wavered in its commitment to product and engineering quality and its dedication to promoting green energy and environmental protection. In 2025, CHEM was awarded an Honorable Mention in the Design and Construction Quality Excellence category (Facilities Division) at the 25th Public Construction Golden Quality Awards for its contract to undertake the Renovation and Replacement Project for Units 3 and 4 of the Lanyu and Green Island Power Plants for Taiwan Power Company. Furthermore, based on its outstanding track record in public works construction over the years (having won awards for five consecutive terms), the Company received a Special Contribution Award at the Public Construction Golden Quality Awards.
2. CHEM is committed to environmental, social and governance (“ESG”) initiatives, actively participates in public welfare activities, and has never ceased its efforts to promote sustainability. In addition to striving to achieve operational performance to reward shareholder support, the Company also balances its mission of environmental protection, its obligations of social responsibility, and the implementation of corporate governance, continuously moving toward the goal of sustainable operations. Thanks to its solid performance in sustainable management, the Company has once again been honored with a Bronze Award in the "Sustainability Report -Traditional Manufacturing - Category 1" at the 18th (2025) TCSA Taiwan Corporate Sustainability Awards.
3. CHEM has long been contracted by Chunghwa Telecom for air conditioning equipment, generators, and air conditioning engineering projects. Upholding the principles of integrity and comprehensive service, it has consistently been one of Chunghwa Telecom’s trusted suppliers. To fulfill its corporate sustainability vision and achieve net zero greenhouse gas emissions, Chunghwa Telecom commissioned the independent third-party organization SGS in 2025 to conduct a combined supplier and ESG audit. In the evaluation, CHEM achieved

outstanding results, with its long-standing ESG sustainability initiatives receiving widespread recognition. In 2025, the Company once again received the Chunghwa Telecom Sustainability Partner Gold Certification.

4. To strengthen corporate governance and implement effective intellectual property management, CHEM introduced the Taiwan Intellectual Property Management System ("TIPS") in 2024 and achieved a Grade A certification. CHEM continues to upgrade its overall intellectual property management system. In 2025, it once again passed the TIPS Grade A certification, with the certificate valid through the end of 2027. This initiative will effectively strengthen CHEM's intellectual property management system and establish high-standard protective measures, contributing to the enhancement of corporate governance and sustainable competitiveness.
5. Organized by 1111 Job Bank, the Happy Enterprise Awards entered their sixth year in 2025, with workers across Taiwan voting to select the happiest workplaces in various sectors. CHEM has never ceased its efforts to promote mutual prosperity between labor and management, continuously optimizing the workplace environment and enhancing employee benefits. Since 2023, the Company has been awarded the Happy Enterprise Gold Award certification for three consecutive years, and in 2025, it once again received the prestigious Happy Enterprise Gold Award.

(1) Key Management Priorities

Actively Aligning with Government Policy Planning & Seizing Business Opportunities in AI and Resilient Grid Initiatives

According to the 2024 National Electricity Supply and Demand Report published by the Ministry of Economic Affairs, which outlines Taiwan's electricity blueprint for the next decade, driven by the continued expansion of the AI, high-performance computing, and semiconductor industries, the average annual increase in system electricity demand over the next 10 years (2026-2035) will be more than double that of the past decade, and by 2030, the estimated increase in electricity demand is projected to exceed five million kilowatts. To meet future electricity demand, the government—while prioritizing the creation of a low-carbon and stable power supply environment—will not only accelerate the implementation of the Grid Resilience Enhancement Plan but also continue to promote various renewable energy sources and natural gas-fired power generation units. This is expected to drive steady growth opportunities for the domestic power equipment industry.

CHEM has been deeply rooted in the power equipment industry for many years, accumulating over 50 years of expertise in green energy power-related technologies and engineering capabilities. The Company has consistently invested in R&D to enhance its competitiveness. Moving forward, it will actively align with the government's policies on green energy transition and stable power supply, seizing business opportunities in green energy generation equipment and engineering. We hope not only to contribute to improving the domestic power supply environment and fulfill our corporate social responsibilities, but also to achieve new heights in the CHEM Group's revenue and profitability, thereby rewarding the long-term support of the CHEM Group's shareholders, customers, suppliers, and partners.

Pursuing Diversified Development, Strengthening the Group's Sustainable Operations

- High-Efficiency Energy-Saving Air Conditioning:
  CHEM's air conditioning factory was established in 1961. Since then, it has continuously transformed to align with international trends in environmental protection, energy conservation, and carbon reduction, focusing on products and engineering services for large-scale commercial air conditioning and specialized precision air conditioning for data centers. In recent years, the Company has developed magnetic-levitation variable-frequency centrifugal chiller machines, achieving energy savings of up to 30%. Its data center solutions have been adopted and recognized by numerous domestic telecommunications operators for many years. In recent years, driven by AI-related business opportunities, there has been a significant increase in the number of IDC data centers and AI R&D centers established in Taiwan by telecom operators and major international manufacturers, which has fueled business growth. CHEM will continue to invest in R&D resources to maintain the competitiveness of its products in the energy-efficient commercial and data center air conditioning sectors.
- Expanding Hydrogen Technology Applications:
  Since entering the fuel cell sector in 2008, CHEM has been deeply involved in the hydrogen energy industry for many years. With methanol-based hydrogen-generating technology as its core technology, the Company has developed two major product series for mobility vehicles and power generation. Recognizing the development potential of new energy commercial vehicles in the international market, in 2025, CHEM provided hydrogen power modules and integrated technical support. In collaboration with Huro Auto and Capital Bus, the Company unveiled Taiwan's first hydrogen fuel cell bus, establishing itself in the global hydrogen transportation and net-zero transition sectors.
- Expanding iCharging's Cross-Platform Charging Network
  Leveraging the technical resources accumulated by CHEM in the power industry and backed by DoDohome, a leader in the parking sector, iCharging has expanded its charging station network to comprehensively cover highway service areas, urban centers, and science parks. Currently, iCharging is the first charging brand to secure an eight-year operating license for Taiwan's highway service areas.
  In response to the rapid growth of the domestic electric vehicle market and the surging demand for charging networks, iCharging, as a pioneer in domestic charging services, will continue to optimize charging service processes and deepen its smart charging infrastructure in the future, committed to building an open and highly flexible charging

service network.

(2) Future Corporate Development Strategy

Benefiting from the continued expansion of investments in AI and semiconductors, medium- to long-term demand for power infrastructure is emerging, driving steady growth momentum in the domestic power equipment industry. CHEM will capitalize on these industry opportunities. With the goal of "powering the future with innovation, efficiency, and sustainability," the Company will continue to deepen its expertise and expand its presence across multiple sectors—including power systems, system integration, and green energy applications—to become a globally leading supplier of power equipment and solutions.

(3) Impact of External Competition, Regulatory Environment, and Overall Business Environment

1. The power equipment industry is a national infrastructure sector and a domestically driven industry. CHEM currently holds the highest market share in Taiwan and is a leading manufacturer in related technologies. The Company possesses a comprehensive and industry-leading GIS equipment product line, extensive engineering experience, and specialized capabilities in power generation and grid integration, all of which help mitigate the impact of external competition and the overall business environment.
2. In recent years, CHEM has actively pursued transformation and upgrading, developing business groups including Power, System Integration, New Energy, DoDohome, and Mainland China. By diversifying into three major areas—green energy, services, and others—the Company has gradually seen results, effectively reducing the risks associated with reliance on a single industry.
3. Transformation and Growth of Mainland China Operations: Through the upgrading of precision machining technologies, the Company has successfully entered the precision machining industry for semiconductor and optoelectronic equipment and has successfully secured orders from major international manufacturers, thereby gradually reducing the likelihood of being affected by competition and the business environment in a single region.

Chairperson: Chiang, Fu-Nien President: Kuo, Hui-Chuan Accounting Director: Wu, Shu-Chen

Attachment 3

Chung-Hsin Electric & Machinery Mfg. Corp.

Audit Committee's Review Report

The Board of Directors has submitted the annual business report, financial statements, and profit distribution proposal for fiscal year 2025. Of these documents, the financial statements have been audited and verified by Crowe (TW) CPAs, which has issued an audit report. The aforementioned business report, financial statements, and profit distribution proposal have been reviewed by the Audit Committee and found to comply with regulations. Thus, in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, a report has been prepared for your review.

Chung-Hsin Electric & Machinery Mfg. Corp.

Audit Committee Convener: Chen, Gene-Tzn

March 10, 2026

INDEPENDENT AUDITORS' REPORT

To The Board of Directors and the Stockholders
Chung-Hsin Electric and Machinery Manufacturing Corp.

Opinion

We have audited the parent company only financial statements of Chung-Hsin Electric and Machinery Manufacturing Corp. (the Corporation), which comprise the parent company only balance sheets as of December 31, 2025 and 2024, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the report of the other independent accountants, as described in the other matters section of our report, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Corporation 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 audit 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 Parent Company Only Financial Statements section of our report. We are independent of the Corporation 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. Based on our audits and the report of other independent accountants, 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 parent company only financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The description of the key audit matters of the parent company only financial statements for the year ended December 31, 2025 are as follows:

Engineering Project Revenue Recognition

Key Audit Matters Statements

Please refer to the Note 4(17) for the accounting policy of revenues recognition.

The Corporation business included electric power engineering construction and design. Contract revenue should be recognized by reference to the stage of completion of the performance obligation over time. Performance obligation should be measured by reference to the stage of completion of the contract activity. The stage of completion of a contract is measured by the proportion of contract costs incurred for work performed to date to the estimated total costs for the contract which are based on significant accounting estimation and judgment of management. Therefore, the recognition of engineering project revenues is considered as a key audit matter by decision of CPA.

Key Audit Procedures

By conducting the tests of controls, we obtained an understanding of the Corporation's recognition of engineering project revenues and of the design and implementation of related controls. We also perform corresponding audit procedures as follows:

1. Review the amount and estimate cost of matter contracts to confirm the accuracy of the information in the profit or loss on engineering project.
2. Test the accuracy of the engineering project listing on percentage of completion calculation and confirm the accuracy of the information in the accounting system.
3. Examine supporting documentation for construction contracts with material variations to the amount or estimated costs to assess the validity of the changes.

Other Matters

We did not audit the financial statements of certain investees accounted for under the equity method included in the aforementioned parent company only financial statements, which were audited by other independent auditors. Therefore, our opinion, insofar as it related to the amounts included for investments accounted for under the equity method is based solely on the reports of the other auditors.

The investments accounted for under the equity method balance of NT$6,192,366 thousand and NT$6,125,359 thousand, which represented 15.29% and 15.61% of the assets as of December 31, 2025 and 2024, the related shares of profit of associates and joint ventures accounted for using equity method in the amount of NT$515,259 thousand and NT$343,846 thousand, which represented 10.73% and 7.95% of the incomes before income tax for the years ended December 31, 2025 and 2024.

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

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

In preparing the parent company only financial statements, management is responsible for assessing the Corporation'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 Corporation 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 Corporation's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only 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 parent company only 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 parent company only 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 Corporation'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 Corporation'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 parent company only 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 Corporation to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only 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 the entities or business activities within the Group to express an opinion on the parent company only 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 statements 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 parent company only 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 audit resulting in this independent auditors' report are Chun-Chin Lin and Ya-Chuan Chang.

Crowe (TW) CPAs
Republic of China
March 10, 2026

Notice to Reader

The accompanying financial statements are intended only to present the financial position, results of operations 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 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. The English version_has not been reviewed by auditors. 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 auditors' report and financial statements shall prevail.

CHUNG-HSIN ELECTRIC AND MACHINERY MANUFACTURING CORP.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2025 Amount	%	December 31, 2024 (Restated) Amount	%	January 1, 2024 (Restated) Amount	%
Current assets：						
Cash and cash equivalents (Note 6)	$ 2,151,069	5	$ 1,556,977	4	$ 953,535	3
Current financial assets at fair value through profit or loss (Note 6)	7,193	-	8,664	-	7,855	-
Current financial assets at amortized cost (Notes 6 and 8)	89,644	-	57,409	-	1,227,384	4
Contract assets, current (Notes 6 and 7)	3,180,139	8	4,331,201	11	3,256,748	10
Notes receivable, net (Note 6)	36,450	-	65,479	-	99,191	-
Notes receivable due from related parties, net (Notes 6 and 7)	60	-	189,332	-	222	-
Accounts receivable, net (Note 6)	1,875,192	5	2,186,476	6	1,500,543	4
Accounts receivables due from related parties (Notes 6 and 7)	6,247	-	22,983	-	38,068	-
Other receivables, net	725	-	903	-	525	-
Other receivables due from related parties (Note 7)	4,394,702	11	1,234,044	3	1,155,817	3
Current tax assets	-	-	6,126	-		-
Inventory – manufacturing business (Note 6)	7,949,522	20	7,930,178	20	6,129,498	18
Inventory – construction business (Note 6)	2,262,609	6	2,259,130	6	2,269,246	7
Prepayments (Notes 6 and 7)	1,520,414	4	1,455,145	4	984,775	3
Other current assets (Notes 6 and 8)	48,622	-	66,129	-	100,387	-
Total current assets	23,522,588	59	21,370,176	54	17,723,794	52
Non-current assets：						
Non-current financial assets at fair value through profit or loss (Note 6)	104,253	-	65,353	-	132,932	-
Investments accounted for using equity method (Notes 6 and 7)	9,164,869	23	9,202,661	23	7,396,824	22
Property, plant and equipment (Notes 6, 7 and 8)	4,378,232	11	4,952,254	13	4,647,333	14
Right-of-use assets (Note 6)	807,127	2	1,510,860	4	2,280,539	7
Investment property, net (Notes 6 and 8)	1,362,063	3	799,279	2	508,466	1
Intangible property (Note 7)	176,236	-	245,208	1	467,169	1
Deferred tax assets (Note 6)	510,899	1	494,997	1	477,908	1
Other non-current assets (Notes 6, 7 and 8)	468,730	1	608,036	2	457,959	2
Total non-current assets	16,972,409	41	17,878,648	46	16,369,130	48
Total assets	$ 40,494,997	100	$ 39,248,824	100	$ 34,092,924	100

LIABILITIES AND SHAREHOLDERS' EQUITY	December 31, 2025 Amount	%	December 31, 2024 (Restated) Amount	%	January 1, 2024 (Restated) Amount	%
Current liability						
Current borrowings (Notes 6 and 8)	$ 400,000	1	$ 1,645,554	4	$ 532,749	2
Current financial liabilities at amortised cost(Note 6)	44,206	-	120,990	-	211,817	1
Current contract liabilities (Notes 6 and 7)	8,848,824	22	6,174,292	16	5,051,112	15
Notes payable	302,100	1	302,100	1	852	-
Accounts payable	2,877,973	7	2,765,518	7	2,258,231	7
Accounts payable to related parties (Note 7)	190,272	-	313,425	1	197,051	-
Other payables (Note 6)	1,187,938	3	1,060,320	3	883,109	3
Other payables to related parties (Note 7)	1,493	-	5,543	-	18,961	-
Current tax liabilities	549,362	1	627,407	2	1,221,215	4
Current lease liabilities (Note 6)	575,525	1	753,837	2	845,595	2
Long-term liabilities, current portion (Note 6)	2,124,444	5	125,000	-	62,500	-
Other current liabilities (Note 6)	14,470	-	12,094	-	2,114,144	6
Total current liabilities	17,116,607	41	13,906,080	36	13,397,336	40
Non-current liabilities：						
Non-current financial liabilities at amortised cost(Note 6)	14,153	-	53,043	-	166,076	-
Bonds payable (Note 6)	-	-	1,998,698	5	1,997,952	6
Non-current portion of non-current borrowings (Note 6)	687,500	2	1,222,500	3	437,500	1
Non-current tax liabilities	-	-	80,409	-	324,744	1
Deferred tax liabilities (Note 6)	332,491	1	334,638	1	345,103	1
Non-current lease liabilities (Note 6)	209,446	1	707,090	2	1,355,269	4
Other non-current liabilities, others (Notes 6 and 7)	1,458,383	4	1,908,641	5	314,706	1
Total non-current liabilities	2,701,973	8	6,305,019	16	4,941,350	14
Total liabilities	19,818,580	49	20,211,099	52	18,338,686	54

CHUNG-HSIN ELECTRIC AND MACHINERY MANUFACTURING CORP.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	December 31, 2025		December 31, 2024 (Restated)		January 1, 2024 (Restated)	
Equity attributable to owners of parent						
Common stock (Note 6)	5,031,125	12	5,031,125	13	5,031,125	15
Capital surplus (Note 6)	3,067,425	8	3,007,439	7	2,970,660	9
Retained earnings (Note 6)						-
Legal reserve	2,311,631	6	1,930,067	5	1,774,200	5
Special reserve	809,015	2	809,015	2	858,940	2
Unappropriated earnings	6,324,941	15	4,979,323	13	3,130,750	9
Total retained earnings	9,445,587	23	7,718,405	20	5,763,890	16
Other equity (Note 6)	3,249,160	8	3,397,636	8	2,105,443	6
Treasury shares (Note 6)	(116,880)	-	(116,880)	-	(116,880)	-
Total Equity attributable to owners of parent	20,676,417	51	19,037,725	48	15,754,238	46
Total liabilities and equity	$ 40,494,997	100	$ 39,248,824	100	$ 34,092,924	100

(The accompanying notes are an integral part of parent company only financial statements.)

CHUNG-HSIN ELECTRIC AND MACHINERY MANUFACTURING CORP.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the year ended December 31,			
	2025		2024	
	Amount	%	Amount	%
Operating revenue (Notes 6 and 7)	$ 21,413,327	100	$ 20,275,685	100
Operating costs (Notes 6 and 7)	(15,567,074)	(73)	(14,720,136)	(73)
Gross profit	5,846,253	27	5,555,549	27
Unrealized gross profit on sales to subsidiaries and associates	(212,043)	(1)	(212,421)	(1)
Realized gross profit on sales to subsidiaries and associates	144,054	1	130,801	1
Net gross profit	5,778,264	27	5,473,929	27
Operating expenses (Notes 6 and 7)				
Marketing expenses	(432,996)	(2)	(431,187)	(2)
Administrative expenses	(1,026,741)	(5)	(961,538)	(5)
Research and development expenses	(352,941)	(2)	(457,932)	(2)
Expected credit impairment losses (gains)	(1,391)	-	(8,226)	-
Total operating expenses	(1,814,069)	(9)	(1,858,883)	(9)
Operating income	3,964,195	18	3,615,046	18
Non-operating income and expenses				
Interest income (Notes 6 and 7)	48,036	-	40,878	-
Other income (Notes 6 and 7)	109,414	1	190,767	1
Other gains and losses, net (Notes 6 and 7)	(33,017)	(-)	(116,118)	(1)
Financial cost (Note 6)	(47,973)	-	(66,180)	-
Share of profit (loss) of associates and joint ventures accounted for using equity method (Note 6)	760,232	4	662,728	3
Total non-operating income and expenses	836,692	5	712,075	3
Profit before income tax	4,800,887	23	4,327,121	21
Income tax (Note 6)	(812,667)	(4)	(704,343)	(3)
Profit	3,988,220	19	3,622,778	18
Other comprehensive income (Note 6)				
Components of other comprehensive income that may not be reclassified to profit or loss				
Gains (losses) on remeasurements of defined benefit plans	60,013	-	84,581	-
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method	(133,726)	(1)	1,174,542	6
Components of other comprehensive income that will be reclassified to profit or loss				
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method	(14,750)	-	(117,651)	1
Total other comprehensive income	(88,463)	(1)	1,376,774	7
Total comprehensive income	$ 3,899,757	18	$ 4,999,552	25
Earnings per share (Note 6)				
Basic earnings per share	$ 8.07		$ 7.33	

(The accompanying notes are an integral part of parent company only financial statements.)

CHUNG-HSIN ELECTRIC AND MACHINERY MANUFACTURING CORP.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

			Retained earnings				Other equity				
	Common Stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total Retained earnings	Exchange differences on translating foreign operations	Unrealized gain (loss) on financial assets at FVTOCI	Total Other equity	Treasury stock	Total Equity
Balance, January 1, 2024	$ 5,031,125	2,970,660	1,774,200	858,940	3,130,750	5,763,890	(205,264)	2,310,707	2,105,443	(116,880)	15,754,238
Legal reserve appropriated	-	-	155,867	-	(155,867)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(1,811,205)	(1,811,205)	-	-	-	-	(1,811,205)
Reversal of Special Reserve	-	-	-	(49,925)	49,925	-	-	-	-		-
Changes in equity of associates and joint ventures accounted for using equity method	-	466	-	-	-	-	-	-	-	-	466
Profit (loss)	-	-	-	-	3,622,778	3,622,778	-		-	-	3,622,778
Other comprehensive income	-	-	-	-	84,581	84,581	117,651	1,174,542	1,292,193	-	1,376,774
Total comprehensive income for the period	-	-	-	-	3,707,359	3,707,359	117,651	1,174,542	1,292,193	-	4,999,552
Adjustments of capital surplus for company's dividends received by subsidiaries	-	32,539	-	-	-	-	-	-	-	-	32,539
Changes in ownership interests in subsidiaries	-	1,684	-	-	-	-	-	-	-	-	1,684
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	58,338	58,338	-	-	-		58,338
Other	-	2,090		-	23	23	-	-	-	-	2,113
Balance, December 31, 2024	5,031,125	3,007,439	1,930,067	809,015	4,979,323	7,718,405	(87,613)	3,485,249	3,397,636	(116,880)	19,037,725
Legal reserve appropriated	-	-	381,564	-	(381,564)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(2,314,318)	(2,314,318)	-	-	-	-	(2,314,318)
Changes in equity of associates and joint ventures accounted for using equity method	-	1,460	-	-	-	-	-	-	-	-	1,460
Profit (loss)	-	-	-	-	3,988,220	3,988,220	-	-	-	-	3,988,220
Other comprehensive income	-	-	-	-	60,013	60,013	(14,750)	(133,726)	(148,476)	-	(88,463)
Total comprehensive income for the period	-	-	-	-	4,048,233	4,048,233	(14,750)	(133,726)	(148,476)	-	3,899,757
Adjustments of capital surplus for company's dividends received by subsidiaries	-	41,578	-	-	-	-	-	-	-	-	41,578
Changes in ownership interests in subsidiaries	-	14,488	-	-	(6,759)	(6,759)	-	-	-	-	7,729
Other	-	2,460		-	26	26	-	-		-	2,486
Balance, December 31, 2025	$ 5,031,125	$ 3,067,425	$ 2,311,631	$ 809,015	$ 6,324,941	$ 9,445,587	$ (102,363)	$ 3,351,523	$ 3,249,160	$ (116,880)	$ 20,676,417

(The accompanying notes are an integral part of parent company only financial statements.)

CHUNG-HSIN ELECTRIC AND MACHINERY MANUFACTURING CORP.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	For the years ended December 31,	
	2025	2024
Cash flows from operating activities		
Profit before tax	$ 4,800,887	$ 4,327,121
Adjustments to reconcile profit (loss):		
Depreciation	1,257,101	1,348,257
Amortization	269,011	369,612
Expected credit impairment losses (gains)	1,391	8,226
Net loss (gain) on financial assets or liabilities at FVTPL	(37,430)	(5,428)
Interest expenses	47,973	66,180
Interest income	(48,036)	(40,878)
Dividend income	(14,663)	(7,703)
Share of (profit) loss of associates and joint ventures accounted for using equity method	(760,232)	(662,728)
Loss (Gain) on disposal of property, plant and equipment	(723)	11,509
Loss (Gain) on disposal of other assets	(1,336)	-
Loss (Gain) on disposal of investment	-	(8,884)
Impairment loss on non-financial assets	28,286	-
Other	(52)	(165)
Total adjustments to reconcile profit (loss)	741,290	1,077,998
Changes in operating assets and liabilities		
(Increase) Decrease in contract assets	1,151,483	(1,082,575)
(Increase) Decrease in notes receivable	29,029	33,712
(Increase) Decrease in notes receivable - related parties	189,272	(189,110)
(Increase) Decrease in accounts receivables	309,473	(686,037)
(Increase) Decrease in accounts receivable - related parties	16,736	15,085
(Increase) Decrease in other accounts receivable	(410)	(8)
(Increase) Decrease in other accounts receivable - related parties	(3,149,518)	(84,470)
(Increase) Decrease in inventory	(224,142)	(2,136,941)
(Increase) Decrease in prepayments	(65,269)	(470,370)
(Increase) Decrease in other current assets	17,507	34,258
Net cash provided by (used in) operating assets	(1,725,839)	(4,566,456)
(Decrease) Increase in contract liabilities	2,674,532	1,123,180
(Decrease) Increase in notes payable	-	1,248
(Decrease) Increase in accounts payable	112,455	507,287
(Decrease) Increase in accounts payable - related parties	(123,153)	116,374
(Decrease) Increase in other accounts payables	128,450	176,189
(Decrease) Increase in other accounts payables - related parties	(4,050)	(13,418)
(Decrease) Increase in other current liabilities	2,376	(2,890)
(Decrease) Increase in net defined benefit liability	-	84,581
Net cash provided by (used in) operating liabilities	2,790,610	1,992,551
Net changes provide by (used in) operating assets and liabilities	1,064,771	(2,573,905)
Total Adjustments	1,806,061	(1,495,907)
Cash provided by (used in) operating activities	6,606,948	2,831,214
Cash received for interest	37,483	46,751
Cash received for dividend	341,170	259,703
Cash paid for interest	(32,479)	(38,350)
Cash received (paid) for Income tax	(983,044)	(1,576,165)
Net cash provided by (used in) operating activities	5,970,078	3,932,333

(Continued)

	For the years ended December 31, 2025	2024
Cash flows from investing activities		
Acquisition of financial assets at amortized cost	(32,235)	-
Proceeds from financial assets at amortized cost	-	1,169,975
Acquisition of investments accounted for using equity method	-	(323,800)
Proceeds from investments accounted for using equity method	-	18,674
Refund from capital reduction of investments accounted for using equity method	132,496	322,750
Acquisition of property, plant and equipment	(222,395)	(641,620)
Proceeds from disposal of property, plant and equipment	58,460	655
Decrease in guarantee deposits paid	31,585	10,758
Acquisition of intangible assets	(20,888)	(3,666)
Disposal of intangible assets	1,429	-
Acquisition of right-of-use assets	(24,595)	-
Acquisition of investment property	(9,560)	(4,400)
Increase in other non-current assets	(16,743)	(286,465)
Other investment activities	67,989	81,620
Net cash provided by (used in) investing activities	(34,457)	344,481
Cash flows from (used in) financing activities		
Increase in short-term loans	-	1,112,805
Decrease in short-term loans	(1,245,554)	-
Increase in long-term debts	-	847,500
Decrease in long-term debts	(535,000)	-
Decrease in financial liabilities at amortised cost	(125,860)	(224,941)
Increase in guarantee deposits received	7,095	649
Payment of lease liabilities	(818,061)	(957,188)
Decrease in other non-current liabilities	(312,317)	(233,925)
Cash dividends Paid	(2,314,318)	(1,811,205)
Other financing activities	2,486	2,113
Net cash provided by (used in) financing activities	(5,341,529)	(1,264,192)
Net increase (decrease) in cash and cash equivalents	594,092	603,442
Cash and cash equivalents, beginning of period	1,556,977	953,535
Cash and cash equivalents, end of period	$ 2,151,069	$ 1,556,977

(Concluded)

(The accompanying notes are an integral part of the parent company only financial statements.)

INDEPENDENT AUDITORS' REPORT

To The Board of Directors and the Stockholders
Chung-Hsin Electric and Machinery Manufacturing Corp.

Opinion

We have audited the consolidated financial statements of Chung-Hsin Electric and Machinery Manufacturing Corp. and its subsidiaries (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 the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the report of the other independent accountants, as described in the other matters section of our report, 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 audit 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. Based on our audits and the report of other independent accountants, 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.

The description of the key audit matters of the consolidated financial statements for the year ended December 31, 2025 is as follows:

Engineering Project Revenue Recognition

Key Audit Matters Statements

Please refer to Note 4(18) for the accounting policy of revenues recognition.

The Group business included electric power engineering construction and design. Contract revenue should be recognized by reference to the stage of completion of the performance obligation over time. Performance obligation should be recognized by reference to the stage of completion of the contract activity. The stage of completion of a contract is measured by the proportion of contract costs incurred for work performed to date to the estimated total costs for the contract which are based on significant accounting estimation and judgment of management. The engineering project revenue has significant influence on financial statements. Therefore, the recognition of engineering project revenues is considered as a key audit matter by the decision of CPAs.

Key Audit Procedures

By conducting the tests of controls, we obtained an understanding of the Group's recognition of engineering project revenues and of the design and implementation of related controls. We also perform corresponding audit procedures as follows:
1. Review the amount and estimate cost of matter contracts to confirm the accuracy of the information in the profit or loss on engineering project.
2. Test the accuracy of the engineering project listing on percentage of completion calculation and confirm the accuracy of the information in the accounting system.
3. Examine supporting documentation for construction contracts with material variations to the amount or estimated costs to assess the validity of the changes.

Other Matters

We did not audit the consolidated financial statements of certain subsidiaries and investments accounted for under the equity method which were audited by other independent auditors. Our audit, insofar as it related to the amounts included for these subsidiaries, is based solely on the reports of the other auditors. The total assets of these subsidiaries were NT$3,604,761 thousand and NT$3,460,821 thousand, which represented 7.56% and 7.02% of the consolidated assets as of December 31, 2025 and 2024, the operating revenues from these subsidiaries in the amounts of NT$1,901,146 thousand and NT$2,127,945 thousand, which represented 6.93% and 8.31% of the consolidated net operating revenue for the years ended December 31, 2025 and 2024.

The investments accounted for under the equity method balance of NT$4,448,021 thousand and NT$4,563,086 thousand, which represented 9.33% and 9.26% of the consolidated assets as of December 31, 2025 and 2024, the related shares of profit of associates and joint ventures accounted for using the equity method in the amounts of NT$133,558 thousand and NT$122,847 thousand, which represented 2.67% and 2.75% of the consolidated income before income tax for the years ended December 31, 2025 and 2024.

We have audited and expressed an unmodified opinion with other matter paragraph on the parent company only financial statements of Chung-Hsin Electric and Machinery Manufacturing Corp. for the years ended December 31, 2025 and 2024, respectively.

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 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 the 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 statements 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 audit resulting in this independent auditors' report are Chun-Chin Lin and Ya-Chuan Chang.

Crowe (TW) CPAs

Republic of China

March 10, 2026

Notice to Reader

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

For the convenience of readers, the 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. The English version has not been reviewed by the auditors. 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 auditors' report and consolidated financial statements shall prevail.

CHUNG-HSIN ELECTRIC AND MACHINERY MANUFACTURING CORPS. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF BALANCE SHEETS

DECEMBER 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars)

	December 31, 2025		December 31, 2024 (Restated)		January 1, 2024 (Restated)	
Assets	Amount	%	Amount	%	Amount	%
Current assets						
Cash and cash equivalents (Note 6)	$ 3,458,480	7	$ 2,740,611	6	$ 2,203,461	5
Current financial assets at fair value through profit or loss (Note 6)	141,118	-	263,492	1	257,272	1
Current financial assets carried at amortized cost (Notes 6 and 8)	721,531	2	503,732	1	1,320,805	3
Current contract assets (Notes 6 and 7)	3,659,000	8	4,576,577	9	3,395,907	8
Notes receivable, net (Note 6)	42,918	-	109,911	-	107,221	-
Accounts receivable, net (Note 6)	2,326,761	5	2,632,491	5	1,846,107	4
Accounts receivable due from related parties, net (Notes 6 and 7)	1,200	-	102	-	88	-
Other receivables	44,669	-	6,609	-	25,711	-
Other receivables due from related parties (Note 7)	161,242	-	115,009	-	165,644	-
Current tax assets	9,498	-	14,255	-	1,698	-
Inventories - manufacturing business (Note 6)	8,228,834	17	8,233,301	17	6,516,427	15
Inventory - construction business (Note 6)	2,262,609	5	2,259,130	5	2,269,246	5
Prepayments (Notes 6 and 7)	1,767,790	4	1,576,173	3	1,150,340	2
Non-current assets or disposal groups classified as held for sale, net (Notes 6)	123,848	-	-	-	-	-
Other current assets (Note 8)	67,741	-	72,190	-	193,754	-
Total current assets	23,017,239	48	23,103,583	47	19,453,681	43
Non-current assets						
Non-current financial assets at fair value through profit or loss (Note 6)	262,889	1	220,408	-	277,123	1
Non-current financial assets at fair value through other comprehensive income (Note 6)	103,975	-	115,659	-	52,070	-
Investments accounted for using equity method (Note 6)	4,448,021	9	4,676,120	10	3,293,109	7
Property, plant and equipment (Notes 6, 7 and 8)	12,560,251	26	13,893,386	28	14,423,523	33
Right-of-use assets (Note 6)	2,820,153	6	3,352,822	7	3,777,847	9
Investment property, net (Notes 6 and 8)	1,362,063	3	799,279	2	508,466	1
Intangible assets (Note 6)	1,570,187	3	1,469,271	3	894,039	2
Deferred tax assets (Note 6)	512,025	1	514,811	1	498,814	1
Other non-current assets (Notes 6, 7 and 8)	1,041,987	3	1,122,493	2	991,889	3
Total non-current assets	24,681,551	52	26,164,249	53	24,716,880	57
Total assets	$ 47,698,790	100	$ 49,267,832	100	$ 44,170,561	100

Liabilities and equity						
Current liability						
Current borrowings(Notes 6 and 7)	$ 1,181,000	2	$ 2,130,554	4	$ 534,749	1
Short-term notes and bills payable (Note 6)	96,995	-	-	-	-	-
Current financial liabilities at amortised cost (Note 6)	577,926	1	489,306	1	248,465	1
Current contract liabilities (Notes 6 and 7)	9,355,997	20	6,590,889	13	5,510,924	12
Notes payable (Note 6)	325,125	1	303,493	1	2,080	-
Accounts payable	3,352,577	7	3,252,981	7	2,699,791	6
Accounts payable to related parties (Note 7)	35,914	-	12,646	-	6,232	-
Other payable (Note 6)	1,507,634	3	1,375,218	3	1,166,935	3
Other payables to related parties (Note 7)	630	-	630	-	1,293	-

CHUNG-HSIN ELECTRIC AND MACHINERY MANUFACTURING CORPS. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF BALANCE SHEETS

DECEMBER 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars)

	December 31, 2025		December 31, 2024 (Restated)		January 1, 2024 (Restated)	
Current tax liabilities	665,388	1	687,209	1	1,301,505	3
Current lease liabilities (Note 6)	1,175,136	3	1,326,231	3	1,301,797	3
Long-term liabilities, current portion (Note 6)	2,571,055	5	528,404	1	517,793	1
Other current liabilities (Note 6 and 7)	52,295	-	47,417	-	2,143,563	5
Total current liabilities	20,897,672	43	16,744,978	34	15,435,127	35
Non-current liability						
Non-current financial liabilities at amortised cost (Note 6)	382,123	1	515,423	1	217,874	1
Bonds payable (Note 6)	-	-	1,998,698	4	1,997,952	4
Long-term loans (Note 6)	2,373,100	5	6,864,033	14	7,499,947	17
Non-current tax liability	-	-	80,409	-	327,565	1
Deferred tax liabilities (Note 6)	332,491	1	334,638	1	345,103	1
Non-current lease liabilities (Note 6)	1,397,637	3	1,790,018	4	2,265,921	5
Other non-current liabilities (Notes 6 and 7)	1,429,410	3	1,694,714	3	130,835	-
Total non-current liabilities	5,914,761	13	13,277,933	27	12,785,197	29
Total liabilities	26,812,433	56	30,022,911	61	28,220,324	64
Equity attributable to owners of parent						
Common stock (Note 6)	5,031,125	11	5,031,125	10	5,031,125	11
Capital surplus (Note 6)	3,067,425	6	3,007,439	6	2,970,660	7
Retained earnings (Note 6)						
Legal reserve	2,311,631	5	1,930,067	4	1,774,200	4
Special reserve	809,015	2	809,015	2	858,940	2
Unappropriated earnings	6,324,941	13	4,979,323	10	3,130,750	7
Total retained earnings	9,445,587	20	7,718,405	16	5,763,890	13
Other equity (Note 6)	3,249,160	7	3,397,636	7	2,105,443	5
Treasury stock (Notes 6 and 8)	(116,880)	-	(116,880)	-	(116,880)	-
Total equity attributable to owners of parent	20,676,417	44	19,037,725	39	15,754,238	36
Non-controlling interests (Note 6)	209,940	-	207,196	-	195,999	-
Total equity	20,886,357	44	19,244,921	39	15,950,237	36
Total liabilities and equity	$ 47,698,790	100	$ 49,267,832	100	$ 44,170,561	100

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

CHUNG-HSIN ELECTRIC AND MACHINERY MANUFACTURING CORP. 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

	For the Years Ended December 31			
	2025		2024	
	Amount	%	Amount	%
Operating revenue (Notes 6 and 7)	$ 27,449,025	100	$ 25,609,456	100
Operating costs (Notes 6 and 7)	(20,381,276)	(74)	(18,888,341)	(74)
Gross profit	7,067,749	26	6,721,115	26
Operating expenses (Notes 6 and 7)				
Marketing expenses	(516,107)	(2)	(521,168)	(2)
Administrative expenses	(1,332,063)	(5)	(1,329,267)	(5)
Research and development expenses	(240,644)	(1)	(321,909)	(2)
Expected credit impairment losses (gains)	(2,079)	-	(11,850)	-
Total operating expenses	(2,090,893)	(8)	(2,184,194)	(9)
Operating income	4,976,856	18	4,536,921	17
Non-operating income and expenses				
Interest income (Notes 6 and 7)	41,994	-	37,644	-
Other income (Notes 6 and 7)	112,958	-	107,300	1
Other gains and losses, net (Note 6)	(64,464)	(-)	(139,254)	(1)
Financial cost (Notes 6 and 7)	(194,462)	(-)	(225,384)	(1)
Share of profit (loss) of associates and joint ventures accounted for using equity method (Note 6)	133,558	-	143,667	1
Total non-operating income and expenses	29,584	-	(76,027)	-
Profit before income tax	5,006,440	18	4,460,894	17
Income tax (Note 6)	(1,016,098)	(4)	(833,744)	(3)
Profit	3,990,342	14	3,627,150	14
Other comprehensive income (Note 6)				
Components of other comprehensive income that may not be reclassified to profit or loss				
Gains (losses) on remeasurements of defined benefit plans	60,013	-	84,581	-
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(6,959)	-	118,151	1
Share of other comprehensive income of associates and joint ventures accounted for using equity method	(126,767)	-	1,056,391	4
Components of other comprehensive income that will be reclassified to profit or loss				
Exchange differences on translation	(14,453)	-	124,955	1
Total other comprehensive income	(88,166)	-	1,384,078	6
Total comprehensive income	$ 3,902,176	14	$ 5,011,228	20
Profit (loss), attributable to:				
Owners of parent	$ 3,988,220	14	$ 3,622,778	14
Non-controlling interests	2,122	-	4,372	-
	$ 3,990,342	14	$ 3,627,150	14
Comprehensive income attributable to：				
Owners of parent	$ 3,899,757	14	$ 4,999,552	20
Non-controlling interests	2,419	-	11,676	-
	$ 3,902,176	14	$ 5,011,228	20
Earnings per share (Note 6)				
Basic earnings per share	$ 8.07		$ 7.33	

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

CHUNG-HSIN ELECTRIC AND MACHINERY MANUFACTURING CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars)

			Retained earnings				Other equity						
	Common stock	Capital surplus	Legal Reserve	Special reserve	Unappropriated earnings	Total retained earnings	Exchange differences on translating foreign operations	Unrealized gain (loss) on Financial assets at fair value through other comprehensive incomes	Total other equity	Treasury stock	Total Equity attributable to owners of Parent	Non-controlling interests	Total Equity
Balance, January 1, 2024	$ 5,031,125	$ 2,970,660	$ 1,774,200	$ 858,940	$ 3,130,750	$ 5,763,890	$ (205,264)	$ 2,310,707	$ 2,105,443	$ ([illegible])	$ 15,754,238	$ 195,999	$ 15,950,237
Legal reserve appropriated	-	-	155,867	-	(155,867)			-	-		-	-	
Cash dividends of ordinary share	-	-	-	-	(1,811,205)	(1,811,205)		-	-		([illegible])	-	([illegible])
Reversal of special reserve	-	-	-	(49,925)	49,925			-	-			-	
Changes in equity of associates and joint ventures accounted for using equity method	-	466	-	-				-	-		466	-	466
Profit (loss)	-	-	-	-	3,622,778	3,622,778		-	-		3,622,778	4,372	3,627,150
Other comprehensive income	-	-	-	-	84,581	84,581	117,651	1,174,542	1,292,193		1,376,774	7,304	1,384,078
Total comprehensive income for the period	-	-	-	-	3,707,359	3,707,359	117,651	1,174,542	1,292,193		4,999,552	11,676	5,011,228
Adjustments of capital surplus for company’s dividends received by subsidiaries	-	32,539	-	-				-	-		32,539	-	32,539
Changes in ownership interests in subsidiaries	-	1,684	-	-				-	-		1,684	-	1,684
Changes in non-controlling interests	-	-	-	-				-	-			(580)	(580)
Disposal of investments in equity instruments designated at fair value through other comprehensive	-	-	-	-	58,338	58,338		-	-		58,338	-	58,338
Other	-	2,090	-	-	23	23		-	-		2,113	101	2,214
Balance, December 31, 2024	5,031,125	3,007,439	1,930,067	809,015	4,979,323	7,718,405	(87,613)	3,485,249	3,397,636	([illegible])	19,037,72	207,196	19,244,921
Legal reserve appropriated	-	-	381,564	-	(381,564)			-	-			-	
Cash dividends of ordinary share	-	-	-	-	(2,314,318)	(2,314,318)		-	-		([illegible])	-	([illegible])
Changes in equity of associates and joint ventures accounted for using equity method	-	1,460	-	-				-	-		1,460	-	1,460
Profit (loss)	-	-	-	-	3,988,220	3,988,220		-			3,988,220	2,122	3,990,342
Other comprehensive income	-	-	-	-	60,013	60,013	(14,750)	(133,726)	(148,476)		(88,463)	297	(88,166)
Total comprehensive income for the period	-	-	-	-	4,048,233	4,048,233	(14,750)	(133,726)	(148,476)	-	3,899,757	2,419	3,902,176
Adjustments of capital surplus for company’s dividends received by subsidiaries	-	41,578	-	-	-	-	-	-	-	-	41,578	-	41,578
Changes in ownership interests in subsidiaries	-	14,488	-	-	(6,759)	(6,759)		-	-		7,729	325	8,054
Others	-	2,460	-	-	26	26		-	-		2,486	-	2,486
Balance, December 31, 2025	$ 5,031,125	$ 3,067,425	$ 2,311,631	$ 809,015	$ 6,324,941	$ 9,445,587	$ (102,363)	$ 3,351,523	$ 3,249,160	$ ([illegible])	$ 20,676,417	$ 209,940	$ 20,886,357

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

CHUNG-HSIN ELECTRIC AND MACHINERY MANUFACTURING CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	For the Years Ended December 31	
	2025	2024
Cash flows from operating activities		
Profit before tax	$ 5,006,440	$ 4,460,894
Adjustments to reconcile profit (loss):		
Depreciation	2,672,087	2,597,477
Amortization	889,864	689,307
Expected credit impairment losses (gains)	2,079	11,850
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(45,883)	(18,483)
Interest expenses	194,462	225,384
Interest income	(41,994)	(37,644)
Dividend income	(46,903)	(26,819)
Share of (profit) loss of associates and joint ventures accounted for using equity method	(133,558)	(143,667)
Loss (gain) on disposal of property, plant and equipment	18,803	13,659
Loss (gain) on disposal of investment	(62)	(26,454)
Impairment loss on non-financial assets	47,167	-
Other	(119)	(328)
Total adjustments to reconcile profit (loss)	3,555,943	3,284,282
Changes in operating assets and liabilities		
(Increase) Decrease in financial assets mandatorily classified as at fair value through profit or loss	135,641	2,219
(Increase) Decrease in contract assets	917,997	(1,188,791)
(Increase) Decrease in notes receivable	66,993	(2,690)
(Increase) Decrease in accounts receivables	299,475	(788,632)
(Increase) Decrease in accounts receivable - related parties	(1,098)	(14)
(Increase) Decrease in other accounts receivables	(33,595)	23,805
(Increase) Decrease in other accounts receivable - related parties	(46,108)	50,818
(Increase) Decrease in inventory	(211,112)	(2,051,195)
(Increase) Decrease in prepayments	(192,175)	(425,541)
(Increase) Decrease in other current assets	4,449	121,564
Net cash provided by (used in) operating assets	940,467	(4,258,457)
(Decrease) Increase in contract liabilities	3,059,617	1,300,995
(Decrease) Increase in notes payable	21,632	1,413
(Decrease) Increase in accounts payable	102,437	551,429
(Decrease) Increase in accounts payable - related parties	23,268	6,414
(Decrease) Increase in other accounts payables	174,621	251,367
(Decrease) Increase in other accounts payables - related parties	-	(663)
(Decrease) Increase in provisions	(331)	679
(Decrease) Increase in other current liabilities	6,067	2,339
(Decrease) Increase in net defined benefit liability	60,013	84,581
Net cash provided by (used in) operating liabilities	3,447,324	2,198,554
Net changes provide by (used in) operating assets and liabilities	4,387,791	(2,059,903)
Total Adjustments	7,943,734	1,224,379
Cash provided by (used in) operating activities	12,950,174	5,685,273
Cash received for interest	41,144	37,250
Cash received for dividend	134,071	134,955
Cash paid for interest	(136,577)	(168,260)
Cash received (paid) for income tax	(1,112,697)	(1,734,417)
Net cash provided by (used in) operating activities	11,876,115	3,954,801

(Continued)

	For the Years Ended December 31	
	2025	2024
Cash flows from investing activities		
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	115,976
Acquisition of financial assets at amortized cost	(217,799)	-
Proceeds from repayments of financial assets at amortized cost	-	817,073
Acquisition of investments accounted for using equity method	-	(323,800)
Proceeds from disposal of investments accounted for using equity method	16,978	127,758
Net cash flow from acquisition of subsidiaries	-	(27,957)
Proceeds from disposal of subsidiaries	-	9,583
Acquisition of property, plant and equipment	(427,323)	(690,497)
Proceeds from disposal of property, plant and equipment	1,489	2,938
Increase in guarantee deposits paid	(1,352)	(30,301)
Acquisition of intangible assets	(236,564)	(102,832)
Acquisition of investment properties	-	(4,400)
Acquisition of right-of-use assets	(69,203)	(66,111)
Increase in other non-current assets	(198,515)	(259,681)
Other investing activities	(3,349)	-
Net cash provided by (used in) investing activities	(1,135,638)	(432,251)
Cash flows from (used in) financing activities		
Increase in short-term loans	-	1,595,805
Decrease in short-term loans	(949,554)	-
Increase in short-term notes and bills payable	97,000	-
Repayments of long-term debt	(4,448,401)	(626,252)
Decrease in financial liabilities at amortised cost	(583,867)	(465,026)
Increase in guarantee deposit received	7,424	1,608
Payment of lease liabilities	(1,561,157)	(1,528,448)
Decrease in other non-current liabilities	(268,911)	(228,032)
Cash dividends Paid	(2,314,318)	(1,811,205)
Change in non-controlling interests	297	6,825
Other financing activities	2,486	2,090
Net cash provided by (used in) financing activities	(10,019,001)	(3,052,635)
Effect of exchange rate changes on cash and cash equivalents	(3,607)	67,235
Net increase (decrease) in cash and cash equivalents	717,869	537,150
Cash and cash equivalents, beginning of period	2,740,611	2,203,461
Cash and cash equivalents, end of period	$ 3,458,480	$ 2,740,611

(Concluded)

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

Attachment 5

Comparison Table of Amendments to the Articles of Incorporation

Article	Before Amendment	After Amendment	Remarks
9	The stocks issued by the Company shall be name-bearing, assigned a serial number, affixed with the signatures or personal seals of board directors, and issued upon certification by a bank legally authorized to serve as a registrar for stock issuance.	The stocks issued by the Company shall be name-bearing, assigned a serial number, affixed with signatures or personal seals of board directors that represent the Company, and issued upon certification by a bank legally authorized to serve as a registrar for stock issuance.	Based on Article 162 of the Company Act.
33-2	The resolution for appropriating earnings adopted by the shareholders' meeting of the Company shall align with the overall business environment, industrial growth policies, and long-term financial planning, in pursuit of stable and sustainable growth. The dividend policy shall fully reflect the operating performance and need for diversification. If earnings are available for appropriation upon year-end closing, the Company may, each year, issue cash dividends based on 50% to 80% of the earnings available for distribution.	The resolution for appropriating earnings adopted by the shareholders' meeting of the Company shall align with the overall business environment, industrial growth policies, and long-term financial planning, in pursuit of stable and sustainable growth. The dividend policy shall fully reflect the operating performance and need for diversification. If earnings are available for appropriation upon year-end closing, the Company may, each year, issue cash dividends based on 40% to 80% of the earnings available for distribution.	Due to business needs.
37	These Articles of Incorporation were established on April 28, 1962, with the first Amendment on July 23, 1963, …, the sixty-third Amendment on June 28, 2021, the sixty-fourth Amendment on May 27, 2024, and the sixty-fifth Amendment on May 23, 2025.	These Articles of Incorporation were established on April 28, 1962, with the first Amendment on July 23, 1963, …, the sixty-third Amendment on June 28, 2021, the sixty-fourth Amendment on May 27, 2024, the sixty-fifth Amendment on May 23, 2025, and the sixty-sixth Amendment on May 25, 2026.	Addition of the date of the sixty-sixth Amendment.

Attachment 6

List of Candidates for the 25th Board of Directors

Nominated Category	Name of Candidate	Education	Experience	Current Position	No. of Shares Held
Director	Sheng-Yuan Investment Corp., represented by Fu-Nien Chiang (Male)	Tourism Management Department, Auckland Institute of Studies, New Zealand	Chief Operation Officer ("COO"), CHEM's DoDohome Group	• Chairman of Stellar Power System Co., Ltd. • Chairman of Tian Chong Energy Co., Ltd. • Chairman of Tian Cin Energy Co., Ltd. • Chairman of Tian Fu Energy Co., Ltd. • Chairman of Sunrise Tech. Co., Ltd. • Chairman of Findata Finance Technology • Chairman of Chung-Hsin Energy Tech. Inc. • Chairman of Tian Peng Energy Co., Ltd. • Chairman of Etrovision Technology Co., Ltd. • Chairman of Norion Energy Co., Ltd. • Chairman of CHEM	44,688, 546
Director	Sheng-Yuan Investment Corp., represented by Hon-Ren Lin (Male)	Department of Economics, University of Toronto, Canada	Board director, Yuanlih Constructions Co., Ltd.	• Chairman of Tai-Mao Investment Co., Ltd. • Chairman of Li-Jian Co., Ltd. • Chairman of Lun-Chun Co., Ltd. • Board director of Da-Ji Trade Co., Ltd. • Chairman of Chuan-Li-Hsin-Yeh Corp. • Board director of Yuanlih Constructions Co., Ltd. • Board director of Yuan Shin Constructions Co., Ltd. • Chairman of Hung Cheng International Co., Ltd. • Board director of Chuan-Yi Security Co., Ltd. • Board director of PXPay Plus Co., Ltd. • Board director of CHEM	44,688,546

Director	CHC International Investment Corp.	Not applicable	Not applicable	• Juristic-person board director of Tainan Enterprises Co., Ltd. • Juristic-person board director of Chateau International Development Co., Ltd. • Juristic-person board director of Deltamac (Taiwan) Co., Ltd. • Juristic-person board director of Vieshow Cinemas Co., Ltd. • Juristic-person board director of Taiwannet.com Corp. • Juristic-person board director of Taiwan.com Corp. • Juristic-person board director of CHEM	2,256,730
Director	Sunrise Tech. Co., Ltd., represented by Wei-Chuan Chang (Male)	Department of Marine Engineering, China Maritime College	• Technician, Engineering Department, Ambassador Hotel • Technician, Outfitting, CSBC Corporation • Director of CHEM's Power Equipment Division	Board director, vice president, and business group president, CHEM	6,266,514
Director	Sunrise Tech. Co., Ltd., represented by Song-Qin Sheng (Male)	Institute of Engineering Science, National Cheng Kung University	• Deputy COO, New Energy Business Group, CHEM • Manager, Acer e-Enabling Data Center • Associate Researcher, Institute of Materials Science, ITRI	• Board director of Norion Energy Co., Ltd. • Board director of Chung-Hsin Energy Tech. Inc. • Board director of Aura Material Ltd. • Board director of Vireo Power Co., Ltd. • Board director and CFO of Etrovision Technology Co., Ltd. • Board director and business group president of CHEM	6,266,514
Director	Sunrise Tech. Co., Ltd., represented by Shu-Chun Chien (Female)	Department of Feng Chia University	• Manager, CHEM's Finance Department • Deputy Director, CHEM's Finance Department	Director of CHEM's Finance Department	6,266,514

Independent director	Lien-Sheng Lu (Male)	• Master's in Accounting, Soochow University • PhD, Xiamen University	• Associate Professor, National Taiwan University, Chengchi University, Taipei University & Soochow University • Executive Director/Executive Supervisor, National Federation of CPA Associations • Chair of Enterprise Accounting Standards Committee of ARDF	• Managing partner of Earnest CPA Firm • Chairman of Wan Shih Cheng World Co., Ltd. • Board director of Hi-Yes International Co., Ltd.	0
Independent director	Jiunn-Chih Wang (Male)	• Department of Economics, National Taiwan University • Master's in Economics, National Chengchi University • PhD in Technological Management, Chung Hua University	• Team Leader, Financial Bureau, Ministry of Finance • General Manager of Central Trust Bureau, EnTie Commercial Bank, and Huanan Bank • Chairman of Capital Securities Corp.	Chairman of Wufan Development Corp.	0
Independent director	San-Yuan Lin (Male)	• Department of Law, National Taiwan University • Master's in Law, Edinburgh University • PhD in Law, National Yang Ming Chiao Tung University	• Deputy Director-General, Department of Judicial Administration, Judicial Yuan • Judge, Taichung Branch of Taiwan High Court • Judge/Chief Judge of Taichung District Court • Adjunct Assistant Professor, Department of Finance and Economics Law, Chung Hsing University	Managing partner of San Yuan Law Firm	0

Attachment 7

Table of Board Directors' Concurrent Roles in Other Companies

Title	Name	Positions Held in Other Companies
Director	Fu-Nien Chiang	1. Chairman of Stellar Power System Co., Ltd. 2. Chairman of Tian Chong Energy Co., Ltd. 3. Chairman of Tian Cin Energy Co., Ltd. 4. Chairman of Tian Fu Energy Co., Ltd. 5. Chairman of Sunrise Tech. Co., Ltd. 6. Chairman of Findata Finance Technology 7. Chairman of Chung-Hsin Energy Tech. Inc. 8. Chairman of Tian Peng Energy Co., Ltd. 9. Chairman of Etrovision Technology Co., Ltd. 10. Chairman of Norion Energy Co., Ltd.
Director	Hon-Ren Lin	1. Chairman of Tai-Mao Investment Co., Ltd. 2. Chairman of Li-Jian Co., Ltd. 3. Chairman of Lun-Chun Co., Ltd. 4. Board director of Da-Ji Trade Co., Ltd. 5. Chairman of Chuan-Li-Hsin-Yeh Corp. 6. Board director of Yuanlih Constructions Co., Ltd. 7. Board director of Yuan Shin Constructions Co., Ltd. 8. Chairman of Hung Cheng International Co., Ltd. 9. Board director of Chuan-Yi Security Co., Ltd. 10. Board director of PXPay Plus Co., Ltd.
Director	Song-Qin Sheng	1. Board director of Norion Energy Co., Ltd. 2. Board director of Chung-Hsin Energy Tech. Inc. 3. Board director of Aura Material Ltd. 4. Board director of Etrovision Technology Co., Ltd. 5. Board director of Vireo Power Co., Ltd.
Director	Shu-Chun Chien	1. Board director of Sunrise Tech. Co., Ltd. 2. Board director of Baosen International Co., Ltd.
Independent Director	Lien-Sheng Lu	1. Chairman of Wan Shih Cheng World Co., Ltd. 2. Board director of Hi-Yes International Co., Ltd.
Independent Director	Jiunn-Chih Wang	1. Board director of Wufan Development Corp.

IX. Appendices

Appendix 1

Chung-Hsin Electric & Machinery Mfg. Corp.
Shareholders' Meeting Rules

Article 1 The rules of procedure for the Company's shareholders' meetings shall be as provided in these Rules unless otherwise specified by law, regulation, or the articles of incorporation.

Article 2 The Company's shareholders' meetings shall be convened by the Board of Directors, unless otherwise provided by law or regulation.

The Company shall prepare electronic versions of the shareholders' meeting notices and proxy forms, and the origins of explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, and the election or dismissal of board members, and upload them to the Market Observation Post System ("MOPS") at least 30 days before the date of a regular shareholders' meeting or at least 15 days before the date of a special shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS at least 21 days before the date of the regular shareholders' meeting or at least 15 days before the date of the special shareholders' meeting. In addition, at least 15 days before the date of the shareholders' meeting, the Company shall also have prepared the shareholders' meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby, and shall be distributed on-site at the meeting venue.

The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement.

Matters pertaining to election or dismissal of board members, amendments to the articles of incorporation, capital reduction, application for suspension of public issuance, permission for board members' competitive activities, capitalization of earnings, capitalization of reserves, the dissolution, merger, or demerger of the Company, or any matter under Article 185, Paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be itemized in the reasons for convening the shareholders' meeting and shall be accompanied by an appropriate explanation. None of the above matters may be raised as an ad hoc motion.

Shareholders who hold more than one percent of the total number of shares issued may submit a proposal to the Company's ordinary shareholders' meeting. The proposal is limited to a single matter. Any proposal with more than one matter shall not be included in the agenda. In addition, if the shareholder's proposal falls under one of the conditions in Article 172-1, Paragraph 4, of the Company Act, the Board of Directors may exclude it from the agenda. Shareholders may submit proposals to urge the Company to promote public interests or fulfill its social responsibilities. Procedurally, each proposal shall be limited to a single matter in accordance with the relevant provisions of Article 172-1 of the Company Act. Any proposal with more than one matter shall not be included in the agenda.

Article 3 For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form prescribed by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company at least five days before the date of the shareholders' meeting. If multiple proxy forms are delivered, the one received earliest shall prevail, unless a declaration is made to cancel the previous proxy appointment.

Article 4 The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.

Article 5 The Company shall furnish the attending shareholders or proxies appointed by shareholders (hereinafter "shareholders") with an attendance book to sign, or attending shareholders may submit a sign-in card in lieu of signing in.

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

Shareholders shall attend shareholders' meetings by presenting attendance cards, sign-in cards, or other attendance documents. The Company may not arbitrarily require shareholders to provide any documents beyond those necessary to prove their eligibility to attend. Solicitors soliciting proxy forms shall also bring identification documents for verification.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

Article 6 If the meeting is convened by the Board of Directors, the Chairman shall preferably chair the meeting and at least half of the board members and at least one member of each functional committee shall preferably attend the meeting. Attendance status shall be recorded in the meeting minutes. If the Chairman is on leave or unable to perform his/her duties for any reason, he/she shall appoint another board member to act as proxy. If no proxy has been appointed, the other board members shall select one among themselves to serve as the proxy.

If a shareholders' meeting is convened by a party with power to convene other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

The Company may appoint its attorneys, certified public accountants, or related persons to attend a shareholders' meeting in a non-voting capacity.

Article 7 The Company shall make an uninterrupted audio and video recording of the entire process of the shareholders' meeting, and retain the recording for least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the lawsuit.

Article 8 Attendance at shareholders’ meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated based on the shares indicated by the attendance book and the submitted sign-in cards.

Article 9 The chair shall call the meeting to order at the scheduled meeting time. However, if the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement; however, no more than two such postponements, totaling a maximum of one hour, may be made. 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.

If the quorum is not met after the two postponements referred to in the preceding paragraph, and the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, Paragraph 1, of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders’ meeting shall be convened within one month.

If, before the conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote at the shareholders’ meeting pursuant to Article 174 of the Company Act.

Article 10 If a shareholders’ meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The meeting shall proceed in the order set out in the agenda, which may not be changed without a resolution of the shareholders’ meeting.

The provisions of the preceding paragraph shall apply *mutatis mutandis* to a shareholders’ meeting convened by a party with the power to convene other than the Board of Directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda (including ad hoc motions) referred to in the preceding two paragraphs, except by a resolution of the shareholders’ meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

After adjournment, shareholders may not reconvene the meeting at the original or another venue by electing a new chair, unless the chair has violated the rules of procedure stated above.

Article 11 Before speaking, an attending shareholder shall specify on a speaker’s slip the subject of the speech, his/her shareholder account number (or attendance card number), and his/her account name. The order in which shareholders speak shall be determined by the chair.

An attending shareholder who has submitted a speaker's slip but has not actually spoken shall be deemed to have not spoken. If the content of the speech does not correspond to that stated on the speaker’s slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed five minutes. If the shareholder's speech violates the rules or exceeds the scope of the proposal, the chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

If a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond personally or direct relevant personnel to provide a response.

Article 12 During the meeting, the chair shall allow sufficient opportunity for explanation and discussion of proposals and amendments or ad hoc motions put forward by the shareholders; if the chair deems that a proposal has been discussed sufficiently, he/she may announce the discussion closed and call for a vote.

Article 13 Voting at a shareholders' meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

If a shareholder is an interested party in relation to an agenda item, and such a relationship is likely to prejudice the interests of the Company, the shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

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

With the exception of a trust enterprise or a shareholder service agent approved by the competent securities authority, if one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 14 A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are non-voting shares.

Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. On the same day, the Company shall enter the voting results, namely, the numbers of votes cast "For," "Against, " and "Abstentions" for each proposal, into the MOPS.

A resolution shall be deemed adopted if no objection is raised following the chair's inquiry and shall carry the same effect as one voted on by casting ballots. If any objection is raised, it shall be resolved by the voting method specified in the above provisions.

If an amendment or an alternative to a proposal is presented, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. Once any one of the proposals is approved, the other proposals shall be deemed rejected and no further voting shall be required.

Article 15 Monitoring and vote-counting personnel for proposal voting shall be appointed by the chair, provided that the monitoring personnel are shareholders. Vote counting shall be conducted publicly within the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting shall be announced on-site at the meeting and documented in writing.

Article 16 The election of board members at a shareholders' meeting shall be held in accordance with the Company's Rules for Election of Board Directors, and the voting results shall be announced on-site immediately.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the supervising personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the lawsuit.

Article 17 The resolutions adopted at a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy shall be distributed to each shareholder within 20 days after conclusion of the meeting.

The Company may distribute the meeting minutes mentioned in the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results, and shall be retained for the entire duration of the Company's existence.

The resolution method described above involves the chair consulting with shareholders. If no objections to the proposal are raised by the shareholders, it shall be recorded as "approved by unanimous consent of all attending shareholders following the chair's inquiry." However, if objections are raised, the voting method, as well as the number and proportion of voting rights used to approve the resolution, shall be documented.

Article 18 On the day of a shareholders' meeting, the Company shall compile, in the prescribed format, a statistical table of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders' meeting.

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

Article 19 Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.

The chair may direct disciplinary or security personnel to help maintain order at the meeting place. When disciplinary or security personnel help maintain order at the meeting place, they shall wear an identification card or arm band bearing the words "Disciplinary Personnel."

At the place of a shareholders' meeting, if a shareholder attempts to speak using any device other than the public address equipment set up by the Company, the chair may prohibit the shareholder from doing so.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the disciplinary or security personnel to escort the shareholder out of the meeting.

Article 20 When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and, in view of the circumstances, announce a time when the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including ad hoc motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.

A resolution may, in accordance with Article 182 of the Company Act, be adopted at a shareholders' meeting to postpone the meeting for no more than five days or resume the meeting within five days.

Article 21 These Rules and any amendments hereto shall be implemented after adoption by shareholders' meetings.

Appendix 2

Chung-Hsin Electric & Machinery Mfg. Corp.
Articles of Incorporation

Chapter One - General

Article 1
The Company shall be incorporated, as a company limited by shares, under the Company Act of the Republic of China.

Article 2
Its name shall be Chung-Hsin Electric and Machinery Manufacturing Corporation.

Article 3
The scope of business of the Company shall be as follows:
(1) C801100 Synthetic Resin and Plastic Manufacturing
(2) C805070 Reinforced Plastic Products Manufacturing
(3) C901020 Glass and Glass Products Manufacturing
(4) CA01050 Steel Secondary Processing
(5) CA02060 Metal Containers Manufacturing
(6) CA04010 Surface Treatments
(7) CB01010 Mechanical Equipment Manufacturing
(8) CB01030 Pollution Controlling Equipment Manufacturing
(9) CB01071 Frozen and Air-conditioning Equipment Manufacturing
(10) CC01010 Manufacture of Power Generation, Transmission and Distribution Machinery
(11) CC01020 Electric Wires and Cables Manufacturing
(12) CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing
(13) CC01060 Wired Communication Mechanical Equipment Manufacturing
(14) CC01070 Wireless Communication Mechanical Equipment Manufacturing
(15) CC01080 Electronic Components Manufacturing
(16) CC01090 Manufacture of Batteries and Accumulators
(17) CC01101 Restrained Telecom Radio Frequency Equipment and Materials Manufacturing
(18) CC01110 Computer and Peripheral Equipment Manufacturing
(19) CD01010 Ships and Parts Manufacturing
(20) CD01020 Rail Vehicles and Parts Manufacturing
(21) CD01030 Motor Vehicles and Parts Manufacturing
(22) CD01060 Aircraft and Parts Manufacturing
(23) CE01010 General Instrument Manufacturing
(24) CE01021 Weighing and Measuring Instruments Manufacturing
(25) D101050 Combined Heat and Power
(26) D401010 Thermal Energy Supply
(27) E303030 Soil Pollution Prevention and Control Engineering
(28) E501011 Tap Water Pipelines Contractors
(29) E502010 Fuel Catheter Installation Engineering
(30) E599010 Piping Engineering
(31) E601010 Electric Appliance Construction
(32) E601020 Electric Appliance Installation
(33) E602011 Refrigeration and Air-conditioning Engineering
(34) E603010 Cable Installation Engineering
(35) E603020 Elevator Installation Engineering
(36) E603040 Fire Safety Equipment Installation Engineering
(37) E603050 Automatic Control Equipment Engineering

(38) E603080 Traffic Signs Installation Engineering
(39) E603090 Lighting Equipment Construction
(40) E604010 Machinery Installation
(41) E605010 Computer Equipment Installation
(42) E701010 Telecommunications Engineering
(43) E701020 Satellite Television KU Channels and Channel C Equipment Installation
(44) E701030 Controlled Telecommunications Radio-Frequency Devices Installation Engineering
(45) E801010 Indoor Decoration
(46) E801040 Glass Installation Engineering
(47) E801070 Kitchenware and Sanitary Fixtures Installation Engineering
(48) E901010 Painting Engineering
(49) E903010 Anti-Corrosion and Anti-Rust Engineering
(50) EZ05010 Instrument and Meter Installation Engineering
(51) EZ06010 Traffic Marking Engineering
(52) EZ15010 Warming and Cooling Maintenance Construction
(53) F107170 Wholesale of Industrial Catalysts
(54) F112040 Wholesale of Petroleum Products
(55) F113010 Wholesale of Machinery
(56) F113020 Wholesale of Electrical Appliances
(57) F113030 Wholesale of Precision Instruments
(58) F113050 Wholesale of Computers and Clerical Machinery and Equipment
(59) F113060 Wholesale of Measuring Instruments
(60) F113070 Wholesale of Telecommunication Apparatus
(61) F113090 Wholesale of Traffic Sign Equipment and Materials
(62) F113100 Wholesale of Pollution Controlling Equipment
(63) F113110 Wholesale of Batteries
(64) F114030 Wholesale of Motor Vehicle and Motorcycle Parts & Accessories
(65) F114060 Wholesale of Ships and Component Parts
(66) F114070 Wholesale of Aircraft and Component Parts
(67) F114080 Wholesale of Rail Vehicles and Component Parts
(68) F116010 Wholesale of Camera Equipment
(69) F117010 Wholesale of Fire Safety Equipment
(70) F118010 Wholesale of Computer Software
(71) F119010 Wholesale of Electronic Materials
(72) F207010 Retail Sale of Paints, Coating and Varnishes
(73) F213010 Retail Sale of Electrical Appliances
(74) F213030 Retail Sale of Computers and Clerical Machinery and Equipment
(75) F213040 Retail Sale of Precision Instruments
(76) F213050 Retail Sale of Measuring Instruments
(77) F213060 Retail Sale of Telecommunication Apparatus
(78) F213080 Retail Sale of Machinery and Tools
(79) F213090 Retail Sale of Traffic Sign Equipment and Materials
(80) F213100 Retail Sale of Pollution Controlling Equipment
(81) F213110 Retail Sale of Batteries
(82) F214030 Retail Sale of Motor Vehicle and Motorcycle Parts & Accessories
(83) F214060 Retail Sale of Ship and Parts
(84) F214070 Retail Sale of Aircraft and Parts
(85) F214080 Retail Sale of Rail Vehicles and Parts
(86) F216010 Retail Sale of Camera Equipment
(87) F217010 Retail Sale of Fire Safety Equipment
(88) F218010 Retail Sale of Computer Software
(89) F401010 International Trade
(90) F401021 Restrained Telecom Radio-Frequency Equipment and Materials Import

(91) G202010 Parking Area Operators
(92) H701010 Housing and Building Development and Rental
(93) H701040 Specific Area Development
(94) H701050 Investment, Development and Construction in Public Construction
(95) H701060 New Town, New Community Development
(96) H703100 Real Estate Leasing
(97) I301010 Information Software Services
(98) I301020 Data Processing Services
(99) I301030 Digital Information Supply Services
(100) I401010 General Advertisement Services
(101) IF01010 Fire Safety Equipment Inspection and Repair
(102) IF02010 Electricity Equipment Checking and Maintenance
(103) IG03010 Energy Technical Services
(104) J101030 Waste Disposal
(105) J101040 Waste Treatment
(106) J101050 Environmental Testing Services
(107) J101060 Wastewater (Sewage) Treatment
(108) JA02010 Electrical Appliance and Electronic Product Repair
(109) JA02051 Weighing and Measuring Instruments Repair
(110) D101040 Non-Public Electric Power Generation
(111) ZZ99999 All business items that are not prohibited or restricted by laws, except those that are subject to special approval.

Article 3-1
The Company may, due to business needs, provide external endorsements and guarantees.

Article 4
The Company shall have its head office in New Taipei City, Taiwan, Republic of China, and may, based on business needs, set up branches, administrative offices, business offices, shops, factories, and warehouses at various locations both domestically and abroad.

Article 5
If the Company is a shareholder with limited liability of another company, its total investment amount shall not be subject to the restriction under Article 13 of the Company Act, which states that it may not exceed 40% of the Company's paid-in capital.

Chapter Two - Shares

Article 6
The total capital of the Company shall be in the amount of $7,500,000,000 New Taiwan dollars (NT$), divided into 750,000,000 shares at NT$10 par value, and unissued shares may be issued in installments when deemed necessary by the Board of Directors, of which NT$1,000,000,000 may be issued in the form of preferred stocks.

Article 6-1 Deleted

Article 7 Deleted

Article 8 Deleted

Article 9
The stocks issued by the Company shall be name-bearing, assigned a serial number, duly signed or sealed by board directors, and issued upon certification by a bank legally authorized to serve as a registrar for stock issuance.

Article 10
Registration for transfer of shares shall be suspended for 60 days prior to the regular shareholders' meeting, or for 30 days prior to the extraordinary shareholders' meeting, or for five days prior to the day on which dividend, bonus or any other benefit is scheduled to be paid by the Company.

Article 11
The Company shall handle its stock affairs in accordance with the Guidelines for Handling of Stock Affairs by Public Companies issued by the authorities in charge.

Chapter Three - Shareholders' Meeting

Article 12
The Company has two types of shareholders' meetings: annual (regular) shareholders' meeting and special (extraordinary) shareholders' meeting. The former shall be held once every year and called by the Board of Directors in accordance with relevant laws within six months from the close of each fiscal year, and the latter may be duly called whenever necessary.

Article 13
The shareholders shall be informed of the meeting date, place and purpose(s) at least 30 days prior to the shareholders' meeting; for an extraordinary shareholders' meeting, each shareholder shall be notified of the meeting date, place and purpose(s) at least 15 days prior to the meeting.

Article 14
Unless otherwise provided in the Company Act, a shareholders' meeting may commence only if a majority of the shareholders or a representation of the majority the total issued and outstanding capital stock is in attendance, whereas the resolutions shall be adopted by a majority vote of the voting rights of the shareholders present at the meeting. According to regulatory requirements, the Company's shareholders may also vote via an electronic voting system, and those who do so shall be deemed as attending the shareholders' meeting in person; electronic voting shall be conducted in accordance with the relevant laws and regulations.

Article 15
If a shareholder is unable to attend a shareholders' meeting, he/she may appoint a proxy using the proxy form provided by the Company, specifying the scope of authorization. In addition to the provisions stated in Article 177 of the Company Act, shareholders' appointment of proxies for shareholders' meetings shall be handled in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies."

Article 16
Each share held by a shareholder of the Company is entitled to one vote, except for shares specified under Article 179 of the Company Act and in cases where a board member has, during his/her term in office, pledged more than half of the shares held in the Company as collateral, in which case the excess portion shall have no voting right.

Article 17
The election of the Company's Board of Directors shall be conducted via name-bearing cumulative voting. Each share shall have the same number of ballots as the number of directors to be elected, and the number of ballots may be casted to one candidate or several different candidates. The candidates who receive the most votes, reflecting greater voting rights, shall be elected as directors. The election of directors shall adopt the candidate nomination method in Article 192-1 of the Company Act. The nomination process and announcement of director candidates, along with related matters, shall be handled in accordance with the relevant provisions of the Company Act and the Securities and Exchange Act. Independent directors and non-independent directors shall be elected at the same time and the election results shall be calculated separately.

Article 18
The shareholders' meeting shall be convened by the Board of Directors and presided over by the Chairman of the Board. If the Chairman is absent, the Vice Chairman shall act as his/her proxy. In the event that both of them are absent and the Chairman fails to appoint a proxy, one board member shall be elected among the board members as the chair. Should the meeting be convened by a non-board member, that individual shall be the chair; when two or more such individuals are involved in calling the meeting, they shall select one among themselves to be the chair.

Article 19
Resolutions adopted at a shareholders' meeting shall be recorded in the meeting minutes, signed or sealed by the chair of the shareholders' meeting, and distributed to the shareholders within 20 days immediately following the conclusion of the meeting.

The Company may distribute the aforementioned minutes via public announcements.

Chapter Four – Board Directors and Audit Committee

Article 20
The Company's Board shall comprise between 7 and 13 directors, each serving a term of three years. The number of directors shall be decided at the Board of Directors meeting. At least three of the directors mentioned above shall be independent directors, and all directors shall be elected by the shareholders' meeting from candidates with legal capacity and may be re-elected consecutively. Should their terms of office expire before the re-election, their capacity shall be extended until the newly elected directors take office. If one third of the total number of director seats is not filled, the Board of Directors shall convene an extraordinary shareholders' meeting within 60 days to fill the seats through by-election. The term of office for a director appointed through a by-election shall be limited to completing the remaining term of the predecessor. The total shareholding ratios of all directors shall be dealt with in accordance with Article 2 of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies."

Article 20-1 Deleted

Article 20-2
The Company shall establish an audit committee in compliance with Article 14-4 of the Securities and Exchange Act, and such audit committee shall be composed of the entire number of independent board directors. The exercise of powers by the audit committee and its members, as well as related matters, shall comply with the laws and regulations established by the competent authority.

Article 21
The Board of Directors shall elect a Chairman among themselves, and the Chairman shall oversee all internal operations in accordance with relevant laws and regulations, these Articles of Incorporation, and the resolutions of shareholders' meetings and board meetings, and represent the Company externally. The Board of Directors may, depending on the actual needs of the Company, elect a Vice Chairman from among its members, with a term of office matching that of the incumbent board members.

Article 22
The Board of Directors meeting shall be convened at least on a quarterly basis and chaired by the Chairman. In the Chairman's absence, the Vice Chairman shall act as the Chairman's proxy. If the Vice Chairman has not been appointed or is unavailable for the meeting, and the Chairman has not appointed a proxy, the Board of Directors shall elect a chair from among the board members. The Board of Directors shall attend the meeting in person. Should any board member delegate another board member to attend the meeting on his/her behalf, he/she shall thereby issue a power of

attorney. Each board member may be designated by only one other board member per board meeting.

Notification of the Board of Directors meeting may be delivered via means such as fax or email.

Article 23
The powers and duties of the Board of Directors are as follows:
1. Convening shareholders' meetings and implementing the resolutions thereof.
2. Reviewing and deciding on business plans, and evaluating their outcomes.
3. Reviewing and deciding on various significant rules, bylaws and contracts.
4. Reviewing and approving budgets and final accounts as well as operations reports.
5. Reviewing and approving the appropriation of earnings.
6. Proposing and approving the increase or decrease of capital.
7. Reviewing and deciding on the increase, decrease, or change of branch offices.
8. Determining and approving the appointment/discharge of the President and Vice President(s).
9. Proposing and approving amendments to these Articles of Incorporation.
10. Reviewing and approving the issuance of corporate bonds.
11. Handling matters related to the purchase, sale, management and mortgage of fixed assets.
12. Supervising internal auditing operations of the Company.

Article 24
The Board of Directors shall establish an internal audit unit that performs the following duties:
1. Proposing, amending, and implementing matters related to regulations and provisions of the Company's audit system.
2. Auditing matters related to payroll, procurement, production, sales, finance and accounting of the Company.
3. Supervising and evaluating the performance of self-audit conducted by the Company's business and finance units.
4. Reviewing projects of each business unit and performing follow-up audits of deficiencies identified during inspections by competent authorities, CPA audits, and management committee audits.
5. Supervising the transition of the Company's senior-level managers.
6. Auditing matters related to the tasks assigned by the Board of Directors or the President.

Article 25 Deleted

Article 26 Deleted

Article 27 Deleted

Article 27-1
The remuneration for the Company's Board of Directors shall be assessed by the Remuneration Committee based on their participation in company operations and their contribution, and the directors shall be authorized to decide their remuneration based on the assessment from the Remuneration Committee and the standard levels of remuneration in the same industry. The Company may set different remuneration for independent directors from general directors.

Article 27-2
The Company shall take out liability insurance for the Board of Directors with respect to liabilities resulting from the performance of duties during their terms of office.

Chapter Five - Management and Staff

Article 28
The Company shall have one President who shall, under the Chairman's orders, oversee all company operations, and may have one to five Vice Presidents to assist the President. The appointment, dismissal and remuneration of all these top management executives shall be handled in accordance with Article 29 of the Company Act.

Article 29
Unless otherwise regulated, various levels and units may be established under the President and Vice President as required by business needs. The senior-level management staff shall be appointed or dismissed by the Chairman upon recommendation of the President, in accordance with the law.

Article 30
The President and management staff reporting to the President shall not, for themselves or other parties, engage in any business of the same kind as the Company's.

Article 31
The Company's fiscal year shall start from the 1st of January and end on the 31st of December, and thus the year-end closing shall be conducted at the end of the year. Additionally, interim financial settlements may be conducted once a year at the end of June.

Article 32
At the close of each fiscal year, the Board of Directors shall prepare the following statements and records and then submit them to the regular shareholders' meeting for ratification.
1. Business report.
2. Financial statements.
3. Proposal concerning appropriation of earnings or covering of losses.

Article 33
If the Company makes a profit for the year, it shall allocate at least 1% as employee compensation and up to 3% as director remuneration. However, any accumulated losses shall first be deducted and the allocation shall be based on the remaining amount.

Of the employee compensation mentioned above, no less than 50% shall be allocated as rank-and-file employees' compensation. Employee compensation may be distributed in the form of stocks or cash, and the recipients may include employees from subsidiaries who meet certain conditions, the criteria and distribution method of which shall be determined by the Board of Directors.

The issues in the preceding two paragraphs shall be resolved by the Board of Directors and reported to the shareholders' meeting.

Article 33-1
Any earnings after the Company's fiscal year final settlement shall be allotted to each item in the following order:
1. Paying taxes and dues.
2. Making up for losses.
3. Setting aside 10% for statutory surplus reserve, unless the statutory surplus reserve has reached the total paid-in capital.
4. Setting aside or reversing special surplus reserves.
5. Allocating any remaining amount along with the unallocated earnings from the previous year as shareholder dividends and bonuses, with the Board of Directors drafting an earnings distribution proposal for approval at the shareholders' meeting.
6. The total allocated amount shall not exceed the distributable earnings.

Article 33-2
The resolution for appropriating earnings adopted by the shareholders' meeting of the Company shall align with the overall business environment, industrial growth policies, and long-term financial planning, in pursuit of stable and sustainable growth. The dividend policy shall fully reflect the operating performance and need for diversification. If earnings are available for appropriation upon year-end closing, the Company may, each year, issue cash dividends based on 50% to 80% of the earnings available for distribution.

Chapter Six - Supplementary Provisions

Article 34
The Company's organizational rules and handling procedures shall be determined separately.

Article 35
Amendments to these Articles of Incorporation shall require the attendance of shareholders representing two-thirds or more of the Company's total number of shares issued, and approval by more than half of the voting rights represented by the attending shareholders; or the attendance of shareholders representing a majority of the Company's total number of shares issued, and approval by at least two-thirds of the voting rights represented by the attending shareholders.

Article 36
Matters not specified herein shall be subject to the provisions of the Company Act and other relevant laws and regulations.

Article 37
These Articles of Incorporation were established on April 28, 1962, and the first Amendment was approved on July 23, 1963, the second Amendment on May 7, 1964, the third Amendment on May 1, 1965, the fourth Amendment on July 18, 1967, the fifth Amendment on February 27, 1969, the sixth Amendment on May 1, 1969, the seventh Amendment on November 21, 1970, the eighth Amendment on March 2, 1971, the ninth Amendment on May 12, 1973, the tenth Amendment on April 3, 1976, the eleventh Amendment on May 5, 1979, the twelfth Amendment on May 17, 1980, the thirteenth Amendment on August 2, 1980, the fourteenth Amendment on October 4, 1980, the fifteenth Amendment on November 20, 1980, the sixteenth Amendment on June 13, 1981, the seventeenth Amendment on September 16, 1981, the eighteenth Amendment on December 12, 1981, the nineteenth Amendment on July 17, 1982, the twentieth Amendment on October 23, 1982, the twenty-first Amendment on December 18, 1982, the twenty-second Amendment on November 5, 1983, the twenty-third Amendment on June 8, 1984, the twenty-fourth Amendment on March 2, 1985, the twenty-fifth Amendment on May 5, 1986, the twenty-sixth Amendment on October 8, 1985, the twenty-seventh Amendment on January 7, 1986, the twenty-eighth Amendment on March 28, 1986, the twenty-ninth Amendment on May 29, 1986, the thirtieth Amendment on June 11, 1987, the thirty-first Amendment on June 3, 1988, the thirty-second Amendment on July 4, 1988, the thirty-third Amendment on June 12, 1989, the thirty-fourth Amendment on December 5, 1989, the thirty-fifth Amendment on December 12, 1990, the thirty-sixth Amendment on May 31, 1990, the thirty-seventh Amendment on October 24, 1990, the thirty-eighth Amendment on April 20, 1991, the thirty-ninth Amendment on June 13, 1990, the fortieth Amendment on June 12, 1992, the forty-first Amendment on June 11, 1993, the forty-second Amendment on May 27, 1994, the forty-third Amendment on June 15, 1995, the forty-fourth Amendment on June 6, 1996, the forty-fifth Amendment on June 12, 1997, the forty-sixth Amendment on June 12, 1997, the forty-seventh Amendment on June 2, 1998, the forty-eighth Amendment on May 18, 1999, the forty-ninth Amendment on November 11, 1999, the fiftieth Amendment on June 20, 2000, the fifty-first Amendment on June 27, 2001, the fifty-second Amendment on June 14, 2002, the fifty-third Amendment on May 20, 2004, the fifty-fourth Amendment on June 10, 2005, the fifty-fifth Amendment on June 9, 2006, the fifty-sixth Amendment on June 8, 2007, the fifty-seventh Amendment on June 18, 2010, the fifty-eighth Amendment on June 22, 2012, the fifty-ninth

Amendment on June 25, 2016. the sixtieth Amendment on June 28, 2017, the sixty-second Amendment on June 22, 2020, the sixty-third Amendment on July 30, 2021, the sixty-fourth Amendment on May 27, 2024, and the sixty-fifth Amendment on May 23, 2025.

Chairman: Chiang, Fu-Nien

Appendix 3

Chung-Hsin Electric & Machinery Mfg. Corp.
Rules for Election of Board Directors

Article 1
Except as otherwise provided by law and regulation or by the Company's Articles of Incorporation, elections of directors shall be conducted in accordance with these Rules.

Article 2
The Board of Directors shall provide a recommendation list for the succeeding directors, which shall be used as a reference for the election of directors.

Article 2-1
Elections of directors of the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. The Company shall review the qualifications, education, working experience, background, and the existence of any other matters set forth in Article 30 of the Company Act with respect to nominee directors and supervisors and may not arbitrarily add requirements for documentation of other qualifications. It shall further provide the results of the review to shareholders for their reference, so that qualified directors will be elected.

Article 3
The cumulative voting method shall be used for election of the directors of the Company. Each share shall have a number of voting rights equal to the number of directors to be elected, and voting rights may be cast for a single candidate or split among multiple candidates. The elections of independent directors and non-independent directors shall be conducted at the same time, and the election results shall be calculated respectively.

Article 4
The Board of Directors shall prepare a number of ballots equal to the number of directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 5
The number of directors for the Company is specified in the Company's Articles of Incorporation. Candidates receiving ballots representing the highest numbers of voting rights will be elected sequentially, based on the number of votes they receive. When two or more candidates receive the same number of votes, thus exceeding the specified number of directors, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any candidate not in attendance.

Article 6
Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the various duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the Board of Directors and publicly checked by the vote monitoring personnel before voting commences.

Article 7
If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "Candidate" column of the ballot; for a non-shareholder, the voter shall

enter the candidate's full name and identity card number. However, if the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name on the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the name of each representative shall be entered.

Article 8

A ballot is invalid under any one of the following circumstances:

1. The ballot was not prepared by the Board of Directors.
2. The ballot put into the ballot box is blank.
3. The writing is unclear and indecipherable or has been altered.
4. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not match those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.
5. Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted.
6. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such person.
7. Two or more candidates' names are entered in the ballot.

Article 9

The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the lawsuit.

Article 10

The Board of Directors of the Company shall issue notifications to the persons elected as directors.

Article 11

These Rules shall come into force upon approval at a shareholders meeting, and the same procedure shall apply to any amendments.

Chung-Hsin Electric & Machinery Mfg. Corp.
Board Directors' Shareholdings

1. The Company's paid-in capital amounts to NT$5,031,125,150 and the total number of issued shares is 503,112,515.

2. According to Article 26 of the Securities and Exchange Act, the minimum number of shares that all board members of the Company are legally required to hold is 16,099,600 shares.

3. Based on the shareholder register as of the record date for this Annual Shareholders' Meeting, the shareholdings of the board members, as shown in the table below, meet the percentage requirements stipulated in Article 26 of the Securities and Exchange Act.

Title	Name	No. of Shares Held
Chairman	Sunrise Tech. Co., Ltd. Representative: Fu-Nien Chiang	6,266,514
Director	Sheng-Yuan Investment Corp. Representative: Hon-Ren Lin	44,688,546
Director	Sunrise Tech. Co., Ltd. Representative: Wei-Chuan Chang	6,266,514
Director	Sunrise Tech. Co., Ltd. Representative: Song-Qin Shen	6,266,514
Director	Sunrise Tech. Co., Ltd. Representative: Chin-Chung Lin	6,266,514
Director	CHC International Investment Corp. Representative: Ming-Xian Weng	2,256,730
Independent Director	Gene-Tzn Chen	0
Independent Director	Sing-San Bai	0
Independent Director	Horng-Chi Chen	0
Total Shares Held by Board Members		53,211,790