

Stock code: 9944



2024 General Shareholders' Meeting

Meeting Handbook

June 14, 2024

Table of Contents

Agenda of General Shareholders' Meeting -----	1
Report Items -----	2
Ratification Items -----	5
Discussion Items -----	5
Extempore Motion -----	5
Attachments -----	6
I. Business Report -----	7
II. Independent Auditor's Report and Financial Statements -----	10
III. Audit Committee's Review Report -----	34
IV. Comparison Table of the "Ethical Corporate Management Best Practice Principles" before and after amendment -----	35
V. Comparison Table Before and After Amendment of the "Procedures for Ethical Management and Guidelines for Conduct" -----	43
VI. Comparison Table of "Rules of Procedure for Board of Directors Meetings" Before and After Amendment -----	48
VII. Earnings Distribution Table -----	50
VIII. Comparison Table Before and After Amendment of the "Procedures for Endorsements/Guarantees" -----	51
Appendices -----	54
I. Articles of Incorporation -----	55
II. Rules of Procedure for Shareholders' Meetings -----	60
III. Shares Held by Directors -----	69
IV. Other Explanatory Items -----	70

Shinih Enterprise Co., Ltd.
Agenda of Regular Shareholders' Meeting

Shareholders' Meeting Convention Method: Physical Shareholders' Meeting

Date and Time: June 14, 2024, Friday, 9:00 a.m.

Location: No. 108, Section 1, Nankan Road, Luzhu District, Taoyuan City (Monarch Skyline Hotel)

Meeting Procedure

I. Call Meeting to Order

II. man's Remarks

III. Report Items

- (I) The Company's Business Report of 2023
- (II) Audit Committee's Review Report on 2023 Financial Statements.
- (III) Report on 2023 Cash Dividend Distribution Status of the Company.
- (IV) Report on 2023 Distribution Status of Remuneration of Employees and Directors of the Company.
- (V) Report on material transactions with related parties in 2023.
- (VI) Report on amendments to the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct".
- (VII) Report on amendments to the "Rules of Procedure for Board of Directors Meetings".

IV. Ratification Items

- (I) Approved the 2023 business report and financial statements.
- (II) Recognition of the 2023 earnings distribution proposal.

V. Discussion Items:

- (I) Amendments to the "Procedures for Endorsement Guarantee"

VI. Extempore Motion

VII. Adjournment

Report Items:

Proposal 1

Proposal: The Company's Business Report of 2023

- Explanation: (I) With regard to the 2023 operational result of the Company, in terms of the revenue, the consolidated net revenue of the parent company and subsidiaries was approximately NTD 2.11 billion, representing a decrease of 19.59% compared to approximately NTD 2.63 billion in 2022. The net operating revenue of the parent company for the entire year was approximately NTD 290 million, which is a decrease of 33.09% compared to approximately NTD 434 million in 2022.
- (II) In terms of the earnings, the consolidated net profit after tax for the current period amounted to approximately NTD 176 million, representing a decrease of 26.81% compared to the consolidated net profit after tax of approximately NTD 241 million in 2022. This decrease is mainly due to the land acquisition compensation benefit received in 2021 of the Hangzhou Plant. The main reason is that the overall industry has declined due to the impact of inflation, and the cost of raw materials, freight, electricity, labor and other factors have increased, resulting in a decline in gross profit and affecting profitability.
- (III) Please refer to pages 6 to 29 of this handbook for the business report and related financial statements.
- (IV) Please review.

Proposal 2

Proposal: Audit Committee's review report on the financial statements of 2023.

- Explanation: (I) The financial statements of the Company for 2023 have been audited and certified by CPAs Chien-Chen Huang and Chen-Yu Yang of Crowe (TW). The audit has been completed and reviewed by the Audit Committee, with respective Independent Auditors' Report and review reports issued. Please refer to page 30 of this handbook.
- (II) Please review.

Proposal 3

Proposal: Report on the cash dividend distribution status of 2023 of the Company.

- Explanation: (I) With regard to the Company's 2023 earnings distribution, it has been resolved by the Board of Directors on March 11, 2024, to allocate a dividend of NTD 63,544,860, with cash dividend of NTD 0.6 per share. The entire amount will be distributed in cash (rounded down to the nearest whole number), and any fractional amounts will be included in other income of the Company.
- (II) The present ex-dividend base date is set to be July 1, 2024, and the cash dividend distribution date is July 22, 2024.
- (III) Please review.

Proposal 4

Proposal: Report on the distribution status of employee and director remuneration for 2023 of the Company.

- Explanation: (I) The remuneration for employees and directors for 2023 of the Company was approved by the Board of Directors on March 11, 2024, and will be fully distributed in cash.
- (II) The net income before tax for 2023 of the Company, before deducting employee and director remuneration, amounted to NTD 210,925,044. The remuneration allocation is as follows:
The remuneration to employees is NTD 5,200,000, accounting for approximately 2.5% of the net income before tax. The remuneration to directors is NTD 2,100,000, accounting for approximately 1% of the net income before tax.
- (III) There is no difference between the above distributed amount and the estimated amount in the year of expense recognition (2023).
- (IV) Please review.

Proposal 5

Proposal: Report on material transactions between the Company and related parties in 2023.

- Explanation: (I) According to Article 17 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, if there are financial transactions or dealings between a TWSE/TPEX listed company and its related parties of shareholders, the Company should establish written regulations based on the principles of fairness and reasonableness regarding the financial transactions between them. The Company has already passed the regulations governing financial transactions between related enterprises in the 11th meeting of the 20th Board of Directors.
- (II) According to the Regulations, the Company's purchase or sales, labor service or technical service transactions with related parties, and the expected transaction amount for the whole year reaches 5% of the Company's most recent consolidated total assets or the most recent consolidated net operating revenues, unless the Regulations Governing the Acquisition or Disposal of Assets by Public Companies apply, or transactions between the Company, its subsidiaries, or between subsidiaries, the relevant information should be submitted to the Board of Directors for approval before proceeding with the transaction. Additionally, it should be reported to the shareholders' meeting after the end of the year.
- (III) The Company did not have any material transactions in 2023 with related parties that required reporting to the shareholders meeting in compliance with the Regulations.
- (IV) Please review.

Proposal 6

Proposal: Report on amendments to the “Ethical Corporate Management Best Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct”.

Explanation: (I) To comply with regulations, the Company's "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" have been amended. Please refer to page 31 to 42 of this handbook.

(II) Please review.

Proposal 7

Proposal: Report on amendments to the “Rules of Procedure for Board of Directors Meetings”.

Explanation: (I) To comply with the regulations, the Company's "Rules of Procedure for Board of Directors Meetings" have been amended. Please refer to page 43 to 44 of this handbook.

(II) Please review.

Ratification Items:

Proposal 1 (Proposed by the Board of Directors)

Proposal: Ratification of the 2023 business report and financial statements.

Explanation: (I) The 2023 business report and financial statements (including consolidated financial statements) of the Company have been reviewed by the CPAs and the Audit Committee and are found to be consistent. Please refer to page 6 to page 30 of this handbook.

(II) Please approve.

Resolution:

Proposal 2 (Proposed by the Board of Directors)

Proposal: Ratification of 2023 earnings distribution.

Explanation: (I) The Company's 2023 earnings after tax is NTD 157,614,441. After combining with the accumulated undistributed earnings from previous years and adjusting according to legal requirements, the actual distributable earnings amounts to NTD 1,649,570,755.

(II) Earnings distribution is made according to the Articles of Incorporation of the Company, and have been approved by the Board of Directors through resolution.

(III) Please refer to page 45 of this Handbook for the Earnings Distribution Table.

(IV) Please approve.

Resolution:

Discussion Items:

Proposal 1 (Proposed by the Board of Directors)

Proposal: Amendments to the "Procedures for Endorsements and Guarantees", please discuss.

Explanation: (I) To comply with legal requirements and management requirements, the Company's "Procedures for Endorsement Guarantee" have been amended. Please refer to page 46 to 48 of this handbook.

(II) Please discuss.

Resolution:

Extempore Motion

Adjournment

Attachments

Shinih Enterprise Co., Ltd. Business Report of 2023

I. Operational Policy

Under the complex influence of geopolitics, high inflation, trade wars, tapering and interest rate hikes, anti-globalization, extreme weather, repeated impacts of the pandemic, sustainable development, and supply chain restructuring, the business environment is facing unprecedented challenges. This has intensified global competition for businesses, making it more fierce and complex. Accordingly, we propose five strategic policies as the countermeasures:

1. Existing core: Improve overall process technology

Based on the existing core foundation, we improve the integration of non-woven fabric technology by incorporating horizontal process integration and vertical material development. Moreover, we integrate technological advancement with product development, advancing towards digitization, automation, and intelligence upgrades. By doing so, we are able to make our technology more complete, competitive, differentiated, high-value, low-cost, and efficient, making us the preferred choice for customers.

2. High-end process: Develop customized high-value products

As bicomponent high-end equipment is released consecutively, the existing process capabilities are integrated to head toward the development of differentiation, sub-micron and diverse composition. As for the raw materials, fibers, web formation, post-processing, the development heads toward the direction of diverse and combinational design. Combinational design: Combination of functional fiber/processing function/structure. Expand product application scope with functional combination.

3. Supply chain integration: Adjust the supply chain in accordance with trends

We will continue to deepen the customer market-oriented supply chain service and adjust accordingly in response to the trend of supply chain restructuring. At the same time, we will develop the European and American markets, conduct R&D in Taiwan, manufacture in ASEAN countries, and obtain material and equipment support from China. Additionally, our existing multinational layout will be leveraged for cross-chain resource integration to mitigate impacts and maximize advantages.

4. Sustainable development: Energy saving, carbon reduction, sustainable environmental protection

Promote policies related to sustainable development, green recycling, energy saving and carbon reduction; develop green circular manufacturing, establish water resource recycling systems, and implement recycling and reuse of production waste, etc.; incorporate the awareness of the 5Rs (Reduce, Reuse, Recycle, Recover, and Replace) into the daily operations of employees, internalizing it as part of our basic DNA; externally, align with the sustainable development strategies of customers' supply chain and participate in relevant circular sustainability policies.

5. Utilize regional advantages and expand international strategic cooperation.

We will actively expand joint collaboration with large international corporations in Europe, U.S, China and Japan, etc., in various advantageous aspects (raw materials, equipment, products, markets and talent, etc.)

At the same time, we will focus on replacing the weaving, down, and foam industries with the core foundation of the circular economy as our development direction. This serves as the core strategy for the operational growth momentum of our brand's added value.

II. Implementation Overview

Over the past year, the global economy was under various unfavorable impacts, and the business environment was harsh. The overall operation difficulties of enterprises were tougher than the past, all of the challenges faced by enterprises were testing their flexibility and agility under such harsh environment. In 2023, the Company also experienced a decline in overall revenue due

to these influences. In response to the adverse impacts, the Company adjusted strategies by implementing rapid response, flexible production, and global logistics coordination. Additionally, effective operations outside of the core business contributed to maintaining overall operational performance. In the future, with the completion of the factory relocation and recovery of the consumer market, we expect that the overall operational performance will gradually improve.

The business operational environment faced by the Company is expected remain uncertain and tough. However, the Company will continue to uphold the principles of stability, optimism and faith in order to achieve continuous innovation, to enhance the global planning and resource platform integration for the group, thereby providing comprehensive and integrated solutions to customers, and achieving the win-win value model for enterprises and customers.

III. Business Plan Implementation Outcome:

The Company's 2023 net consolidated operating revenue was NTD2,114,906 thousand, which represents a decrease of 20% compared to NTD 2,630,253 thousand in 2022. This decline was influenced by adverse factors such as increased cost and expenses for raw materials, labor, freight, energy, etc. As a result, the overall net operating loss for this period reached NTD 84,116 thousand, significantly lower than the net operating income of NTD 99,196 thousand in the previous year. However, due to the recognition of income from external operations such as the compensation for the acquisition of the Taicang Xinli Plant, disposal in Cambodia, and interest income, the overall consolidated net income after deducting income tax expenses amounted to NTD 176,466 thousand, with earnings per share of NTD 1.49.

IV. Operating Income and Expenditure Status

(I) Operating income

The consolidated operating income of 2023 amounted to NTD 2,114,906 thousand, a decrease of NTD 515,347 thousand (-20%) compared to NTD 2,630,253 thousand in 2022. From a regional operational perspective, Taiwan, the United States, China and ASEAN have all suffered from the decline in revenue due to the impact of the economic downturn. The overall regional demand has yet to recover. In terms of product application, the demand for materials such as insulation materials and consumer materials has declined due to the poor economic demand and high inventory levels, which has led to an overall decrease in industry demand. However, industrial materials have experienced revenue growth due to the completion of plant relocation and the introduction of strategic cooperation.

(II) Operating expenditure

The 2023 consolidated operating cost was NTD 1,645,778 thousand, a decrease of NTD 280,660 thousand (-15%) compared to NTD 1,926,438 thousand in 2022. This decrease is mainly due to the decline in revenue. However, increased costs and expenses for raw materials, freight, electricity, labor, etc., resulted in the overall expenditure reduction being lower than the decline in revenue.

V. Profitability Analysis

The Company's consolidated operating cost experienced a decline in 2023 compared to 2022, coupled with unfavorable factors such as increased costs for major raw materials, freight, electricity, and labor, resulted in a roughly 5% increase in operating costs. Consequently, the gross profit decreased by NTD 234,687 thousand compared to the previous year, leading to a gross margin decrease to 22%, down 5% from 2022. Additionally, operating expenses increased slightly due to continued expansion in R&D innovation investment, resulting in a reduction of only NTD 51,375 thousand, or 8%, compared to the previous year. The overall consolidated operating loss amounted to NTD 84,116 thousand, a significant decrease from the operating income of NTD 99,196 thousand in the previous year. Furthermore, non-operating income and expenses, including policy remuneration benefits from the Taicang Xinli Plant, disposal in Cambodia, and interest income, generated a net non-operating income of NTD 455,793 thousand. Consequently, the net income before tax amounted to NTD 371,677 thousand, and after deducting income tax expenses of NTD 195,211 thousand, the net income of the period was NTD 176,466 thousand. The net

income attributable to the parent company was NTD 157,614 thousand, with earnings per share of NTD 1.49.

VI. Research and Development Status

The Company integrates existing diverse nonwoven fabric manufacturing technologies, implements advanced processes and new function materials, and cooperates with customers' development demands, in order to head toward the development direction of high added value product application of differentiation, diversity, functional and sustainable environment. In addition, the Company also continues to attract and cultivate research and development talent with Taiwan as the R&D center. With the consideration of the business model, customer value and sustainable development, the Company continues to enhance customer trust, strengthen the core value of the Company, in order to establish sustainable competitive advantages and to achieve greater value for shareholders.

Responsible Person:

Managerial Officer:

Chief Accounting
Officer:



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of
SHINIHI ENTERPRISE CO., LTD.

Opinion

We have audited the accompanying consolidated financial statements of SHINIHI ENTERPRISE CO., LTD. and subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, 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, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, 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 (FSC) of the Republic of China (ROC).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2023 are stated as follows :

1. Impairment of accounts receivable

As of December 31, 2023, the accounts receivable of SHINIH ENTERPRISE CO., LTD. and its subsidiaries were assessed the impairment loss by its policies. The increase of collection risk of accounts receivable might result from the global economic uncertainty, and the assessments on expected credit impairment loss involved the management exercised their judgments on the assumptions of client's credit risk. Therefore, we identified the impairment of accounts receivable assessment as a key matter for auditing of these consolidated financial statements.

Our main audit procedures include testing the controlled points related to the Group's collection and reviewing the subsequent collection records; obtaining the accounts receivable aging schedule provided by the management and verifying the accuracy of its aging range by selected samples; analyzing the comparison between the aged periods and proportions to assess the reasonableness of impairment of accounts receivable; and assessing the appropriateness about the disclosure of impairment of accounts receivable by the management.

2. Valuation of allowance to reduce inventory to market

The accounting policies of loss for market price decline and obsolete and slow-moving inventories of SHINIH ENTERPRISE CO., LTD. and its subsidiaries were based on the loss for obsolete and slow-moving inventories in the inventories aging information. Those information resources were the management based on the sales, obsolete and qualities of inventories to judge and assess the net realized value of inventories and measured the inventories value by the lower of cost and net realized value, and provision for reducing inventory to market. Therefore, we identified the valuation of allowance to reduce inventory to market as a key matter for auditing these consolidated financial statements.

Our main audit procedures include assessing the Group's provision of inventories based on the nature of inventories; inspecting the accuracy of inventories aging schedule by selected samples; assessing the reasonableness of the rate for loss market price decline and obsolete and slow-moving inventories and the Group's management's assumptions; inspecting the correctness of the

Group's previous inventories allowance and comparison with the estimated inventories allowance in the current period to assess the appropriateness of the estimated methods and assumptions for the current period; and assessing the appropriateness of the management's disclosure about the allowance to reduce inventory to market.

3. Impairment assessment of property, plant and equipment

As of December 31, 2023, the Group's property, plant and equipment were NT\$2,167,358 thousand, representing 36% of the total assets. The management regularly reviewed whether there were any indications of impairment on property, plant and equipment under the regulations of IAS 36 impairment of assets. Assessing the impairment loss of non-financial assets needs through forecasting and discounting future cash flow to estimate recoverable amounts. The process is, in essence, significant uncertainty; therefore, we identified it as a key matter for auditing these consolidated financial statements.

Our main audit procedures include obtaining the assessment form of impairment of assets by the Group's self-assessment; assessing the reasonableness of the impairment indications identified by the management; inspecting whether the Group's use of property, plant and equipment and the range or methods expected to be used have a material adverse change; and reviewing whether the Company's economic performance on property, plant and equipment was below expectation.

4. Recognition of gain on land expropriation and compensation agreement

As mentioned in note 6(26) of the consolidated financial statement, sub-subsidiary of SHINIHI ENTERPRISE CO., LTD., Shinih Fiber Products (Suzhou) Co., Ltd. entered into the "land expropriation and compensation agreement" with Taicang Municipal People's Government in November 2022 for the local people government's construction plan, including that Shinih Fiber Products (Suzhou) Co., Ltd. has to the recovery of non-movable objects such as land-use right, buildings and equipment, suspend production or operations, and compensation such as cease labor contract and relocation expense within the limitation periods. Shinih Fiber Products (Suzhou) Co., Ltd. has been implemented under the contract and received total subsidies in March 2023, those expropriation compensations and its related relocation expense recognized as net profit in profit or loss. Considering the land expropriation is material to the consolidated financial statement, and the management's subjective judgment will influence its recognition of relocation expenses and the revenue recognition. Therefore, we identified this land expropriation and compensation as a key audit matter for auditing these consolidated financial statements.

Our main audit procedures include obtaining the land expropriation and compensation agreement signed with the local government for reviewing the relevant agreement to understand Shinih Fiber Products (Suzhou) Co., Ltd. obtained the rights and obligations on receiving the land expropriation compensation income; inspecting the consistency between the relevant resolution

of the Board meeting minutes and those mentioned by the management; verifying the land expropriation compensation income and relocation expense documents by selected samples to check the consistency between the actual payments and the amounts mentioned in the contracts; verifying the consistency between the derecognition items and documents and checking the correctness of its disposal interest; reviewing the accounting treatment of expropriation transaction and assessing the correctness of its accounting items.

Other Matter

We have also audited the parent company only financial statements of SHINIHI ENTERPRISE CO., LTD. as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion.

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

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

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

Those charged with governance including members of 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 auditing standards generally accepted in 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 auditing standards generally accepted in 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 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 a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended



December 31, 2023 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 Huang, Chien Chen and Yang, Chen Yu.

A handwritten signature in blue ink that reads "Crowe TW CPAs".

CROWE (TW) CPAs
Taichung, Taiwan (Republic of China)

March 11, 2024

Notice to Readers

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

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

SHINIH ENTERPRISE CO., LTD. and Subsidiaries
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

ASSETS	NOTES	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
CURRENT ASSETS					
Cash and cash equivalents	6(1)	\$ 1,786,752	30	\$ 1,999,100	32
Notes receivable, net	6(2)	16,559	-	35,055	1
Accounts receivable, net	6(3) · 7	260,934	4	318,761	5
Other receivables, net	6(4) · 7	16,545	-	16,464	-
Current income tax assets	6(28)	18,887	-	18,429	-
Inventories, net	6(5)	392,131	7	551,534	9
Prepayments		111,786	2	102,192	2
Non-current assets or disposal groups classified as held for sale	6(6)	340,051	6	63,913	1
Other financial assets - current	6(7)	346,861	6	239,425	4
Other current assets		537	-	403	-
Total current assets		3,291,043	55	3,345,276	54
NONCURRENT ASSETS					
Property, plant and equipment	6(8)	2,167,358	36	2,185,864	35
Right-of-use assets	6(9) · 7	206,471	4	255,828	4
Investment property	6(10)	155,920	3	157,497	3
Intangible assets	6(11)	7,847	-	7,855	-
Deferred income tax assets	6(28)	107,519	2	105,429	2
Prepayments for business facilities		9,054	-	28,875	1
Refundable deposits		13,713	-	13,260	-
Other financial assets - noncurrent	6(1)	-	-	76,954	1
Other noncurrent assets	6(16)	1,109	-	1,600	-
Total noncurrent assets		2,668,991	45	2,833,162	46
TOTAL		\$ 5,960,034	100	\$ 6,178,438	100
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Short-term loans	6(12)	\$ 820,000	14	\$ 480,687	8
Contract liabilities - current	6(23) · 7	14,429	-	26,387	1
Notes payable		34,330	1	30,127	1
Accounts payable	7	77,929	1	86,853	2
Other payables	6(13)	182,311	3	264,549	4
Other payables - related parties	7	36,818	1	37,318	1
Current income tax liabilities	6(28)	23,965	-	198,405	3
Liabilities related to non-current assets or disposal groups classified as held for sale	6(6)	14,863	-	92,130	1
Lease liabilities - current	6(9) · 7	28,331	1	46,907	1
Receipts in advance		9,519	-	19,396	-
Deferred revenue	6(14)	-	-	63,327	1
Long-term liabilities - current portion	6(15)	178,333	3	166,250	3
Other current liabilities		1,832	-	8,413	-
Total current liabilities		1,422,660	24	1,520,749	25
NONCURRENT LIABILITIES					
Long term loans	6(15)	795,417	13	973,750	16
Deferred income tax liabilities	6(28)	155,555	3	102,359	2
Lease liabilities - noncurrent	6(9) · 7	52,670	1	74,318	1
Long-term deferred revenue	6(9)	8,218	-	8,572	-
Net defined benefit liability - noncurrent	6(16)	7,790	-	7,527	-
Guarantee deposit received		4,517	-	5,171	-
Total noncurrent liabilities		1,024,167	17	1,171,697	19
Total liabilities		2,446,827	41	2,692,446	44
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT					
Common stocks	6(17)	1,091,071	18	1,091,071	18
Capital surplus	6(18)	230,774	4	230,774	4
Retained earnings	6(19)				
Legal capital reserve		395,229	7	372,632	6
Special capital reserve		106,123	2	148,961	2
Unappropriated earnings		1,665,343	28	1,598,582	25
Others	6(20)	19,449	-	44,643	1
Treasury stock	6(21)	(74,888)	(1)	(74,888)	(1)
Equity attributable to shareholders of the parent		3,433,101	58	3,411,775	55
NON-CONTROLLING INTERESTS	6(22)	80,106	1	74,217	1
Total equity		3,513,207	59	3,485,992	56
TOTAL		\$ 5,960,034	100	\$ 6,178,438	100

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

SHINIH ENTERPRISE CO., LTD. and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	NOTES	2023		2022	
		Amount	%	Amount	%
NET REVENUE	6(23) · 7	\$ 2,114,906	100	\$ 2,630,253	100
COST OF REVENUE	6(5 · 24) · 7	(1,645,778)	(78)	(1,926,438)	(73)
GROSS PROFIT		469,128	22	703,815	27
OPERATING EXPENSES	6(24) · 7				
Marketing		(219,487)	(10)	(237,234)	(9)
General and administrative		(239,372)	(11)	(274,227)	(10)
Research and development		(98,856)	(5)	(75,409)	(3)
Expected credit (loss) gain	6(3 · 4)	4,471	-	(17,749)	(1)
Total operating expenses		(553,244)	(26)	(604,619)	(23)
OPERATING PROFIT (LOSS)		(84,116)	(4)	99,196	4
NONOPERATING INCOME AND EXPENSES					
Interest income		70,568	3	24,288	1
Other income	6(25)	34,067	1	38,394	1
Other gains and losses	6(26)	380,292	18	306,185	12
Finance costs	6(27) · 7	(29,134)	(1)	(23,745)	(1)
Total nonoperating income and expenses		455,793	21	345,122	13
INCOME BEFORE INCOME TAX		371,677	17	444,318	17
INCOME TAX EXPENSE	6(28)	(195,211)	(9)	(203,226)	(8)
NET INCOME		176,466	8	241,092	9
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will not be reclassified subsequently to profit or loss :					
Remeasurement of defined benefit obligation	6(16 · 29)	(58)	-	2,000	-
Income tax expenses related to items that will not be reclassified subsequently	6(28 · 29)	12	-	(400)	-
Items that may be reclassified subsequently to profit or loss :					
Exchange differences arising on translation of foreign operations	6(20 · 22 · 29)	(31,075)	(1)	113,303	4
Income tax benefit (expenses) related to items that may be reclassified	6(28 · 29)	6,299	-	(21,870)	-
Other comprehensive income (loss) for the year, net of income tax		(24,822)	(1)	93,033	4
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		\$ 151,644	7	\$ 334,125	13
NET INCOME ATTRIBUTABLE TO :					
Shareholders of the parent		\$ 157,614	7	\$ 224,400	9
Non-controlling interests		18,852	1	16,692	-
		\$ 176,466	8	\$ 241,092	9
TOTAL COMPREHENSIVE INCOME :					
Shareholders of the parent		\$ 132,530	6	\$ 313,447	13
Non-controlling interests		19,114	1	20,678	-
		\$ 151,644	7	\$ 334,125	13
EARNINGS PER SHARE (IN DOLLARS)	6(30)				
Basic earnings per share		\$ 1.49		\$ 2.12	
Diluted earnings per share		\$ 1.48		\$ 2.11	

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

SHINIH ENTERPRISE CO., LTD. and Subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	Capital Surplus			Retained Earnings			Others		Total Attributable to Shareholders of the Parent	Non- controlling Interests	Total Equity
	Common Stocks	Additional Paid-in Capital Arising From Bond Conversion	Others	Legal Capital Reserve	Special Capital Reserve	Unappropriated Earnings	Foreign Currency Translation Reserve	Treasury Stock			
BALANCE, JANUARY 1, 2022	\$ 1,091,071	213,926	16,848	321,311	115,929	1,562,593	(42,838)	(68,448)	3,210,392	66,292	3,276,684
Appropriations of prior year's earnings											
Legal capital reserve	-	-	-	51,321	-	(51,321)	-	-	-	-	-
Special capital reserve	-	-	-	-	33,032	(33,032)	-	-	-	-	-
Cash dividends to shareholders - NT\$1.00 per share	-	-	-	-	-	(105,603)	-	-	(105,603)	-	(105,603)
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	(12,753)	(12,753)
Net income in 2022	-	-	-	-	-	224,400	-	-	224,400	16,692	241,092
Other comprehensive income in 2022	-	-	-	-	-	1,566	87,481	-	89,047	3,986	93,033
Purchase of treasury stock	-	-	-	-	-	-	-	(13,580)	(13,580)	-	(13,580)
Treasury stock sold to employees	-	-	-	-	-	(21)	-	7,140	7,119	-	7,119
BALANCE, DECEMBER 31, 2022	1,091,071	213,926	16,848	372,632	148,961	1,598,582	44,643	(74,888)	3,411,775	74,217	3,485,992
Appropriations of prior year's earnings											
Legal capital reserve	-	-	-	22,597	-	(22,597)	-	-	-	-	-
Special capital reserve	-	-	-	-	(42,838)	42,838	-	-	-	-	-
Cash dividends to shareholders - NT\$1.05 per share	-	-	-	-	-	(111,204)	-	-	(111,204)	-	(111,204)
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	(13,225)	(13,225)
Net income in 2023	-	-	-	-	-	157,614	-	-	157,614	18,852	176,466
Other comprehensive income (loss) in 2023	-	-	-	-	-	110	(25,194)	-	(25,084)	262	(24,822)
BALANCE, DECEMBER 31, 2023	\$ 1,091,071	\$ 213,926	\$ 16,848	\$ 395,229	\$ 106,123	\$ 1,665,343	\$ 19,449	\$ (74,888)	\$ 3,433,101	80,106	3,513,207

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

SHINIH ENTERPRISE CO., LTD. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 371,677	\$ 444,318
Adjustments to reconcile profit (loss)		
Expected credit loss (gain)	(4,471)	17,749
Depreciation	208,141	196,441
Amortization	2,108	1,862
Interest expense	29,134	23,745
Interest income	(70,568)	(24,288)
Gain on disposal of property, plant and equipment	(8,321)	(1,787)
Gain on disposal of non-current assets held for sales	(90,999)	-
Gain on lease modification	-	(149)
Impairment loss on non-financial assets	-	49,966
Gain on land expropriation compensation from government	(282,284)	(326,361)
Changes in operating assets and liabilities		
Notes receivable	18,003	8,729
Accounts receivable	61,240	51,827
Inventories	159,403	22,216
Other receivables	6,379	(5,625)
Prepayments	(10,773)	13,114
Other current assets	(134)	122
Contract liabilities	(11,958)	10,911
Notes payable	4,203	(19,937)
Accounts payable	(7,517)	(50,308)
Other payables	(17,767)	4,381
Advance payment	(9,877)	13,766
Deferred revenue	(214)	(215)
Other current liabilities	(6,581)	2,945
Net defined benefit liability	(437)	(831)
Cash provided from operations	338,387	432,591
Interest received	62,403	21,883
Interest paid	(31,709)	(25,207)
Income taxes paid	(303,423)	(206,020)
Net cash provided by operating activities	65,658	223,247
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal of non-current assets classified as held for sales	63,753	-
Acquisition of property, plant and equipment	(174,115)	(247,344)
Proceeds from disposal of Property, plant and equipment	14,089	9,603
Acquisition of intangible assets	(1,651)	(1,044)
Decrease in prepayments for business facilities	11,698	15,453
Increase in receipts in advance - disposal of assets	-	92,130
Increase in refundable deposits	(526)	(3,848)
Decrease (increase) in other financial assets	(45,834)	643,646
Decrease (increase) in other noncurrent assets	698	(579)
Receipts in advance of land expropriation compensation from government	243,178	491,626
Net expenditure for plant relocating	(40,699)	(16,278)
Net cash provided by investing activities	70,591	983,365

(Continued)

SHINIH ENTERPRISE CO., LTD. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	\$ 339,313	\$ 38,485
Proceeds from long-term loans	-	150,000
Repayment of long-term loans	(166,250)	(50,000)
Repayment of the principal portion of lease liabilities	(43,185)	(50,475)
Decrease in guarantee deposit	(586)	(303)
Cash dividends paid	(111,204)	(105,603)
Decrease in non-controlling interests	(13,225)	(12,753)
Payments to acquire treasury stock	-	(13,580)
Treasury stock sold to employees	-	7,119
Net cash provided by (used in) financing activities	<u>4,863</u>	<u>(37,110)</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
	<u>(33,309)</u>	<u>75,327</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	107,803	1,244,829
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,999,100</u>	<u>754,271</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 2,106,903</u></u>	<u><u>\$ 1,999,100</u></u>
ADJUSTMENT OF CASH AND CASH EQUIVALENT AT THE END OF YEAR		
	2023	2022
CASH AND CASH EQUIVALENT ON CONSOLIDATED BALANCE SHEETS	\$ 1,786,752	\$ 1,999,100
Cash and cash equivalents included in disposal groups classified as held for sale	320,151	-
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 2,106,903</u></u>	<u><u>\$ 1,999,100</u></u>

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

(Concluded)

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of
SHINIHI ENTERPRISE CO., LTD.

Opinion

We have audited the accompanying parent company only financial statements of SHINIHI ENTERPRISE CO., LTD. ("the Company"), which comprise the parent company only balance sheets as of December 31, 2023 and 2022, 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, the accompanying parent company only financial statements present fairly, in all material respects, the accompanying parent company only financial position of the Company as of December 31, 2023 and 2022, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation Engagements of Financial Statements by Certified Public Accountants and 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 Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2023. 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.

Key audit matters for the Company's parent company only financial statements for the year ended December 31, 2023 are stated as follows:

1. Recognition of gain on land expropriation and compensation agreement of the PRC subsidiary

As mentioned in note 6(6) of the parent company only financial statements, sub-sub-subsidiary of SHINIH ENTERPRISE CO., LTD., Shinih Fiber Products (Suzhou) Co., Ltd., entered into the "land expropriation and compensation agreement" with Taicang Municipal People's Government in November 2022 for the local people government's construction plan, including that Shinih Fiber Products (Suzhou) Co., Ltd. has to the delivery of non-movable objects such as land-use right, buildings and equipment, suspend production or operations, and compensation such as cease labor contract and relocation expense within the limitation periods. Shinih Fiber Products (Suzhou) Co., Ltd. has been implemented under the contract and received total subsidies in March 2023, those expropriation compensations and its related relocation expense recognized as net profit in profit or loss. Considering the land expropriation is material to the parent company only financial statements, and the management's subjective judgment will influence its recognition of relocation expenses and the revenue recognition. Therefore, we identified this expropriation transaction as a key audit matter for auditing these parent company only financial statements.

Our main audit procedures include obtaining the land expropriation and compensation agreement signed with the local government for reviewing the relevant agreement to understand Shinih Fiber Products (Suzhou) Co., Ltd. obtained the rights and obligations on receiving the expropriation compensation income; inspecting the consistency between the relevant resolution of the Board meeting minutes and those mentioned by the management; verifying the expropriation compensation income and relocation expense documents by selected samples to check the consistency between the actual received and paid and the amounts mentioned in the contracts; verifying the consistency between the derecognition items and documents and checking the correctness of its disposal interest; reviewing the accounting treatment of expropriation transaction and assessing the correctness of its accounting items.

2. Impairment assessment of property, plant and equipment

As of December 31, 2023, the Company's property, plant and equipment were \$1,426,968 thousand, representing 26% of the total assets. The management regularly reviewed whether there were any indications of impairment on property, plant and equipment under the regulations of IAS 36 impairment of assets. Assessing the impairment loss of non-financial assets needs through forecasting and discounting future cash flow to estimate recoverable amounts. The process is, in essence, significant uncertainty. Therefore, we identified it as a key matter for auditing these parent company only financial statements.

Our main audit procedures include obtaining the assessment form of impairment of assets by the Company's self-assessment; assessing the reasonableness of the impairment indications identified by the management; inspecting whether the Company's use of property, plant and equipment and the range or methods expected to be used have a material adverse change; and reviewing whether the Company's economic performance on property, plant and equipment was below expectation.

3. Impairment of accounts receivable

As of December 31, 2023, the accounts receivable of the Company was assessed the impairment loss by its policies. The increase of collection risk of accounts receivable might result from the global economic uncertainty, and the assessments on expected credit impairment loss involved the management exercised their judgments on the assumptions of client's credit risk. Therefore, we identified the impairment of accounts receivable assessment as a key matter for auditing of these parent company only financial statements.

Our main audit procedures include testing the controlled points related to the collection and reviewing the subsequent collection records; obtaining the accounts receivable aging schedule provided by the management and verifying the accuracy of its aging range by selected samples; analyzing the comparison between the aged periods and proportions to assess the reasonableness of impairment of accounts receivable; and assessing the appropriateness about the disclosure of impairment of accounts receivable by the management.

4. Valuation of allowance to reduce inventory to market

The accounting policies of loss for market price decline and obsolete and slow-moving inventories of the Company was based on the loss for obsolete and slow-moving inventories in the inventories aging information. Those information resources were the management based on the sales, obsolete and qualities of inventories to judge and assess the net realized value of inventories and measured the inventories value by the lower of cost and net realized value, and provision for reducing

inventory to market. Therefore, we identified the valuation of allowance to reduce inventory to market as a key matter for auditing these parent company only financial statements.

Our main audit procedures include assessing the Company's provision of inventories based on the nature of inventories; inspecting the accuracy of inventories aging schedule by selected samples; assessing the reasonableness of the rate for loss market price decline and obsolete and slow-moving inventories and the Company management's assumptions; inspecting the correctness of the Company's previous inventories allowance and comparison with the estimated inventories allowance in the current period to assess the appropriateness of the estimated methods and assumptions for the current period; and assessing the appropriateness of the management's disclosure about the allowance to reduce inventory to market.

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

Those charged with governance, including members of the Audit Committee are responsible for overseeing the Company'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 auditing standards generally accepted in 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 auditing standards generally accepted in 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 Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 Company 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.

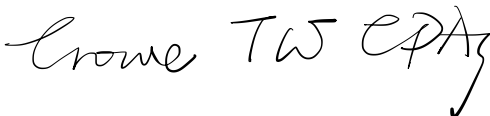
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2023 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 Huang, Chien Chen and Yang, Chen Yu.



CROWE (TW) CPAs
Taichung, Taiwan (Republic of China)

March 11, 2024

Notice to Readers

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

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

SHINIH ENTERPRISE CO., LTD.

PARENT COMPANY ONLY BALANCE SHEETS

DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

ASSETS	NOTES	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
CURRENT ASSETS					
Cash and cash equivalents	6(1)	\$ 283,175	5	\$ 233,237	4
Notes receivable, net	6(2)	8,850	-	10,639	-
Accounts receivable, net	6(3)	18,843	1	34,268	1
Accounts receivable, net - related parties	7	2,941	-	2,089	-
Other receivables, net	6(4)	3,611	-	2,936	-
Other receivables, net - related parties	7	18,038	1	27,099	1
Current tax assets	6(25)	13,685	-	12,376	-
Inventories	6(5)	71,706	1	108,293	2
Prepayments		16,131	-	15,958	-
Other financial assets - current	6(1)	175,019	3	144,158	3
Total current assets		611,999	11	591,053	11
NONCURRENT ASSETS					
Investments accounted for using equity method	6(6)	3,057,842	56	2,816,176	54
Property, plant and equipment	6(7) · 8	1,426,968	26	1,409,552	27
Right-of-use assets	6(8)	8,600	-	9,215	-
Investment properties	6(9) · 8	251,938	5	254,904	5
Intangible assets	6(10)	7,823	-	7,757	-
Deferred income tax assets	6(25)	97,039	2	79,964	2
Other financial assets - non-current	6(1)	-	-	76,954	1
Other non-current assets		2,719	-	16,310	-
Total non-current assets		4,852,929	89	4,670,832	89
TOTAL ASSETS		\$ 5,464,928	100	\$ 5,261,885	100
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Short-term loans	6(11)	\$ 790,000	15	\$ 450,687	9
Contract liabilities - current	6(20)	6,198	-	7,327	-
Notes payable		9,473	-	11,844	-
Accounts payable		4,693	-	8,297	-
Accounts payable - related parties	7	2,655	-	6,155	-
Other payables	6(12)	66,045	1	85,432	2
Other payables - related parties	7	3,073	-	6,025	-
Current income tax liabilities	6(25)	7,832	-	16,262	-
Lease liabilities - current	6(8) · 7	578	-	570	-
Long-term liabilities-current portion	6(13)	178,333	4	166,250	4
Other current liabilities		10,564	-	21,296	-
Total current liabilities		1,079,444	20	780,145	15
NONCURRENT LIABILITIES					
Long-term loans	6(13)	795,417	15	973,750	19
Deferred income tax liabilities - noncurrent	6(25)	131,516	2	81,493	1
Lease liabilities - non-current	6(8) · 7	8,306	-	8,884	-
Net defined benefit liability - noncurrent	6(14)	920	-	884	-
Guarantee deposits received		4,456	-	4,954	-
Credit balance of investments accounted for using equity method	6(6)	11,768	-	-	-
Total non-current liabilities		952,383	17	1,069,965	20
Total liabilities		2,031,827	37	1,850,110	35
EQUITIES					
Capital - common stocks	6(15)	1,091,071	20	1,091,071	21
Capital surplus	6(16)	230,774	4	230,774	4
Retained earnings	6(17)				
Legal capital reserve		395,229	7	372,632	7
Special capital reserve		106,123	2	148,961	3
Unappropriated earnings		1,665,343	31	1,598,582	30
Others	6(18)	19,449	-	44,643	1
Treasury stock	6(19)	(74,888)	(1)	(74,888)	(1)
Total equity		3,433,101	63	3,411,775	65
TOTAL LIABILITIES AND EQUITIES		\$ 5,464,928	100	\$ 5,261,885	100

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

SHINIH ENTERPRISE CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earning Per Share)

	NOTES	2023		2022	
		Amount	%	Amount	%
REVENUE	6(20) 、 7	\$ 297,040	100	\$ 443,926	100
COST OF REVENUE	6(5 、 21) 、 7	(250,974)	(84)	(318,963)	(72)
GROSS PROFIT		46,066	16	124,963	28
Unrealized gross profit on sales		(654)	-	(382)	-
Realized gross profit on sales		382	-	611	-
GROSS PROFIT		45,794	16	125,192	28
OPERATING EXPENSES	6(21) 、 7				
Marketing		(37,378)	(14)	(51,421)	(12)
General and administrative		(108,414)	(36)	(102,663)	(23)
Research and development		(98,286)	(33)	(75,421)	(17)
Expected credit loss	6(3)	-	-	(538)	-
Total operating expenses		(244,078)	(83)	(230,043)	(52)
OPERATING LOSS		(198,284)	(67)	(104,851)	(24)
NON-OPERATING INCOME AND EXPENSES					
Interest income		18,104	6	4,915	1
Other income	6(22)	46,671	16	40,260	9
Other gains and losses	6(23)	3,050	1	(10,158)	(2)
Finance costs	6(24)	(23,563)	(8)	(14,439)	(3)
Share of profit or loss of subsidiaries accounted for using equity method		357,647	120	315,394	71
Total non-operating income and expenses		401,909	135	335,972	76
INCOME BEFORE INCOME TAX		203,625	68	231,121	52
INCOME TAX EXPENSE	6(25)	(46,011)	(15)	(6,721)	(2)
NET INCOME		157,614	53	224,400	50
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will not be reclassified to profit or loss:					
Remeasurement of defined benefit plans	6(14 、 26)	(71)	-	1,725	-
Remeasurements of defined benefit plans of the subsidiary accounted for using equity method	6(26)	166	-	186	-
Income tax benefit (expense) related to items that will not be reclassified	6(25 、 26)	15	-	(345)	-
Items that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations	6(18 、 26)	(31,493)	(10)	109,351	25
Income tax benefit related to items that may be reclassified	6(18 、 25 、 26)	6,299	2	(21,870)	(5)
Other comprehensive income (loss) for the current period		(25,084)	(8)	89,047	20
TOTAL COMPREHENSIVE INCOME FOR THE CURRENT PERIOD		\$ 132,530	45	\$ 313,447	70
EARNINGS PER SHARE (IN DOLLARS)	6(27)				
Basic earnings per share		\$ 1.49		\$ 2.12	
Diluted earnings per share		\$ 1.48		\$ 2.11	

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

SHINIH ENTERPRISE CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	Capital Surplus			Retained Earnings			Others		Total Equity
	Capital - Common Stocks	Additional Paid-in Capital Arising From Bond Conversion	Others	Legal Capital Reserve	Special Capital Reserve	Unappropriated Earnings	Foreign Currency Translation Reserve	Treasury Stock	
BALANCE, JANUARY 1, 2022	\$ 1,091,071	\$ 213,926	\$ 16,848	\$ 321,311	\$ 115,929	\$ 1,562,593	\$ (42,838)	\$ (68,448)	\$ 3,210,392
Appropriations of prior year's earnings									
Legal capital reserve	-	-	-	51,321	-	(51,321)	-	-	-
Special capital reserve	-	-	-	-	33,032	(33,032)	-	-	-
Cash dividends to shareholders - NT\$1 per share	-	-	-	-	-	(105,603)	-	-	(105,603)
Net income in 2022	-	-	-	-	-	224,400	-	-	224,400
Other comprehensive income in 2022	-	-	-	-	-	1,566	87,481	-	89,047
Purchase of treasury stock	-	-	-	-	-	-	-	(13,580)	(13,580)
Treasury stock sold to employees	-	-	-	-	-	(21)	-	7,140	7,119
BALANCE, DECEMBER 31, 2022	\$ 1,091,071	\$ 213,926	\$ 16,848	\$ 372,632	\$ 148,961	\$ 1,598,582	\$ 44,643	\$ (74,888)	\$ 3,411,775
Appropriations of prior year's earnings									
Legal capital reserve	-	-	-	22,597	-	(22,597)	-	-	-
Special capital reserve	-	-	-	-	(42,838)	42,838	-	-	-
Cash dividends to shareholders - NT\$1.05 per share	-	-	-	-	-	(111,204)	-	-	(111,204)
Net income in 2023	-	-	-	-	-	157,614	-	-	157,614
Other comprehensive income (loss) in 2023	-	-	-	-	-	110	(25,194)	-	(25,084)
BALANCE, DECEMBER 31, 2023	\$ 1,091,071	\$ 213,926	\$ 16,848	\$ 395,229	\$ 106,123	\$ 1,665,343	\$ 19,449	\$ (74,888)	\$ 3,433,101

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

SHINIH ENTERPRISE CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income before income tax	\$ 203,625	\$ 231,121
Adjustments to reconcile profit (loss)		
Depreciation	77,120	76,150
Amortization	1,585	1,132
Interest expense	23,563	14,439
Interest income	(18,104)	(4,915)
Net investment income accounted for using equity method	(357,647)	(315,394)
Unrealized gain from sales	(1,469)	(850)
Net gain on disposals of property, plant and equipment	(230)	(274)
Impairment loss on non-financial assets	-	49,966
Net changes in operating assets and liabilities		
Notes receivable	1,789	1,958
Accounts receivable	14,573	22,756
Inventories	36,587	(26,318)
Other receivables	10,195	6,014
Prepayments	(173)	1,159
Contract liabilities	(1,129)	1,706
Notes payable	(2,371)	(18,084)
Accounts payable	(7,104)	(3,099)
Other payables	(7,570)	(8,921)
Other current liabilities	(10,732)	14,666
Net defined benefit liability	(35)	(1,160)
Cash provided from (used in) operations	(37,527)	42,052
Interest received	16,295	3,651
Dividends received	97,891	113,158
Interest paid	(23,381)	(13,908)
Income taxes paid	(16,488)	(1,324)
Net cash provided by operating activities	36,790	143,629
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(107,759)	(181,918)
Acquisition of intangible assets	(1,651)	(1,044)
Proceeds from disposal of Property, plant and equipment	2,083	279
Decrease (increase) in refundable deposits	22	(39)
Prepayments - decrease in noncurrent	13,569	6,877
Decrease (increase) in other financial assets	46,093	(31,781)
Net cash used in investing activities	(47,643)	(207,626)

(Continued)

SHINIH ENTERPRISE CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	\$ 339,313	\$ 189,309
Proceeds from long-term loans	-	100,000
Repayment of long-term loans	(166,250)	-
Repayments of the principal portion of lease liabilities	(570)	(563)
Guarantee deposit received	(498)	14
Payments to acquire treasury stock	-	(13,580)
Treasury stock sold to employees	-	7,119
Cash dividends paid	(111,204)	(105,603)
Net cash provided by financing activities	<u>60,791</u>	<u>176,696</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	49,938	112,699
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	233,237	120,538
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 283,175</u>	<u>\$ 233,237</u>

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

(Concluded)

(Attachment 3)

Shinih Enterprise Co., Ltd.
Audit Committee's Review Report

Dear Shareholders,

The board of directors of the Company has prepared the 2023 Financial Statements (including Business Report, Parent Company Only Financial Report, Consolidated Financial Report and Distribution of Earnings) proposals. The aforementioned Financial Report (including Parent Company Only Financial Report and Consolidated Financial Report) has been audited by two CPAs Chien-Chen Huang and Chen-Yu Yang of Crowe (TW) retained by the Company and an audit report has been issued for review. After the review of the Financial Report, the Audit Committee considers the content of the reports are consistent and conforming with the requirements properly. Accordingly, the Audit Committee's Review Report is hereby issued in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Please
review.

Submitted to
Shinih Enterprise Co., Ltd. General Shareholders' Meeting of 2024

Shinih Enterprise Co., Ltd.

Chairman of the Audit Committee: Shu-Fen Wang

March 11, 2024

Comparison Table of the "Ethical Corporate Management Best Practice Principles" Before and After Amendment

Amendment	Current provisions	Explanation
<p>Article 1 Purpose and scope of application</p> <p>These Principles have been adopted pursuant to the <u>"Ethical Corporate Management Best Practice Principles for TWSE/TWSE Listed Companies"</u> in order to <u>establish and implement</u> the ethical corporate management philosophy.</p> <p>These Principles are applicable to all subsidiaries of the Company, any subsidiaries in which the Company's accumulated contributions, direct or indirect, exceed 50 percent of the total funds of the foundation, and other group enterprises and organizations (group enterprises and organizations) over which the Company has substantial control.</p>	<p>Article 1 Purpose and scope of application</p> <p>These Principles have been adopted to foster a <u>corporate culture of ethical management</u> and <u>sound development</u>, as well as <u>establishing good commercial practices</u>.</p> <p>These Principles are applicable to all subsidiaries of the Company, any subsidiaries in which the Company's accumulated contributions, direct or indirect, exceed 50 percent of the total funds of the foundation, and other group enterprises and organizations (group enterprises and organizations) over which the Company has substantial control.</p>	<p>The Company's Ethical Corporate Management Best Practice Principles have been amended with reference to the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" promulgated by TWSE</p>
<p>Article 2 No Unethical Conduct</p> <p>When engaging in commercial activities, directors, managers, employees, and mandataries of the Company or persons having substantial control over the Company ("substantial controllers") shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty for purposes of acquiring or maintaining benefits ("unethical conduct").</p> <p>Parties referred to in the preceding paragraph <u>include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and their directors, managers, employees or substantial controllers or other stakeholders.</u></p>	<p>Article 2 No Unethical Conduct</p> <p>When engaging in commercial activities, directors, managers, employees, and mandataries of the Company or persons having substantial control over the Company ("substantial controllers") shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty for purposes of acquiring or maintaining benefits ("unethical conduct").</p> <p>The counterparties of the preceding acts include <u>the Company's directors, supervisors, managers, employees, substantial controllers, or other stakeholders.</u></p>	<p>The Company's Ethical Corporate Management Best Practice Principles have been amended with reference to the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" promulgated by TWSE</p>
<p>Article 5 Policy</p> <p>Based on the business philosophy of <u>ethical management</u>, the Company has formulated the policy of <u>"treat all stakeholders with fairness, honesty and integrity"</u>, which has been <u>approved by the Board of Directors</u>. The Company has established a good corporate governance and risk control mechanism in order to create an operating environment for sustainability.</p>	<p>Article 5 Policy</p> <p>The Company <u>should</u> uphold the corporate philosophy of <u>honesty, transparency, and responsibility</u> to <u>formulate</u> policies based on integrity, and establish a good corporate governance and risk control mechanism in order to create an operating environment for sustainability.</p>	<p>Formulation of ethical corporate management policy</p>
<p>Article 6 Prevention programs</p> <p>In <u>order to implement</u> the corporate <u>philosophy</u> and policies in the <u>preceding Article</u>, the Company shall establish a program to prevent unethical conduct (hereinafter referred to as the prevention programs), including operational procedures, guidelines, and training.</p> <p>When establishing the <u>prevention programs</u> as set forth in the</p>	<p>Article 6 Prevention programs</p> <p>The Company shall <u>in their own ethical management policy clearly and thoroughly</u> prescribe the <u>specific ethical management practices</u> and the programs to forestall unethical conduct ("prevention programs"), including operational procedures, guidelines, and training.</p> <p>The prevention programs <u>established</u> shall comply with relevant laws and regulations of the territory where the Company and its group</p>	<p>Text modification</p>

Amendment	Current provisions	Explanation
<p><u>preceding paragraph</u>, the Company shall comply with relevant laws and regulations of the territory where its group enterprises and organizations are operating.</p>	<p>enterprises and organizations are operating. <u>In the course of developing the prevention programs, the Company is advised to negotiate with staff, labor unions members, important trading counterparties, or other stakeholders.</u></p>	
<p>Article 7 Scope of prevention programs <u>The Company shall establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly and review their adequacy and effectiveness on a regular basis.</u> The prevention programs in the <u>preceding paragraph</u> shall at least include preventive measures against the following: I. Offering and acceptance of bribes. II. Providing illegal political donations. III. Illegal political donations. IV. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits. V. Infringement of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights. VI. Engaging in unfair competitive practices. VII. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.</p>	<p>Article 7 Scope of prevention programs When <u>establishing</u> the prevention programs, the Company shall analyze the business activities within the scope of business that are at higher risk of being involved in unethical conduct, and strengthen relevant preventive measures. The prevention programs <u>established</u> shall at least include preventive measures against the following: I. Offering and acceptance of bribes. II. Providing illegal political donations. III. Illegal political donations. IV. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits. V. Infringement of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights. VI. Engaging in unfair competitive practices. VII. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.</p>	<p>Amendments to the Company's Ethical Corporate Management Best Practice Principles pursuant to Taiwan Stock Exchange Corporation's Letter Tai-Zheng-Zhi-Li-Zi No. 10800083781 dated May 23, 2019</p>
<p>Article 8 Commitment and implementation The Company and its group enterprises and organizations shall <u>require directors and senior management to issue a statement of compliance with the ethical management policy, and require employees to comply with the ethical management policy as a condition of employment.</u> The ethical management policies are explicitly stated in <u>internal regulations, external documents and on the Company's website</u>, and the commitment of the Board of Directors and <u>senior</u> management to actively implement the ethical management policies, and shall carry out the policies in internal management and in commercial activities. <u>The abovementioned ethical corporate management policy, declaration, commitment and implementation shall be documented and properly retained.</u></p>	<p>Article 8 Commitment and implementation The Company and its group enterprises and organizations shall clearly specify in their rules and external documents, ethical corporate management policies and the commitment by the Board of Directors and management to rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities.</p>	<p>Amendments to the Company's Ethical Corporate Management Best Practice Principles pursuant to Taiwan Stock Exchange Corporation's Letter Tai-Zheng-Zhi-Li-Zi No. 10800083781 dated May 23, 2019</p>

Amendment	Current provisions	Explanation
<p>Article 10 Prohibition of bribery and acceptance of bribes When conducting business, the Company and <u>the Company's</u> directors, managers, employees, mandataries, and substantial controllers, may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders.</p>	<p>Article 10 Prohibition of bribery and acceptance of bribes When conducting business, the Company and <u>its</u> directors, <u>supervisors</u>, managers, employees, mandataries, and substantial controllers, may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders.</p>	Deletion of supervisor
<p>Article 11 Prohibition of illegal political donations When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and <u>the Company's</u> directors, managers, employees, mandataries, and substantial controllers, shall comply with the Political Donations Act and their own relevant internal operating procedures, and shall not make such donations in exchange for commercial gains or business advantages.</p>	<p>Article 11 Prohibition of illegal political donations When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and <u>its</u> directors, <u>supervisors</u>, managers, employees, mandataries, and substantial controllers, shall comply with the Political Donations Act and their own relevant internal operating procedures, and shall not make such donations in exchange for commercial gains or business advantages.</p>	Deletion of supervisor
<p>Article 12 Prohibition of improper offering donations and sponsorship When making or offering donations and sponsorship, the Company and <u>the Company's</u> directors, managers, employees, mandataries, and substantial controllers shall comply with relevant laws and regulations and internal operating procedures, and shall not surreptitiously engage in bribery.</p>	<p>Article 12 Prohibition of improper offering donations and sponsorship When making or offering donations and sponsorship, the Company and <u>its</u> directors, <u>supervisors</u>, managers, employees, mandataries, and substantial controllers shall comply with relevant laws and regulations and internal operating procedures, and shall not surreptitiously engage in bribery.</p>	Deletion of supervisor
<p>Article 13 Prohibition of unreasonable presents, hospitality or other improper benefits The Company and <u>the Company's</u> directors, managers, employees, mandataries, and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.</p>	<p>Article 13 Prohibition of unreasonable presents, hospitality or other improper benefits The Company and <u>its</u> directors, <u>supervisors</u>, managers, employees, mandataries, and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.</p>	Deletion of supervisor
<p>Article 14 Prohibition of infringement of intellectual property rights The Company and <u>the Company's</u> directors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations, the Company's internal operating procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.</p>	<p>Article 14 Prohibition of infringement of intellectual property rights The Company and <u>its</u> directors, <u>supervisors</u>, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations, the Company's internal operating procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.</p>	Deletion of supervisor
<p>Article 16 Prevention of damage caused by products and services to stakeholders In the course of research and development, procurement, manufacture, provision, or sale of products and services, the</p>	<p>Article 16 Prevention of damage caused by products and services to stakeholders In the course of research and development, procurement, manufacture, provision, or sale of products and services, the Company and its</p>	Deletion of supervisor

Amendment	Current provisions	Explanation
<p>Company and <u>the Company's</u> directors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, its products and services. They shall also adopt and publish a policy on the protection of the rights and interests of consumers or other stakeholders, and carry out the policy in their operations, with a view to preventing their products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders.</p> <p>Where there are sufficient facts to determine that the Company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the Company shall, in principle, recall those products or suspend the services immediately.</p>	<p>directors, <u>supervisors</u>, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, its products and services. They shall also adopt and publish a policy on the protection of the rights and interests of consumers or other stakeholders, and carry out the policy in their operations, with a view to preventing their products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are sufficient facts to determine that the Company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the Company shall, in principle, recall those products or suspend the services immediately.</p>	
<p>Article 17 Organization and responsibility</p> <p>The directors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the Company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.</p> <p><u>The Company's dedicated unit for corporate ethical management is management (President's Office), responsible for the formulation and supervision of the corporate ethical management policies and prevention programs, and is mainly responsible for the following matters, and regularly reports to the Board of Directors every year:</u></p> <p>I. Assist in the incorporation of integrity and ethical values into the Company's business strategy, and adopt relevant anti-corruption measures to ensure ethical management in compliance with laws and regulations.</p> <p>II. <u>Regularly analyze and assess the risk of unethical conduct within the scope of business, and based on</u> which to formulate plans for prevention of unethical conduct, <u>and</u> establish relevant standard operating procedures and conduct guidelines for each plan.</p> <p>III. Plan the internal organization, structure, and allocate responsibilities, and establish mechanisms for mutual supervision and check for business activities with a higher risk of unethical conduct within the scope of operations.</p> <p>IV. Promote and coordinate the promotion and training of ethical management policy.</p> <p>V. Plan the whistle-blowing system and ensure the effectiveness</p>	<p>Article 17 Organization and responsibility</p> <p>The directors, <u>supervisors</u>, managers, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the Company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.</p> <p><u>To achieve sound ethical corporate management, a dedicated unit under the Board of Directors shall be established to be</u> responsible for the formulation and supervision of the implementation of ethical corporate management policies and prevention programs, and shall report to the Board of Directors on a regular basis:</p> <p>I. Assist in the incorporation of integrity and ethical values into the Company's business strategy, and adopt relevant anti-corruption measures to ensure ethical management in compliance with laws and regulations.</p> <p>II. Formulate plans for prevention of unethical conduct, <u>and</u> establish relevant standard operating procedures and conduct guidelines for each plan.</p> <p>III. Plan the internal organization, structure, and allocate responsibilities, and establish mechanisms for mutual supervision and checks for business activities with a higher risk of unethical conduct within the scope of operations.</p> <p>IV. Promote and coordinate the promotion and training of ethical management policy.</p> <p>V. Plan the whistle-blowing system and ensure the effectiveness of its implementation.</p> <p>VI. Assist the Board of Directors and management in auditing and</p>	<p>Amendments to the Company's Ethical Corporate Management Best Practice Principles pursuant to Taiwan Stock Exchange Corporation's Letter Tai-Zheng-Zhi-Li-Zi No. 10800083781 dated May 23, 2019</p>

Amendment	Current provisions	Explanation
<p>of its implementation.</p> <p>VI. Assist the Board of Directors and management in auditing and assessing whether the preventive measures established for the implementation of ethical management are operating effectively, and prepare reports on the assessment and compliance of relevant business processes on a regular basis.</p>	<p>assessing whether the preventive measures established for the implementation of ethical management are operating effectively, and prepare reports on the assessment and compliance of relevant business processes on a regular basis.</p>	
<p>Article 18 Regulatory compliance on conducting business The Company and its directors, managers, employees, mandataries, and substantial controllers shall comply with laws and regulations and the prevention programs when conducting business.</p>	<p>Article 18 Regulatory compliance on conducting business The Company and its directors, <u>supervisors</u>, managers, employees, mandataries, and substantial controllers shall comply with laws and regulations and the prevention programs when conducting business.</p>	Deletion of supervisor
<p>Article 19 Recusal due to conflicts of interest The Company shall adopt policies for preventing conflicts of interest to identify, monitor, and manage risks possibly resulting from unethical conduct, and shall also offer appropriate means for directors, managers, and other stakeholders attending or present at board meetings to voluntarily explain whether their interests would potentially conflict with those of the Company. The Company's directors, manager, and other stakeholders attending or participating in Board of Directors meetings who have a conflict of interest with the agenda items under discussion, or whose legal representatives have a conflict of interest, shall explain the significant details of such conflict at the meeting. If there is a risk of harm to the Company's interests, they may not participate in the discussion or voting. They shall be recused from the discussion and voting, and are not allowed to act as proxies for other directors to exercise their voting rights. Directors should also be self-disciplined and have no choice but to support each other. The Company's directors, managers, employees, mandataries, and substantial controllers shall not take advantage of their positions or influence in the companies to obtain improper benefits for themselves, their spouses, parents, children or any other person.</p>	<p>Article 19 Recusal due to conflicts of interest The Company shall adopt policies for preventing conflicts of interest to identify, monitor, and manage risks possibly resulting from unethical conduct, and shall also offer appropriate means for directors, <u>supervisors</u>, managers, and other stakeholders attending or present at board meetings to voluntarily explain whether their interests would potentially conflict with those of the Company. The Company's directors, <u>supervisors</u>, manager, and other stakeholders attending or participating in Board of Directors meetings who have a conflict of interest with the agenda items under discussion, or whose legal representatives have a conflict of interest, shall explain the significant details of such conflict at the meeting. If there is a risk of harm to the Company's interests, they may not participate in the discussion or voting. They shall be recused from the discussion and voting, and are not allowed to act as proxies for other directors to exercise their voting rights. Directors should also be self-disciplined and have no choice but to support each other. The Company's directors, <u>supervisors</u>, managers, employees, mandataries, and substantial controllers shall not take advantage of their positions or influence in the companies to obtain improper benefits for themselves, their spouses, parents, children or any other person.</p>	Deletion of supervisor
<p>Article 20 Accounting and internal control The Company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results. <u>The Company's Audit Office shall, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit</u></p>	<p>Article 20 Accounting and internal control The Company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results. <u>The internal audit unit shall regularly audit the compliance with the systems</u> referred to in the preceding paragraph and put down in writing in the form of an audit report to be submitted to the Board of Directors,</p>	Amendments to the Company's Ethical Corporate Management Best Practice Principles pursuant to Taiwan Stock Exchange Corporation's Letter Tai-Zheng-Zhi-Li-Zi No. 10800083781 dated May 23, 2019

Amendment	Current provisions	Explanation
<p><u>plans, including auditees, audit scope, audit items, audit frequency, etc., and examine accordingly the compliance with the prevention programs.</u> The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.</p> <p><u>The results of examination in the preceding paragraph shall be reported to senior management and the dedicated ethical management unit and put down in writing in the form of an audit report to be submitted to the Board of Directors.</u></p>	<p>and may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.</p>	
<p>Article 21 Operating procedures and conduct guidelines The Company shall establish operating procedures and code of conduct in accordance with Article 6 to guide directors, managers, employees, and substantial controllers on matters to pay attention to when conducting business, and shall cover at least the following:</p> <p>I. Standards for determining whether improper benefits have been offered or accepted.</p> <p>II. Procedures for offering legitimate political donations.</p> <p>III. Procedures and the standard rates for offering charitable donations or sponsorship.</p> <p>IV. Rules for avoiding work-related conflicts of interests and how they should be reported and handled.</p> <p>V. Rules for keeping confidential trade secrets and sensitive business information obtained in the ordinary course of business.</p> <p>VI. Regulations and procedures for dealing with suppliers, clients and business transaction counterparties suspected of unethical conduct.</p> <p>VII. Handling procedures for violations of these Principles.</p> <p>VIII. Disciplinary measures on offenders.</p>	<p>Article 21 Operating procedures and conduct guidelines The Company shall establish operating procedures and code of conduct in accordance with Article 6 to guide directors, <u>supervisors</u>, managers, employees, and substantial controllers on matters to pay attention to when conducting business, and shall cover at least the following:</p> <p>I. Standards for determining whether improper benefits have been offered or accepted.</p> <p>II. Procedures for offering legitimate political donations.</p> <p>III. Procedures and the standard rates for offering charitable donations or sponsorship.</p> <p>IV. Rules for avoiding work-related conflicts of interests and how they should be reported and handled.</p> <p>V. Rules for keeping confidential trade secrets and sensitive business information obtained in the ordinary course of business.</p> <p>VI. Regulations and procedures for dealing with suppliers, clients and business transaction counterparties suspected of unethical conduct.</p> <p>VII. Handling procedures for violations of these Principles.</p> <p>VIII. Disciplinary measures on offenders.</p>	Deletion of supervisor
<p>Article 22 Education and training and appraisal The chairman, president, or senior management of the Company shall communicate the importance of corporate ethics to its directors, employees, and mandataries on a regular basis. The Company shall periodically organize training and awareness programs for directors, managers, employees, mandataries, and substantial controllers and invite the Company's commercial transaction counterparties so they understand the Company's determination to implement ethical corporate management, the related policies, prevention programs and the consequences of committing unethical conduct. The Company shall apply the policies of ethical corporate</p>	<p>Article 22 Education and training and appraisal The chairman, president, or senior management of the Company shall communicate the importance of corporate ethics to its directors, employees, and mandataries on a regular basis. The Company shall periodically organize training and awareness programs for directors, <u>supervisors</u>, managers, employees, mandataries, and substantial controllers and invite the Company's commercial transaction counterparties so they understand the Company's determination to implement ethical corporate management, the related policies, prevention programs and the consequences of committing unethical conduct. The Company shall apply the policies of ethical corporate management</p>	Deletion of supervisor

Amendment	Current provisions	Explanation
management when creating its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.	when creating its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.	
<p>Article 23 Whistle-blowing, disciplinary and grievance systems</p> <p>The Company shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following:</p> <p>I. An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow internal and external personnel of the company to submit reports.</p> <p>II. Dedicated personnel or unit appointed to handle the whistle-blowing system. Any matter involving a director or senior management shall be reported to the independent directors or supervisors. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.</p> <p>III. <u>Follow-up measures to be adopted depending on the severity of the circumstances after investigations of cases reported are completed. Where necessary, a case shall be reported to the competent authority or referred to the judicial authority.</u></p> <p>IV. Documentation of case acceptance, investigation processes, investigation results, and relevant documents.</p> <p>V. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.</p> <p>VI. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.</p> <p>VII. Whistle-blowing incentive measures.</p> <p>VIII. When material misconduct or likelihood of material impairment to the Company comes to their awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the independent directors in written form.</p>	<p>Article 23 Whistle-blowing, disciplinary and grievance systems</p> <p>The Company shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following:</p> <p>I. An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow internal and external personnel of the company to submit reports.</p> <p>II. Dedicated personnel or unit appointed to handle the whistle-blowing system. Any matter involving a director or senior <u>executives</u> shall be reported to the independent directors or supervisors. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.</p> <p>III. Documentation of case acceptance, investigation processes, investigation results, and relevant documents.</p> <p>IV. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.</p> <p>V. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.</p> <p>VI. Whistle-blowing incentive measures.</p> <p>VII. When material misconduct or likelihood of material impairment to the Company comes to their awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the independent directors <u>or supervisors</u> in written form.</p>	<p>Amendments to the Company's Ethical Corporate Management Best Practice Principles pursuant to Taiwan Stock Exchange Corporation's Letter Tai-Zheng-Zhi-Li-Zi No. 10800083781 dated May 23, 2019</p>
<p>Article 26 Review and amendment of ethical management policies and measures</p> <p>The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage its directors, managers, and employees to make suggestions, based on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical</p>	<p>Article 26 Review and amendment of ethical management policies and measures</p> <p>The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage its directors, <u>supervisors</u>, managers, and employees to make suggestions, based on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical</p>	<p>Deletion of supervisor</p>

Amendment	Current provisions	Explanation
<p>management.</p> <p>Article 27 Implementation The Principles, and the amendments hereto, shall be implemented upon approval of the Board of Directors and reported to the shareholders' meeting. The same shall apply to amendments. When the Company submits these Principles to the Board of Directors for discussion, the Board of Directors shall take into full consideration each independent director's opinions. Any objections or reservations of any independent director shall be recorded in the minutes of the board meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is a legitimate reason to do otherwise, his/her opinion shall be specified in the minutes of the board meeting.</p>	<p>management.</p> <p>Article 27 Implementation The Principles, and the amendments hereto, shall be implemented upon approval of the Board of Directors and <u>submitted to each supervisor, and</u> reported to the shareholders' meeting. The same shall apply to amendments. <u>Where the Company has established independent directors, these ethical Corporate Management Best Practice Principles shall be submitted to the</u> Board of Directors for discussion, the Board of Directors shall take into full consideration each independent director's opinions. Any objections or reservations of any independent director shall be recorded in the minutes of the board meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is a legitimate reason to do otherwise, his/her opinion shall be specified in the minutes of the board meeting. <u>If the Company has an audit committee, the provisions of these principles regarding supervisors shall apply to the audit committee.</u></p>	<p>Deletion of supervisor and modification of wording</p>
<p>Article 28 The Principles were promulgated and implemented on December 15, 2010. The 1st amendment was made on January 15, 2015. The 2nd amendment was made on December 19, 2023.</p>	<p>(Newly added)</p>	<p>Amendment date added</p>

Comparison Table of the "Procedures for Ethical Management and Guidelines for Conduct" Before and After Amendment

Amendment	Current provisions	Explanation
<p>Article 2</p> <p>The term “personnel of the Company” referred to in this procedures and guidelines include directors, managers, employees, appointees, and individuals with substantial control capabilities within the Company and its group enterprises and organizations.</p> <p>Any improper benefits provided, promised, requested, or received by personnel of the Company through third parties shall be presumed to be actions of the personnel of the Company.</p>	<p>Article 2</p> <p>The term “personnel of the Company” referred to in this procedures and guidelines include directors, <u>supervisors</u>, managers, employees, appointees, and individuals with substantial control capabilities within the Company and its group enterprises and organizations.</p> <p>Any improper benefits provided, promised, requested, or received by personnel of the Company through third parties shall be presumed to be actions of the personnel of the Company.</p>	Deletion of supervisor
<p>Article 5</p> <p>The Company has designated <u>management (General Manager's Office)</u> as the dedicated unit (hereinafter referred to as the "dedicated unit of the Company"), which is subordinate to the Board of Directors and has allocated sufficient resources and competent personnel to handle the amendment, implementation and interpretation, consultation service, notification, and record-keeping of these procedures and guidelines responsible for the following matters, and report to the Board of Directors on a regular basis (at least once a year):</p> <ol style="list-style-type: none"> I. Assist in the incorporation of integrity and ethical values into the Company's business strategy, and adopt relevant anti-corruption measures to ensure ethical management in compliance with laws and regulations. II. Regularly analyze and assess the risk of unethical conduct within the scope of business, and use such analysis to formulate plans for prevention of unethical conduct, and establish relevant standard operating procedures and conduct guidelines for each plan. III. Plan the internal organization, structure, and allocate responsibilities, and establish mechanisms for mutual supervision and checks for business activities with a higher risk of unethical conduct within the scope of operations. IV. Promote and coordinate the promotion and training of ethical management policy. V. Plan the whistle-blowing system and ensure the effectiveness of its implementation. VI. Assist the Board of Directors and management in auditing and assessing whether the preventive measures established for the implementation of ethical management are operating effectively, and prepare reports on the assessment and 	<p>Article 5</p> <p>The Company has designated the <u>Audit office</u> as the dedicated unit (hereinafter referred to as the "dedicated unit of the Company"), which is subordinate to the Board of Directors and has allocated sufficient resources and competent personnel to handle the amendment, implementation and interpretation, consultation service, notification, and record-keeping of these procedures and guidelines responsible for the following matters, and report to the Board of Directors on a regular basis (at least once a year):</p> <ol style="list-style-type: none"> I. Assist in the incorporation of integrity and ethical values into the Company's business strategy, and adopt relevant anti-corruption measures to ensure ethical management in compliance with laws and regulations. II. Regularly analyze and assess the risk of unethical conduct within the scope of business, and use such analysis to formulate plans for prevention of unethical conduct, and establish relevant standard operating procedures and conduct guidelines for each plan. III. Plan the internal organization, structure, and allocate responsibilities, and establish mechanisms for mutual supervision and checks for business activities with a higher risk of unethical conduct within the scope of operations. IV. Promote and coordinate the promotion and training of ethical management policy. V. Plan the whistle-blowing system and ensure the effectiveness of its implementation. VI. Assist the Board of Directors and management in auditing and assessing whether the preventive measures established for the implementation of ethical management are operating effectively, and prepare reports on the assessment and compliance of relevant business processes on a regular basis. 	<p>Modification of dedicated unit</p> <p>Deletion of supervisor</p>

Amendment	Current provisions	Explanation
<p>compliance of relevant business processes on a regular basis.</p> <p>VII. Prepare and properly keep documentation on the ethical management policy and its compliance statements, commitment implementation, and execution status etc.</p> <p>Article 10 The Company shall make charitable donations or sponsorships in accordance with the following matters, report to the Chief Executive for approval, and notify the dedicated unit of the Company. If the amount reaches NTD <u>1 million</u> or more, report to the Board of Directors for approval before proceeding:</p> <p>I. Compliance with the laws and regulations of the region of operation.</p> <p>II. The decision shall be recorded in writing.</p> <p>III. The recipients of charitable donations shall be charitable organizations, and shall not be bribery in disguise.</p> <p>IV. The feedback that can be obtained from sponsorship is clear and reasonable, and cannot be the counterparty of the Company's business dealings or individuals with an interest in the Company's personnel.</p> <p>V. After charitable donations or sponsorships, confirm that the purpose of the cash flow is consistent with the purpose of donation.</p>	<p>VII. Prepare and properly keep documentation on the ethical management policy and its compliance statements, commitment implementation, and execution status etc.</p> <p>Article 10 The Company shall make charitable donations or sponsorships in accordance with the following matters, report to the Chief Executive for approval, and notify the dedicated unit of the Company. If the amount reaches NTD or more, report to the Board of Directors for approval before proceeding:</p> <p>I. Compliance with the laws and regulations of the region of operation.</p> <p>II. The decision shall be recorded in writing.</p> <p>III. The recipients of charitable donations shall be charitable organizations, and shall not be bribery in disguise.</p> <p>IV. The feedback that can be obtained from sponsorship is clear and reasonable, and cannot be the counterparty of the Company's business dealings or individuals with an interest in the Company's personnel.</p> <p>V. After charitable donations or sponsorships, confirm that the purpose of the cash flow is consistent with the purpose of donation.</p>	
<p>Article 11 Directors, managers, and other stakeholders attending or participating in Board of Directors meetings who have a conflict of interest with the agenda items under discussion, or whose legal representatives have a conflict of interest, shall explain the significant details of such conflict at the meeting. If there is a risk of harm to the Company's interests, they may not participate in the discussion or voting. They shall be recused from the discussion and voting, and are not allowed to act as proxies for other directors to exercise their voting rights. Directors should also be self-disciplined and have no choice but to support each other.</p> <p>Where the spouse or a blood relative within the second degree of kinship of a director, or a company which has a controlling or subordinate relation with a director, is an interested party with respect to an agenda item as described in the preceding paragraph, such director shall be deemed to be an interested party with respect to that agenda item.</p>	<p>Article 11 Directors, <u>supervisors</u>, manager, and other stakeholders attending or participating in Board of Directors meetings who have a conflict of interest with the agenda items under discussion, or whose legal representatives have a conflict of interest, shall explain the significant details of such conflict at the meeting. If there is a risk of harm to the Company's interests, they may not participate in the discussion or voting. They shall be recused from the discussion and voting, and are not allowed to act as proxies for other directors to exercise their voting rights. Directors should also be self-disciplined and have no choice but to support each other.</p> <p>Where the spouse or a blood relative within the second degree of kinship of a director, or a company which has a controlling or subordinate relation with a director, is an interested party with respect to an agenda item as described in the preceding paragraph, such director shall be deemed to be an interested party with respect to that agenda item.</p>	Deletion of supervisor

Amendment	Current provisions	Explanation
<p>In the course of carrying out the Company's business, if the personnel of the Company encounters situations where there is a conflict of interest with themselves or the legal person they represent, or situations where they or their spouses, parents, children, or related parties may gain undue benefits, they shall report such matters to their immediate supervisor and the dedicated unit of the Company simultaneously. The immediate supervisor shall provide appropriate guidance in such cases.</p> <p>The Company's Personnel shall not use the Company's resources for business activities outside the Company, and their work performance shall not be affected by participation in business activities outside the Company.</p> <p>Article 12</p> <p>The Company's <u>management (General Manager's Office)</u> has a dedicated unit responsible for formulating and implementing the Company's operating procedures for the management, preservation and confidentiality of the Company's business secrets, trademarks, patents, copyrights and other intellectual property. Regular reviews of the implementation results shall be conducted to ensure the ongoing effectiveness of these procedures.</p> <p>The personnel of the Company shall duly comply with the relevant operational regulations of the preceding paragraph, and shall not disclose to others the Company's business secrets, trademarks, patents, copyrights and other intellectual property. Additionally, they shall not inquire about or collect the Company's business secrets, trademarks, patents, copyrights, or other intellectual property unrelated to their duties.</p>	<p>In the course of carrying out the Company's business, if the personnel of the Company encounters situations where there is a conflict of interest with themselves or the legal person they represent, or situations where they or their spouses, parents, children, or related parties may gain undue benefits, they shall report such matters to their immediate supervisor and the dedicated unit of the Company simultaneously. The immediate supervisor shall provide appropriate guidance in such cases.</p> <p>The Company's Personnel shall not use the Company's resources for business activities outside the Company, and their work performance shall not be affected by participation in business activities outside the Company.</p> <p>Article 12</p> <p>The Company <u>shall establish</u> a dedicated unit responsible for formulating and implementing the Company's operating procedures for the management, preservation and confidentiality of the Company's business secrets, trademarks, patents, copyrights and other intellectual property. Regular reviews of the implementation results shall be conducted to ensure the ongoing effectiveness of these procedures.</p> <p>The personnel of the Company shall duly comply with the relevant operational regulations of the preceding paragraph, and shall not disclose to others the Company's business secrets, trademarks, patents, copyrights and other intellectual property. Additionally, they shall not inquire about or collect the Company's business secrets, trademarks, patents, copyrights, or other intellectual property unrelated to their duties.</p>	<p>Establish a dedicated processing unit</p>
<p>Article 21</p> <p>An independent mailbox or hotline, either internally established and publicly announced on the Company's website or intranet shall be established or provided by an independent external institution, to allow internal and external personnel of the company to submit reports.</p> <p>The whistleblower shall at least provide the following information:</p>	<p>Article 21</p> <p><u>The Company encourages internal and external personnel to report unethical or improper conduct. Depending on the severity of the reported incidents, rewards up to NTD 50,000 may be granted. However, internal personnel found to have falsely reported or made malicious accusations shall face disciplinary action, including possible dismissal in severe cases.</u></p> <p>An independent mailbox or hotline, either internally established and publicly announced on the Company's website or intranet shall be established or provided by an independent external institution, to allow internal and external personnel of the company to submit reports.</p> <p>The whistleblower shall at least provide the following information:</p>	<p>Removal of some content and deletion of supervisor</p>

Amendment	Current provisions	Explanation
<p>I. The name and I.D. number of the whistleblower, or he/she may choose to remain anonymous, and an address, telephone number, and e-mail address at which the whistleblower can be reached.</p> <p>II. Information about the accused party, including their name or any other identifying characteristic that could help identify the accused party.</p> <p>III. Specific evidence supporting the investigation. The relevant personnel of the Company handling the complaints shall make a written statement to keep the identity of the whistleblower and the content of the report confidential, and the Company pledges to protect the whistleblowers from any improper retaliation resulting from the reported incident. The dedicated unit of the Company shall handle whistle-blowing matters in accordance with the following procedures:</p> <p>I. Reports involving regular employees shall be submitted to department supervisors, while reports involving directors or senior executives shall be submitted to independent directors.</p> <p>II. The Company's dedicated unit and the reported supervisor or personnel in the preceding subparagraph shall immediately verify the relevant facts, and, if necessary, seek assistance from regulatory compliance or other relevant departments.</p> <p>III. If it is proven that the accused individual has violated relevant laws or the Company's ethical corporate management policies and regulations, request the said individual to stop the relevant behavior and take appropriate measures. If necessary, reports shall be made to the competent authority, referrals to judicial authorities for investigation, or legal proceedings initiated to seek damages in order to uphold the Company's reputation and rights.</p> <p>IV. All documentation related to the receipt of reports, investigation processes, and investigation results shall be retained in written form and preserved for five years. Electronic storage methods may be used for this purpose. Before the expiry of the retention period, in case of a lawsuit related to the content of the report, the relevant information shall be kept until the end of the lawsuit.</p> <p>V. For the alleged incidents proven to be substantiated, the relevant departments of the responsible Company shall review the relevant internal control system and operating procedures, and</p>	<p>I. The name and I.D. number of the whistleblower, or he/she may choose to remain anonymous, and an address, telephone number, and e-mail address at which the whistleblower can be reached.</p> <p>II. Information about the accused party, including their name or any other identifying characteristic that could help identify the accused party.</p> <p>III. Specific evidence supporting the investigation. The relevant personnel of the Company handling the complaints shall make a written statement to keep the identity of the whistleblower and the content of the report confidential, and the Company pledges to protect the whistleblowers from any improper retaliation resulting from the reported incident. The dedicated unit of the Company shall handle whistle-blowing matters in accordance with the following procedures:</p> <p>I. Reports involving regular employees shall be submitted to department supervisors, while reports involving directors or senior executives shall be submitted to independent directors or <u>supervisors</u>.</p> <p>II. The Company's dedicated unit and the reported supervisor or personnel in the preceding subparagraph shall immediately verify the relevant facts, and, if necessary, seek assistance from regulatory compliance or other relevant departments.</p> <p>III. If it is proven that the accused individual has violated relevant laws or the Company's ethical corporate management policies and regulations, request the said individual to stop the relevant behavior and take appropriate measures. If necessary, reports shall be made to the competent authority, referrals to judicial authorities for investigation, or legal proceedings initiated to seek damages in order to uphold the Company's reputation and rights.</p> <p>IV. All documentation related to the receipt of reports, investigation processes, and investigation results shall be retained in written form and preserved for five years. Electronic storage methods may be used for this purpose. Before the expiry of the retention period, in case of a lawsuit related to the content of the report, the relevant information shall be kept until the end of the lawsuit.</p> <p>V. For the alleged incidents proven to be substantiated, the relevant departments of the responsible Company shall review the relevant</p>	

Amendment	Current provisions	Explanation
<p>propose improvement measures to prevent the same behavior from happening again.</p> <p>VI. The dedicated unit of the Company shall report the matter of reporting, the handling method, and the subsequent review and improvement measures to the Board of Directors.</p>	<p>internal control system and operating procedures, and propose improvement measures to prevent the same behavior from happening again.</p> <p>VI. The dedicated unit of the Company shall report the matter of reporting, the handling method, and the subsequent review and improvement measures to the Board of Directors.</p>	
<p>Article 25</p> <p><u>The Procedures and Guidelines were promulgated and implemented on March 26, 2015.</u></p> <p><u>The 1st amendment was made on March 25, 2020.</u></p> <p><u>The 2nd amendment was made on December 19, 2023.</u></p>	<p>(Newly added)</p>	<p>Amendment date added</p>

Comparison Table of "Rules of Procedure for Board of Directors Meetings" Before and After Amendment

Article Number	Provisions after amendment	Current provisions	Explanation of amendment
Article 3	<p>(Board of Directors convening and meeting notice)</p> <p>The Board of Directors of the Company shall convene at least once every quarter.</p> <p>The reasons for calling a Board of directors meeting shall be notified to each director at least seven days in advance. In emergency circumstances, however, a meeting may be called on shorter notice. The notice for the convention of Board of directors' meeting of the Company shall indicate the reasons and with the consent of the relevant parties, may be notified to each director in writing, via email, or by fax.</p> <p>All matters set out in the subparagraphs of Article 12, paragraph 1, shall be listed in the notice of the meeting, and shall not be proposed as an extraordinary motion.</p>	<p>(Board of Directors convening and meeting notice)</p> <p>The Board of Directors of the Company shall convene at least once every quarter.</p> <p>The reasons for calling a Board of directors meeting shall be notified to each director at least seven days in advance. In emergency circumstances, however, a meeting may be called on shorter notice. The notice for the convention of Board of directors' meeting of the Company shall indicate the reasons and with the consent of the relevant parties, may be notified to each director in writing, via email, or by fax.</p> <p>All matters set out in the subparagraphs of Article 12, paragraph 1, shall be listed in the notice of the meeting, <u>except in cases of sudden emergencies or legitimate reasons</u>, and shall not be proposed as an extraordinary motion.</p>	<p>The Company's Rules of Procedure for Board of Directors Meetings are amended in accordance with the letter Jin-Guan-Zheng-Shen-Zi No.1110383263 issued by the FSC on August 5, 2022.</p>
Article 8	<p>(Reference materials of the Board of Directors, attendees and the convening of the Board of Directors)</p> <p>When the Company's Board of Directors meeting is convened, the management department (or the meeting affairs unit designated by the Board of Directors) shall prepare relevant information for the directors to review at any time.</p> <p>The relevant departments or personnel of subsidiaries may be invited to attend the Board of Director meeting depending on the agenda of the meeting. When necessary, CPAs, lawyers, or other professionals may also be invited to attend the meeting to provide explanations. However, they shall leave the meeting during discussions and voting.</p> <p>The chairperson of the Board of Directors shall call the meeting to order immediately when more than half of the directors have attended the meeting.</p> <p>When the time of a meeting has arrived and one-half all board directors are not present, the meeting chairperson may announce postponement of the meeting time <u>for that day</u>, provided that only two postponements may be made. If the quorum is still not met after two such delays, the chairperson shall re-call the meeting</p>	<p>(Reference materials of the Board of Directors, attendees and the convening of the Board of Directors)</p> <p>When the Company's Board of Directors meeting is convened, the management department (or the meeting affairs unit designated by the Board of Directors) shall prepare relevant information for the directors to review at any time.</p> <p>The relevant departments or personnel of subsidiaries may be invited to attend the Board of Director meeting depending on the agenda of the meeting. When necessary, CPAs, lawyers, or other professionals may also be invited to attend the meeting to provide explanations. However, they shall leave the meeting during discussions and voting.</p> <p>The chairperson of the Board of Directors shall call the meeting to order immediately when more than half of the directors have attended the meeting.</p> <p>When the time of a meeting has arrived and one-half all board directors are not present, the meeting chairperson may announce postponement of the meeting time, provided that only two postponements may be made. If the quorum is still not met after two such delays, the chairperson shall re-call the meeting following the procedures provided in Article 3, paragraph 2.</p> <p>The term "all directors" mentioned above refers to those who are currently holding that position.</p>	<p>The Company's "Procedures for Handling Endorsements and Guarantees" are amended in accordance with the letter Jin-Guan-Zheng-Shen-Zi No.1120383996 issued by the FSC on August 5, 2022.</p>

Article Number	Provisions after amendment	Current provisions	Explanation of amendment
	<p>following the procedures provided in Article 3, paragraph 2. The term “all directors” mentioned above refers to those who are currently holding that position.</p>		
Article 11	<p>(Proposal Discussion) The Board of Directors meeting of the Company shall proceed in accordance with the agenda scheduled in the notice of the meeting. However, it may be changed with the consent of more than a majority of directors present at the meeting. The chairperson may not declare the meeting adjourned without the approval of a majority of directors present at the meeting. During the Board of Directors meeting, if the directors attending the meeting are not more than half of the directors, then upon motion by the attending directors at the meeting, the chairperson shall declare a suspension of meeting, in which case Article 8, paragraph 3 shall apply mutatis mutandis. <u>Paragraph 3 of Article 7 shall apply to the appointment of proxies in the event the chairperson is unable to preside over the board meeting or fails to adjourn the meeting in accordance with the provisions of paragraph 2.</u></p>	<p>(Proposal Discussion) The Board of Directors meeting of the Company shall proceed in accordance with the agenda scheduled in the notice of the meeting. However, it may be changed with the consent of more than a majority of directors present at the meeting. The chairperson may not declare the meeting adjourned without the approval of a majority of directors present at the meeting. During the Board of Directors meeting, if the directors attending the meeting are not more than half of the directors, then upon motion by the attending directors at the meeting, the chairperson shall declare a suspension of meeting, in which case Article 8, paragraph 3 shall apply mutatis mutandis.</p>	<p>The Company’s “Procedures for Handling Endorsements and Guarantees” are amended in accordance with the letter Jin-Guan-Zheng-Shen-Zi No.1120383996 issued by the FSC on August 5, 2022.</p>
Article 17	<p>(Implementation and amendment) The establishment and amendment of these Rules of Procedure shall be implemented after being approved by the Board of Directors.</p>	<p>(Implementation and amendment) The establishment and amendment of these Rules of Procedure shall be implemented after being approved by the Board of Directors and reported to the <u>Shareholders’ Meeting</u>.</p>	
Article 18	<p>(Supplementary Provisions) Any matters not covered by these guidelines shall be governed by the relevant laws and regulations. <u>These Regulations were promulgated and implemented on June 6, 2003.</u> <u>The 1st amendment was made on June 6, 2006.</u> <u>The 2nd amendment was made on June 15, 2007.</u> <u>The 3rd amendment was made on June 21, 2012.</u> <u>The 4th amendment was made on June 28, 2013.</u> <u>The 5th amendment was made on June 17, 2016.</u> <u>The 6th amendment was made on June 16, 2017.</u> <u>The 7th amendment was made on June 22, 2018.</u> <u>The 8th amendment was made on June 21, 2019.</u> <u>The 9th amendment was made on June 19, 2020.</u> <u>The 10th amendment was made on March 11, 2024.</u></p>	<p>(Supplementary Provisions) Any matters not covered by these guidelines shall be governed by the relevant laws and regulations.</p>	

Shinih Enterprise Co., Ltd.
Surplus allocation table for 2023

Unit: NT\$

Item	Amount	
	Sub-total	Total
Undistributed Earnings at the Beginning of the Period		1,507,619,806
Plus : Current net income after tax	157,614,441	
Plus : Other comprehensive income carry forward to retained earnings (Actuarial gains and losses of defined benefit plans)	108,836	
Plus : Resersal of Special Reserve	0	
Less : 10% Legal Reserve	(15,772,328)	141,950,949
Distributable earnings for this period		1,649,570,755
Distribution item:		
Shareholders' cash dividend (NT\$0.6 per share)	63,544,860	
Shareholders' stock dividend (NT\$ per share)		63,544,860
Undistributed earnings at the end of the period		1,586,025,895

Shinih Enterprise Co., Ltd.
Comparison Table of the "Procedures for Endorsements and Guarantees"

Amendment	Current provisions	Explanation
<p>Article 2</p> <p>I. These Procedures have been adopted for compliance to stabilize operations, protect the Company's rights and interests, and reduce the Company's operating risks,</p> <p>II. These Procedures have been adopted pursuant to Article 36-1 of the Securities and Exchange Act and the regulations of the Financial Supervisory Commission, Executive Yuan. These Procedures shall apply unless otherwise provided by <u>finance-related</u> laws and regulations.</p>	<p>Article 2</p> <p>I. These Procedures have been adopted for compliance to stabilize operations, protect the Company's rights and interests, and reduce the Company's operating risks,</p> <p>II. These Procedures have been adopted pursuant to Article 36-1 of the Securities and Exchange Act and the regulations of the Financial Supervisory Commission, Executive Yuan. These Procedures shall apply unless otherwise provided by other laws and regulations.</p>	<p>The Company's "Procedures for Handling Endorsements and Guarantees" are amended in accordance with the letter Jin-Guan-Zheng-Shen-Zi No.1080304826 issued by the FSC on March 7, 2019.</p>
<p>Article 13</p> <p>In addition to announcing and reporting the balance of the endorsement/guarantee on a monthly basis, the Company shall announce and report the same within two days commencing immediately from the date of occurrence if the endorsement/guarantee amount reaches one of the following levels:</p> <p>I. The aggregate balance of endorsements/guarantees by the Company and its subsidiaries reaches 50 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>II. The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches 20 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>III. The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches NT\$10 millions or more and the aggregate amount of all endorsements/guarantees for, carrying amount of equity method investment in, and balance of loans to, such enterprise reaches 30 percent or more of</p>	<p>Article 13</p> <p>In addition to announcing and reporting the balance of the endorsement/guarantee on a monthly basis, the Company shall announce and report the same within two days commencing immediately from the date of occurrence if the endorsement/guarantee amount reaches one of the following levels:</p> <p>I. The aggregate balance of endorsements/guarantees by the Company and its subsidiaries reaches 50 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>II. The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches 20 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>III. The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches NT\$10 millions or more and the aggregate amount of all endorsements/guarantees for, long-term investment in, and balance of loans to, such enterprise reaches 30 percent or more of the Company's net worth</p>	<p>The Company's "Procedures for Handling Endorsements and Guarantees" are amended in accordance with the letter Jin-Guan-Zheng-Shen-Zi No.1080304826 issued by the FSC on March 7, 2019.</p>

Amendment	Current provisions	Explanation
<p>the Company's net worth as stated in its latest financial statement.</p> <p>IV. The amount of new endorsements/guarantees made by the Company or its subsidiaries reaches NT\$30 million or more, and reaches 5 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of Taiwan, any matters that such subsidiary is required to announce and report pursuant to subparagraph 4 of the preceding paragraph.</p> <p>“Date of occurrence” in the preceding paragraph means the date of contract signing, date of payment, dates of Board of Directors resolutions, or other date that can confirm the counterparty of loan and or endorsement/guarantee and transaction amount, whichever date is earlier.</p>	<p>as stated in its latest financial statement.</p> <p>IV. The amount of new endorsements/guarantees made by the Company or its subsidiaries reaches NT\$30 million or more, and reaches 5 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of Taiwan, any matters that such subsidiary is required to announce and report pursuant to subparagraph 4 of the preceding paragraph.</p> <p>“Date of occurrence” in the preceding paragraph means the date of transaction contract signing, date of payment, dates of Board of Directors resolutions, or other date that can confirm the counterparty and transaction amount, whichever date is earlier.</p>	
<p>Article 19</p> <p>These Procedures shall take effect after the resolution of the Board of Directors and the approval of the Shareholders' Meeting. Where any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the dissenting opinion to each supervisor and for discussion by the shareholders meeting. The same shall apply to any amendments to the Procedures. The Board of Directors shall take into full consideration each independent director's opinions during the discussion of these Procedures. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p>	<p>Article 19</p> <p>These Procedures, and the amendments hereto, shall take effect after they are approved by the Audit Committee and the Board of Directors and submitted to the shareholders' meeting for approval.</p> <p>The Board of Directors shall take into full consideration each independent director's opinions in the discussion of these submitted Procedures. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p>	

Amendment	Current provisions	Explanation
<p>The expression "all audit committee members" and "all directors" as used in the preceding paragraph shall be calculated according to the number of members then actually holding that position.</p> <p>For the matters that shall be submitted to the board of directors for resolution according to these Procedures, the provisions of under Paragraph 3 shall apply to the matters before they are submitted to the Board of Directors for resolution.</p>		
<p>Article 15 <u>These Procedures were promulgated and implemented on June 14, 1998.</u> <u>The 1st amendment was made on June 30, 1999.</u> <u>The 2nd amendment was made on April 28, 2003.</u> <u>The 3rd amendment was made on April 2, 2004.</u> <u>The 4th amendment was made on June 19, 2009.</u> <u>The 5th amendment was made on June 18, 2010.</u> <u>The 6th amendment was made on June 24, 2011.</u> <u>The 7th amendment was made on June 28, 2013.</u> <u>The 8th amendment was made on June 17, 2016.</u> <u>The 9th amendment was made on June 16, 2017.</u> <u>The 10th amendment was made on November 7, 2023.</u></p>	<p>Article 20 <u>Any matters not covered by these Procedures shall be governed by the relevant laws and regulations.</u></p>	<p>Amendment date added</p>

Appendix

Shinih Enterprise Co., Ltd.
Articles of Incorporation

- Chapter 1 General Rules
- Article 1: The Company shall be incorporated in accordance with the regulations related to company limited by shares specified in the Company Act and its name shall be “Shinih Enterprise Co., Ltd.”.
- Article 2: The scope of business the Company is as follows:
1. C302010 Weaving of Textiles.
 2. C303010 Non-woven Fabrics Mills.
 3. C399990 Other Textile and Products Manufacturing.
 4. C802160 Adhesive Tapes Manufacturing.
 5. C805020 Manufacture of Plastic Films and Bags.
 6. CB01010 Mechanical Equipment Manufacturing.
 7. CI01010 Rope, Cable and Net Manufacturing.
 8. CI01020 Rug and Felt Manufacturing.
 9. F105050 Wholesale of Furniture, Bedding Kitchen Utensils and Fixtures.
 10. F111090 Wholesale of Building Materials.
 11. F205040 Retail Sale of Furniture, Bedding Kitchen Utensils and Fixtures.
 12. F401010 International Trade.
 13. H701010 Housing and Building Development and Rental.
 14. H701040 Specific Area Development.
 15. H701060 New County and Community Development.
 16. H701080 Urban Renewal Reconstruction.
 17. H703100 Real Estate Leasing.
 18. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3: The Company may provide endorsements and guarantees to the external for the needs of business operation. The total amount of investments may not be restricted by the limitation specified in Article 13 of the Company Act.
- Article 4: The location of the Company is registered at the Taoyuan City. When it is considered necessary, the Company may establish branches and offices at other appropriate locations domestically or overseas. The establishment, abolishment and change thereof shall be handled according to the resolution of the board of directors.
- Chapter 2 Shares
- Article 5: Deleted.
- Article 6: The total capital of the Company shall be in the amount of NT\$ 2,000,000,000, divided into 200,000,000 shares, at NT\$10 per share, which may be issued at discrete times.
For the unissued shares, the board of directors is authorized to perform issuance depending upon the needs.
An amount of NT\$ 50,000,000 of the total capital described in the preceding paragraph is reserved, and a total of 5,000,000 shares is provided for issuance of employee stock option certificates for conversion into shares, at a par value of NT\$ 10, which may be issued at discrete times. according to the resolution of the board of directors.
- Article 6-1: The Company transfer shares to employees at a price lower than the average price of actual

repurchased shares, or the price of employee stock option certificates of the Company is lower than the Company's common share price closed on the date of issuance, and the issuance of such employee stock option certificates shall only be made when the consents of attending shareholders representing more than two-thirds of the total voting rights in a shareholders' meeting attended by shareholders representing a majority of the total issued shares.

Article 7: The shares of the Company shall be registered, which shall be signed or sealed by at least three directors, and the shares shall be certified by the competent authority or a registration institution approved by the competent authority for the issuance thereof.

For the shares issued by the Company, the printing of share certificates may be exempted; however, the shares shall be registered with the Centralized Securities Depository Enterprises.

Article 8: The stock affairs of the Company shall be handled according to relevant laws and regulations of the competent authority.

Article 9: Any change and transfer registration of shares shall be prohibited within sixty days prior to the ordinary shareholders' meeting of each term, thirty days prior to the extraordinary shareholders' meeting, or five days prior to the record date for the distribution of dividends and bonuses or other interests by the Company.

Chapter 3 Shareholders' Meeting

Article 10: For the shareholders' meetings of the Company, an ordinary shareholders' meeting is convened once per year, and it is convened by the board of directors according to the laws within six months after the close of each fiscal year. An extraordinary shareholders' meeting may be convened whenever necessary according to laws.

Article 10-1: During the convention of the shareholders' meeting, video conference or other methods announced by the central competent authority may be adopted. Where a shareholders' meeting is held by video conferencing, any shareholder attending the meeting by video conferencing shall be deemed as having attended the meeting in person.

Article 11: All shareholders shall be informed of the date, location and reasons of convention thirty days before the convention of an ordinary shareholders' meeting, and fifteen days before the convention of an extraordinary shareholders' meeting.

Article 12: Each shareholder of the Company shall have one voting right for each share in his/her/its possession, except where the shares are considered to have no voting right under circumstances described in Article 179 of the Company Act.

Article 13: Unless Act otherwise specified in relevant laws, any resolution of a shareholders' meeting shall be adopted by a majority of the shareholders presented, who representing more than half of the total number of the Company's outstanding shares, and shall be executed based on the majority of the voting rights of attending shareholders.

Article 14: Unless the Company Act specifies otherwise, shareholders' meetings shall be convened by the board of directors, and the man of the board shall be the chairman of the meeting. In case where the man of the board is absent due to reasons, the man of the board shall appoint a director to act as a proxy thereof. In case where the man of the board fails to appoint a proxy, the directors shall elect one person from among themselves to act as the proxy. For a shareholders' meeting convened by any other person having the convening right, the person having the convening right shall be the person, and if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.

Article 14-1: In case where a shareholder cannot attend a shareholders' meeting due to reasons, it shall be handled according to "Regulations Governing the Use of Proxies for Attendance at

Shareholder Meetings of Public Companies” and other relevant laws and regulations.

Article 14-2: Matters related to the resolutions of a shareholders’ meeting shall be recorded in meeting minutes. The meeting minutes shall be signed or sealed by the chairman of the meeting and shall be distributed to all shareholders within 20 days after the close of the meeting. The distribution of the meeting minutes described in the preceding paragraph shall be handled in accordance with the regulations of the Company Act.

Chapter 4 Directors, Audit Committee and Managerial Officer

Article 15: The Company shall have seven directors, forming the board of directors, who shall be elected by the shareholders’ meeting from among the persons disposing capacity. In the roster of directors described in the preceding paragraph, the number of independent directors shall not be less than two and shall not be less than one-fifth of the total number of directors.

The election of the directors adopts the candidates nomination system described in Article 192-1 of the Company Act, and its implementation related matters shall be handled in accordance with relevant regulatory requirements specified in the Company Act and the Securities and Exchange Act. Independent Directors and non-independent Directors shall be elected at the same time but on separate ballots.

In case where no election of new directors is effected after the expiration of the term of office of existing directors, the term of office of out-going directors shall be extended until the time new directors have been elected and assumed their office. The term of office of a director shall be three years, and he/she may be eligible for re-election. The board of directors shall be formed by directors. A man of the board shall be elected from among the directors during a board meeting attended by more than two-thirds of the directors and with the consents of a majority of all attending directors.

The shareholding ratio of all directors of the Company shall comply with the regulations by the competent authority of securities.

Article 16: The man of the board shall represent the Company externally. In case where the man of the board is absent due to reasons, the man of the board shall designate one director to act as the deputy. If no designation is made, the directors shall elect one person from among themselves to act as the deputy.

Article 17: The first board of directors’ meeting of each term of board of directors shall be convened by the man of the board accordingly Article 203 and the man of the board shall also act as the chairman of the meeting, or a majority of directors may exercise the board meeting convention right according to Article 203-1 of the Company Act. Unless otherwise specified in the Company Act, resolutions of a board of directors’ meeting shall be executed based on the attendance of a majority of the directors and the consents of more than half of the attending directors.

In case where a director cannot attend a board meeting, he/she may appoint another director to act as a proxy to attend the meeting; provided that a power of attorney stating the scope of authorization and reason shall be presented, and a director is limited to act as a proxy of another director only. When a board of directors’ meeting is held via the video conference method, directors attending the meeting through video conference shall be deemed to attend the meeting in person.

Article 17-1: For the convention of board of directors’ meetings of the Company, notices indicating the reasons of the convention shall be served to all directors seven days in advance; provided that in case of emergencies, such meetings may be convened at any time. The notice for the

convention of board of directors' meeting of the Company shall indicate the reasons and may be made in writing, e-mail or facsimile method to inform all directors.

Article 18: The Company establishes the audit committee according to Article 14-4 of the Securities and Exchange Act, and the audit committee shall be formed by all of the independent directors, responsible for executing the authorities of supervisors according to the Company Act, Securities and Exchange Act and other laws and regulations.

Article 19: The Company may have one president, and the appointment and discharge thereof shall be executed according to the resolution of a board of directors' meeting attending by a majority of the directors and based on the consents of a majority of the attending directors in accordance with the regulations of the Company Act.

Article 20: When the directors of the Company are performing duties of the Company, regardless whether the Company is operating at a loss or profit, the Company may pay remuneration to directors. The board of directors is authorized to reach a resolution on such remuneration based on their participation level and value of contribution to the operational performance of the Company along with the consideration of the standard adopted in the same industry. When the Company has a surplus earning, remuneration is further distributed according to Article 22.

Chapter 5 Accounting

Article 21: After the end of each fiscal year of the Company, the following documents and statements shall be prepared by the board of directors, which shall be submitted to the audit committee for review three days prior to the ordinary shareholders' meeting, followed by submission to the ordinary shareholders' meeting for ratification:

1. Business report.
2. Financial statement.
3. Proposal for distribution of surplus earnings or covering losses.
4. Other required documents specified by the laws.

Article 22: For the current profit before tax for a fiscal year of the Company before deduction of the remuneration of employees and the remuneration of directors, an amount equivalent to 1% to 5% of such profit before tax shall be appropriated as the remuneration of employees and an amount not greater than 3% of such profit before tax shall be appropriated as the remuneration of the directors; provided that when there is still accumulated loss, the Company shall reserve amount to compensate such loss first, followed by setting aside amounts for the remuneration of employees and the remuneration of directors according to the aforementioned ratios.

The remuneration of employees described in the preceding paragraph may be issued in the form of shares or cash. When it is distributed in the form of shares, resolution may be made at the same time to determine the issuance of new shares or repurchase of own shares. The subjects for receiving the shares or cash may include employees of subsidiaries meeting criteria specified by the board of directors. The remuneration of directors shall be made in cash only.

The proposal for distribution of remuneration described in the preceding two paragraphs shall be executed in accordance with the resolution of the board of directors' meeting, and shall be reported to the shareholders' meeting.

Article 22-1: When the Company has a net income after tax for the final account of a fiscal year, the tax shall be paid and the accumulated loss shall be covered first, followed by setting aside 10% thereof as the legal reserve; however, when the legal reserve has reached the amount of the

paid-in capital of the Company, such appropriation may be exempted. For the remaining amount, special reserve is further appropriated or reversed according to the law or regulations of the competent authority. If there is still remaining amount, it is combined with the accumulated undistributed surplus, which shall be submitted to the board of directors for the establishment of a surplus distribution proposal in order to report to the shareholders' meeting for resolution on the distribution of shareholders' dividends and bonuses.

For the distribution of the shareholders' dividends and bonuses or the issuance of all or a portion of the legal reserve in the form of cash prescribed in Paragraph 1 of Article 241 of the Company Act, the board of directors is authorized to reach resolution on the distribution and issuance according to Article 240 of the Company Act, and reported to the shareholders' meeting.

The dividend policy of the Company adopts the three methods of cash dividends, capital increase by surplus earnings and capital increase by capital reserve for cooperative issuance, and the issuance of cash dividends is adopted in priority, with the ratio of cash dividends issued in the current year between 10% and 100%. In case where there is need to investment plan or improvement of financial structure, the cash dividend issuance rate may be decreased and changed to the issuance via the method of capital increase by surplus earnings or capital increase by capital reserve. To prevent excessive inflation of capital that may affect the dividend issuance of next year, the total ratio of the capital increase by surplus earnings and capital increase by capital reserve shall not exceed 90% of the dividends issued in the current year.

Chapter 6 Supplementary Provisions

Article 23: Any matters not specified in these articles of incorporation shall be handled in accordance with the Company Act and relevant laws and regulations.

Article 24: These articles of incorporate were duly effected on August 23, 1962. The 1st amendment was made on March 21, 1967. The 2nd amendment was made on March 20, 1969. The 3rd amendment was made on May 22, 1978. The 4th amendment was made on December 20, 1978. The 5th amendment was made on August 10, 1982. The 8th amendment was made on December 1, 1989. The 9th amendment was made on September 29, 1990. The 10th amendment was made on February 25, 1994. The 11th amendment was made on March 20, 1994. The 12th amendment was made on September 30, 1995. The 13th amendment was made on November 4, 1996. The 14th amendment was made on November 20, 1997. The 15th amendment was made on January 4, 1998. The 16th amendment was made on May 13, 1998. The 18th amendment was made on June 7, 1999. The 19th amendment was made on June 7, 2000. The 20th amendment was made on April 24, 2001. The 21st amendment was made on May 17, 2002. The 22nd amendment was made on June 6, 2003. The 23rd amendment was made on June 15, 2004. The 24th amendment was made on June 23, 2005. The 25th amendment was made on June 14, 2006. The 26th amendment was made on June 15, 2007. The 27th amendment was made on June 13, 2008. The 28th amendment was made on June 19, 2009. The 29th amendment was made on June 18, 2010. The 30th amendment was made on June 24, 2011. The 31st amendment was made on June 21, 2012. The 32nd amendment was made on June 19, 2014. The 33rd amendment was made on June 26, 2015. The 34th amendment was made on June 17, 2016. The 35th amendment was made on June 16, 2017. The 36th amendment was made on June 22, 2018. The 37th amendment was made on June 21, 2019. The 38th amendment was made on June 17, 2022.

Shinih Enterprise Co., Ltd.
Rules of Procedure for Shareholders' Meetings

Article 1: To establish a strong governance system and sound supervisory capabilities for the Company's shareholders' meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies".

Article 2: The rules of procedures for shareholders' meeting of the Company, except as otherwise provided by law, regulation or the articles of incorporation, shall be as provided in these Rules.

Article 3: Unless otherwise provided by law or regulation, the shareholders' meetings of the Company shall be convened by the board of directors.

Changes to how the Company convenes its shareholders' meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders' meeting notice. The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, service, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) thirty days before the date of an ordinary shareholders' meeting or fifteen days before the date of an extraordinary shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS twenty one days before the date of an ordinary shareholders' meeting or fifteen days before the date of an extraordinary shareholders' meeting. In addition, fifteen 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.

For the meeting agenda and supplemental meeting materials described in the preceding paragraph, the Company shall provide them to the shareholders for review on the convention date of the shareholders' meeting according to the following method:

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

The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under paragraph 1 of Article 185 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders' meeting. None of the above matters may be raised by an extraordinary motion. Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders' meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

Shareholder(s) holding one percent or more of the total number of outstanding shares of a

company may propose to the Company a proposal for discussion at a regular shareholders' meeting, provided that only one matter shall be allowed in each single proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda. Nevertheless, since shareholders' proposals are recommendations made for the purpose of promoting the Company to improve the public interest or to fulfill the corporate social responsibility, the procedure shall comply with relevant provision of Article 172-1 of the Company Act, and the board of directors may still include such proposals in the agenda. In addition, when the circumstances described in Subparagraph 4 of Paragraph 1 of Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.

Prior to the book closure date before a regular shareholders' meeting is held, the Company shall publicly announce that the receipt of shareholders' proposals, acceptance method in writing or in electronic method, location and the time period for accepting submission; the period for accepting submission of shareholder proposals shall not be less than ten days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders' meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders' meeting, the board of directors shall explain the reasons for exclusion of any shareholders' proposals not included in the agenda.

Article 4: For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued 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 five days before the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail; unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the shareholders' meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company two days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail. After a proxy form has been delivered to the Company, if the shareholder intends to attend the shareholders' meeting via the video conferencing method, a written notice of proxy cancellation shall be submitted to the Company two days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5: 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. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

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

Article 6: The Company shall specify in its shareholders' meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively referred to as "shareholders") will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least thirty minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual

shareholders' meetings, shareholders may begin to register on the virtual meeting platform thirty minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders' meeting in person.

Shareholders shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in 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 directors or supervisors, pre-printed ballots shall also be furnished.

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.

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

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

Article 6-1: To convene a virtual shareholders' meeting, the Company shall include the follow particulars in the shareholders' meeting notice:

- I. How shareholders attend the virtual meeting and exercise their rights.
- II. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
 - (I) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
 - (II) Shareholders not having registered to attend the affected virtual shareholders' meeting shall not attend the postponed or resumed session.
 - (III) In case of a hybrid shareholders' meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.
 - (IV) Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.
- III. To convene a virtual shareholders' meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online shall be specified.

Article 7: If a shareholders' meeting is convened by the board of directors, the meeting shall be held by the man of the board. When the man of the board is on leave or for any reason unable to exercise the powers of the man, the vice man shall act in place of the man; if there is no vice man or the vice man also is on leave or for any reason unable to exercise the powers of the vice man, the man shall appoint one of the managing directors to act as , or, if there are no managing directors, one of the directors shall be appointed to act as . Where the man does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as .

When a managing director or a director serves as , as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the Company. The same shall be true for a representative of a juristic person director that serves as the chairman. It is advisable that shareholders' meetings convened by the board of directors be held by the man of the board in person and attended by a majority of the directors, at least one audit committee member in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the shareholders' meeting minutes.

If a shareholders' meeting is convened by a party with power to convene but 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 elect a chairman from among themselves.

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

Article 8: The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least 1 year. However, if a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Where a shareholders' meeting is held via video conferencing, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

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

Article 9: Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chairman shall call the meeting to order at the appointed meeting time, and shall also announce information related to the number of shares having no voting rights and the number of shares represented by the attending shareholders. The chairman shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairman may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 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 chairman shall declare the meeting adjourned. In the event of a virtual shareholders' meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1 of Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month. In the event of a virtual shareholders' meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 6.

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

- Article 10: If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extempore motion and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.
- The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the board of directors.
- The chairman may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extempore motion), except by a resolution of the shareholders' meeting. If the chairman 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 chairman in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.
- The chairman shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extempore motion put forward by the shareholders; when the chairman is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chairman may announce the discussion closed and call for a vote.
- Article 11: Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number) and account name. The order in which shareholders speak will be set by the chairman.
- A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.
- Except with the consent of the chairman, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chairman may terminate the speech.
- When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chairman and the shareholder that has the floor; the chairman shall stop any violation.
- When 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 chairman may respond in person or direct relevant personnel to respond.
- Where a virtual shareholders' meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chairman declaring the meeting open until the chairman declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in Paragraphs 1 to 5 do not apply.
- Article 12: Voting at a shareholders' meeting shall be calculated based on 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.
- When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that 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 services agent approved by the

competent securities authority, when 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 13: A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Paragraph 2 of Article 179 of the Company Act.

When the Company holds a shareholders' meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the shareholders' meeting in person, but to have waived his/her rights with respect to the extempore motion and amendments to original proposals of that meeting.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company five days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail; except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or via video conferencing method, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, two days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.

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 chairman or a person designated by the chairman shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. In addition, on the same day after the conclusion of the shareholders' meeting, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When the chairman inquires for any objections on a proposal from all of the attending shareholders but no objection is raised, then the proposal is deemed to be approved, and its effect shall be identical to the voting. In case of any objections, the voting method shall be adopted according to the preceding paragraph. Except for the motions included in the agenda, other motions or the motion of amendments or motions of alternatives proposed by shareholders shall be agreed upon by other shareholders.

When there is an amendment or alternative to a proposal, the person 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. When anyone among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chairman, provided that all monitoring personnel shall have the identity of shareholders of the Company.

Vote counting for proposals or elections of a shareholders' meeting shall be conducted in public at the place of the shareholders' meeting. In addition, immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers

of votes, shall be announced on-site at the meeting, and a record made of the vote.

When the Company convenes a virtual shareholders' meeting, after the chairman declares the meeting is called to order, shareholders attending the meeting via the video conferencing method shall cast votes on proposals and elections on the virtual meeting platform before the chairman announces the voting session ends or will be deemed abstained from voting.

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

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

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

Article 14: The election of directors or supervisors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they are elected, and the names of directors and supervisors not elected and number of votes they received.

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.

However, if a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 15: Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chairman of the meeting and a copy distributed to each shareholder within twenty days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of 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 chairman's full name, the methods by which resolutions have been adopted, and a summary of the deliberations and their voting results(including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of chairing an election of directors. The minutes shall be retained permanently for the duration of the existence of this Company.

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

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

Article 16: On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make

an express disclosure of the same at the place of the shareholders' meeting. In the event a virtual shareholders' meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least thirty minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

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

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

Article 17: Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.

The chairman may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor".

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

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

Article 18: When a meeting is in progress, the chairman may announce a break based on time considerations. If a force majeure event occurs, the chairman may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

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

A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article 19: In the event of a virtual shareholders' meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least fifteen minutes after the chairman has announced the meeting adjourned.

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

Article 21: In the event of a virtual shareholders' meeting, when declaring the meeting open, the chairman shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Paragraph 4 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chairman has announced the meeting adjourned, and the obstruction continues for more than thirty minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders' meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under Paragraph 2, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders' meeting and have successfully signed in

the meeting, but do not attend the postpone or resumed session, at the affected shareholders' meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders' meeting held under Paragraph 2, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.

When the Company convenes a hybrid shareholders' meeting, and the virtual meeting cannot continue as described in Paragraph 2, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders' meeting shall continue, and postponement or resumption of the meeting under Paragraph 2 is not required.

Under the circumstances where a meeting should continue as in the preceding Paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.

When postponing or resuming a meeting according to Paragraph 2, the Company shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements specified in Paragraph 7 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under second half of Article 12 and Paragraph 3 of Article 13 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Paragraph 2 of Article 44-5, Article 44-15, and Paragraph 1 of Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under Paragraph 2.

Article 22: When convening a virtual shareholders' meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online.

Article 23: Any matters not specified in these Rules shall be handled in accordance with relevant laws and regulations.

Article 24: These Rules shall take effect after having been submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.

Shareholdings of Directors

I. By April 16, 2024, the Company has issued a total of 109,107,100 shares.

II. The shareholdings of individual and all directors as recorded in the shareholder registry up until the book closure date of the current shareholders' meeting are as follows:

Title	Name	Shares
Chairman	Lee Pont Investment Co., Ltd. Representative: Jui-Jui Chien	24,075,234
Directors	Lee Pont Investment Co., Ltd. Representative: Chia-Chin Chien	24,075,234
Directors	Ying Hung Investment Co., Ltd. Representative: Sheng-Hung Chien	4,442,311
Directors	Xiang Bo International Development Co., Ltd Representative: Chiu-Chiu Chien	600,000
Independent Directors	Kuang-Wu Lu	-
Independent Directors	Shu-Fen Wang	-
Independent Directors	Tung-Yao Wu	-
The Minimum Shareholdings of All Directors Required by Law		8,000,000
Shareholdings of All Directors		29,117,545

Other Explanatory Items

Explanation for the handling of shareholders' proposals at the General Shareholders' Meeting:

- Explanation: 1. According to Article 172-1 of the Company Act, a shareholder who holds more than 1% of the total number of issued shares may submit a written proposal to the Company for a General Shareholders' Meeting, but only one proposal may be proposed for no more than 300 words (including punctuation marks).
2. The Company accepted the shareholders' proposal applications for this year's General Shareholders' Meeting. The acceptance period was from March 28 to April 8, 2024, and has been announced on the Market Observation Post System according to laws.
 3. The Company did not receive any shareholder proposal during the acceptance period .