

Stock code : 9944



SHINIH ENTERPRISE CO., LTD

2023 Annual Meeting of Shareholder Meeting Handbook

June 16, 2023

Notice to Reader:

For the convenience of readers, this report has been translated into English from the original Chinese version, prepared and used in the Republic of China. The English version has not been audited or reviewed by independent auditors. If there are any discrepancies between the English version and the original Chinese version, or any difference in the interpretation of the two versions, the Chinese-language report shall prevail.

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Proceedings of the 2023 Annual Meeting of Shareholders

Meeting convening method: Physical shareholders' meeting

Time: June 16, 2023 (Friday) 09:00 AM

Venue: Physical meeting convened at Monarch Skyline Hotel
(No.108.Sec 1, Nankan Rd, Luzhu Dist., Taoyuan
City 338,Taiwan.)

Meeting Procedure

I. Call Meeting to Order

II. Chairman's Remarks

III. Report

(I) 2022 Business Report.

(II) Audit Committee's Audit Report.

(III) Report on cash dividends from earnings for fiscal 2022.

(IV) Report on the 2022 distribution of remunerations to employees and directors.

(V) Report on Status of Endorsements and Guarantees of the Company.

(VI) Report on Status of the Company's investment in Mainland China Region.

IV. Ratifications

(I) Adoption of the 2022 business report and financial report.

(II) Adoption of the 2022 Earnings Allocation.

V. Extempore Motion

VI. Meeting Adjourned

Report

Proposal 1

Proposal: 2022 Business Report of the Company.

- Explanation:
- I. With regard to the 2022 business result of the Company, in terms of the revenue, the consolidated net revenue of the parent company and subsidiaries was NT\$ 2.63 billion, an increase from the net revenue of NT\$2.613 billion in 2021. The annual net operating income of the parent company was NT\$ 443 million, a decrease of 9.16% from the net operating income of NT\$406 million in 2021.
 - II. In terms of the surplus earnings, mainly due to the land purchase and reserve compensation gains of the Hangzhou Plant in 2022, the consolidated net income after tax of the current period was NT\$ 241 million, a decrease from the consolidated net income after tax of NT\$513 million in 2021.
 - III. Please refer to page 9 to page 33 of this Handbook for the Business Report and relevant financial statements.
 - IV. Please review.

Proposal 2

Proposal: Audit Committee's Audit Report.

- Explanation:
- I. The Company's 2022 financial statements have been reviewed and approved by the Board of Directors on March 24, 2023, and have also been submitted to the Audit Committee for review completely, followed by issuance of the review report.
 - II. Please refer to page 34 of this Handbook for the Audit Committee's Review Report.
 - III. Please review.

Report

Proposal 3

Proposal: Report on the Company's 2022 Cash Dividend Distribution Status.

- Explanation:
- I. With regard to the Company's 2022 earnings distribution, according to the resolution of the Board of Directors on March 24, 2023, dividends of the amount of NT\$ 111,203,505 were appropriated. Cash dividends of NT\$ 1.05 (i.e., distribution of NT\$ 1,050 per thousand shares) are to be distributed, and all dividends are to be distributed in the form of cash (distribution to the integer dollar only, and the value after decimal place is truncated), and the total odd amount is counted into as other income of the Company.
 - II. The present ex-dividend base date is set to be June 29, 2023, and the cash dividend distribution date is July 20, 2023.
 - III. Please review.

Proposal 4

Proposal: Report on the Company's 2022 distribution of remunerations of employees and directors.

- Explanation:
- I. The Company's 2022 remunerations of employees and directors have been approved by the Board of Directors through resolution on March 24, 2023, all of the remunerations are to be distributed in the form of cash.
 - II. The Company's 2022 net income before tax before deduction of the remunerations of employees and directors of the current period was NT\$ 240,760,780, and the remunerations appropriated according to the regulations are as follows:
Remuneration of employees is NT\$ 7,230,000, accounted for 3% of the net income before tax after the deduction for the current period.
Remuneration of directors is NT\$ 2,410,000, accounted for 1% of the net income before tax after the deduction for the current period.
 - III. Please review.

Report

Proposal 5

Proposal: Report on Status of Endorsements and Guarantees of the Company.

Explanation: I. Up to the date of December 31, 2022, details of the external endorsements and guarantees of the Company are as follows:

Unit: Thousand NT\$

Name of endorsees/ guarantees	Relationship with the Company	Balance of guarantees and endorsements as of reporting date	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Limitation on amount of guarantees and endorsements for a specific enterprise	Maximum amount of guarantees and endorsements
VFT INC.	Subsidiary	92,130	2.70%	1,705,888	3,411,775
SHINIH HOLDING COMPANY LTD.	Subsidiary	675,620	19.80%	1,705,888	3,411,775
AMERICAN OUTDOOR LIVING INC.	Subsidiary	92,130	2.70%	1,705,888	3,411,775
TAIWAN KUREHA CO., LTD	Subsidiary	135,355	3.97%	1,705,888	3,411,775

II. Please review .

Report

Motion 6 : Report on Status of the Company's investment in Mainland China Region.

Explanation : I. Up to the date of December 31, 2022, details of the investment in the region of Mainland China of the Company are as follows:

Unit: US\$ thousand

Name of directly invested company	Name of indirectly invested company	Investment amount	Shareholding percentage of direct or indirect investment of the Company
SHINIH HOLDING COMPANY LTD.	Shinih Fiber Products (Suzhou) Co., Ltd.	3,000	88.78%
	Dong Guan Shinih Fiber Products Co., Ltd.		100.00%
	Hangzhou Shinih Fiber Products Co., Ltd.		100.00%
	Shinih Fiber Products (TangShan) Co., Ltd.		100.00%
	Taixin Fiber Products (Suzhou) Co., Ltd.		100.00%
	TangShan Taixin Fiber Products Co., Ltd.		100.00%
	Qingdao Taixin Fiber Products Co., Ltd.		100.00%
	Hubei Taixin Shinih Fiber Products Co., Ltd.		100.00%
	Kunshan Shinih Trading Co., Ltd.		100.00%
Dong Guan Taixin Fiber Products Co., Ltd.	--	2,000	100.00%
Shinih Fiber Products (Suzhou) Co., Ltd.	--	281	11.22%

II. Please review .

Ratifications

Motion 1 : (Board of directors' proposal)

Explanation : Ratified 2022 business report and financial report.

- Explanation :
- I. The Company's 2022 business report and financial statements have been reviewed and approved by the Board of Directors, and have also been submitted to the Audit Committee for review completely, followed by issuance of the review report.
 - II. Please refer to page 9 to page 34 of this Handbook for relevant report and statements.
 - III. Please ratify.

Resolution:

Motion 2 : (Board of directors' proposal)

Explanation : Adoption of the 2022 Earnings Allocation.

- Explanation:
- I. The Company's 2022 earnings after tax is NT\$ 224,400,276, after combination with the accumulated unappropriated earnings from last year and the adjustments appropriated according to the law, the actual distributable earnings is NT\$ 1,618,823,311.
 - 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 35 of this Handbook for the Earnings Distribution Table.
 - IV. Please ratify.

Resolution:

Extempore motions

Meeting adjourned

Attachments

Shinih Enterprise Co., Ltd. 2021 Business Report

I. Operational Policy

In 2022, due to the impacts of the Russo-Ukrainian War, FED's significant increase of interest rate and shrink of balance sheet, high inflation and conflict between the U.S. and China, and post-pandemic era, etc., the global supply chain faced crisis and encountered numerous and complicated challenges, resulting in the global stock and bond market crash and causing enterprises to face relatively more severe and complicated global competition. In view of such risks and challenges, the Company actively cooperates with the market to implement supply chain planning adjustments, and continues to invest in the development of high-end manufacturing technologies, in order to increase the long-term core competitiveness. In addition, the Company also performs cross-sector global resource platform integration, expands international strategic collaboration, and continues to invest in innovative R&D activities, in order to meet the sustainable strategy objectives of corporate brand value innovation, and eco-friendly development, thereby achieving the maximum value for the Company.

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 2022, the Company was also affected by the slowing down of revenue growth; however, the Company was able to respond swiftly and adopt flexible production and global logistics strategies in order to reduce relevant unfavorable impacts. As a result, the business performance of the Company even indicated growth from the previous year. As the relocation of factory completes and the consumer market recovers in the future, the overall business performance of the Company is expected to grow further progressively. The business operational environment faced by the Company is expected to be still 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 2022 net consolidated operating revenue was NT\$2,630,253 thousand, maintaining a relatively same level of revenue growth in comparison to the revenue of NT\$2,613,247 in 2021. Despite the impact of the unfavorable impacts of increase of costs of raw materials, labor, transportation fees and energies, the Company still benefited from the introduction of new products, optimization of product combination and increase of production efficiency, such that the overall net operating income of the current period reached NT\$99,196 thousand, a significant increase from the net operating income of NT\$47,525 thousand of last year. Furthermore, the gain from the condemnation compensation of Taicang Taishin Plant and exchange gain were recognized for non-operating revenue and expenditure, such that after the deduction of the income tax expense, the overall net consolidated income was NT\$241,092 and the earnings per share was NT\$2.12 in 2022.

IV. Operating Income and Expenditure Status

(I) Operating income

The 2022 consolidated operating revenue was NT\$2,630,253 thousand, maintaining a relatively same level in comparison to the revenue of NT\$2,613,247 thousand in 2021. From the aspect of the region of operation, the pandemic conditions in Taiwan, the U.S.A. and the Association of Southeast Asian Nations (ASEAN) were controlled relatively properly such that the overall demand indicated certain growth. However, the region of China indicated a decline due to the impact of the government's city lockdown under the pandemic. In terms of the aspect of product application, the material application demand for isolation and consumer materials also increased progressively as the pandemic condition was properly controlled. However, the revenue from the industrial materials decreased due to the impact of factory relocation and the city lockdown implemented by the government under the pandemic.

(II) Operating expenditure

In 2022, the consolidated operating cost was NT\$1,926,438 thousand, a decrease of NT\$84,710 thousand (-4%) from NT\$2,011,148 thousand in 2021, and it was mainly due to the stable prices of raw materials and transportation costs along with the increase of production efficiency.

V. Profitability Analysis

As the Company's 2022 consolidated operating revenue maintained a relatively same level of growth in comparison to 2021, with the stable key prices of raw materials and transportation costs along with increase of production efficiency, the operating cost was decreased by approximately 4%, such that the total gross profit increased by NT\$101,716 thousand from last year, and the gross margin increased to 27%, a growth of 4% from 2021. In addition, the operating expense increased slightly due to the accounts payable impairment loss. Accordingly, the overall consolidated operating profit was NT\$99,196 thousand, an increase from the net operating income of NT\$47,525 thousand of last year. Furthermore, for the non-operating revenue and expenditure, due to the factors of gain from the condemnation compensation of Taicang Taishin Plant policy for storage and exchange gain, etc., the net non-operating income was NT\$345,122 thousand, and the overall net income before tax was NT\$444,318 thousand. After the deduction of the income tax expense of NT\$203,226 thousand, the net income of the current period was NT\$241,092 thousand, the net income attributable to the parent company of the current period was NT\$224,400 thousand, and the earnings per share was NT\$2.12.

VI. Research and Development Status

The Company integrates existing diverse non-woven 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 talents 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.



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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, 2022 and 2021, 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, 2022 and 2021, 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 of Financial Statements by Certified Public Accountants and auditing standards in 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, 2022. 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, 2022 are stated as follows :

1. Impairment of accounts receivable

As of December 31, 2022, the accounts receivable of SHINIHI 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 SHINIHI 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, 2022, the Group's property, plant and equipment were NT\$2,185,864 thousand, representing 35% 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 SHINI ENTERPRISE CO., LTD., Taixin Fiber Products (Suzhou) Co., Ltd., entered into the "land expropriation and compensation agreement" with Taichang Municipal People's Government in November 2022 for the local people government's construction plan, including that Taixin 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. Taixin Fiber Products (Suzhou) Co., Ltd. has been implemented under the contract and received total subsidies, 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 Taixin 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, 2022 and 2021 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, 2022 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 Shao, Chao Pin and Huang Chien Chen.

Crowe TW CPAs

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

March 24, 2023

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, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

ASSETS	NOTES	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
CURRENT ASSETS					
Cash and cash equivalents	6(1)	\$ 1,999,100	32	\$ 754,271	13
Notes receivable, net	6(2)	35,055	1	43,784	1
Accounts receivable, net	6(3) · 7	318,761	5	388,337	7
Other receivables, net	6(4) · 7	16,464	-	8,434	-
Current income tax assets	6(28)	18,429	-	20,052	-
Inventories, net	6(5)	551,534	9	573,750	10
Prepayments		102,192	2	115,306	2
Noncurrent assets held for sale	6(6)	63,913	1	-	-
Other financial assets - current	6(7)	239,425	4	770,694	14
Other current assets		403	-	444	-
Total current assets		<u>3,345,276</u>	<u>54</u>	<u>2,675,072</u>	<u>47</u>
NONCURRENT ASSETS					
Property, plant and equipment	6(8)	2,185,864	35	2,189,887	39
Right-of-use assets	6(9) · 7	255,828	4	287,431	5
Investment property	6(10)	157,497	3	158,501	3
Intangible assets	6(11)	7,855	-	8,180	-
Deferred income tax assets	6(28)	105,429	2	101,450	2
Prepayments for business facilities		28,875	1	44,409	1
Refundable deposits		13,260	-	9,412	-
Other financial assets - noncurrent	6(1)	76,954	1	189,331	3
Other noncurrent assets	6(16)	1,600	-	1,002	-
Total noncurrent assets		<u>2,833,162</u>	<u>46</u>	<u>2,989,603</u>	<u>53</u>
TOTAL		<u>\$ 6,178,438</u>	<u>100</u>	<u>\$ 5,664,675</u>	<u>100</u>
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Short-term loans	6(12)	\$ 480,687	8	\$ 442,202	8
Contract liabilities - current	6(23) · 7	26,387	-	15,476	-
Notes payable		30,127	1	50,064	1
Accounts payable	7	86,853	1	137,161	2
Other payables	6(13)	264,549	4	220,586	4
Other payables - related parties	7	37,318	1	37,801	1
Current income tax liabilities	6(28)	198,405	3	198,521	4
Liabilities related to noncurrent assets held for sale	6(6)	92,130	1	-	-
Lease liabilities - current	6(9) · 7	46,907	1	45,051	1
Receipts in advance		19,396	-	5,630	-
Deferred revenue	6(14)	63,327	1	-	-
Long-term liabilities - current portion	6(15)	166,250	3	132,917	2
Other current liabilities		8,413	-	5,468	-
Total current liabilities		<u>1,520,749</u>	<u>25</u>	<u>1,290,877</u>	<u>23</u>
NONCURRENT LIABILITIES					
Long term loans	6(15)	973,750	16	907,083	16
Deferred income tax liabilities	6(28)	102,359	2	86,741	2
Lease liabilities - noncurrent	6(9) · 7	74,318	1	79,104	1
Long-term deferred revenue	6(9)	8,572	-	8,650	-
Net defined benefit liability - noncurrent	6(16)	7,527	-	10,062	-
Guarantee deposit received		5,171	-	5,474	-
Total noncurrent liabilities		<u>1,171,697</u>	<u>19</u>	<u>1,097,114</u>	<u>19</u>
Total liabilities		<u>2,692,446</u>	<u>44</u>	<u>2,387,991</u>	<u>42</u>
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT					
Common stocks	6(17)	1,091,071	18	1,091,071	19
Capital surplus	6(18)	230,774	4	230,774	4
Retained earnings	6(19)				
Legal capital reserve		372,632	6	321,311	6
Special capital reserve		148,961	2	115,929	2
Unappropriated earnings		1,598,582	25	1,562,593	28
Others	6(20)	44,643	1	(42,838)	(1)
Treasury stock	6(21)	(74,888)	(1)	(68,448)	(1)
Equity attributable to shareholders of the parent		<u>3,411,775</u>	<u>55</u>	<u>3,210,392</u>	<u>57</u>
NON-CONTROLLING INTERESTS					
Total equity	6(22)	<u>74,217</u>	<u>1</u>	<u>66,292</u>	<u>1</u>
TOTAL		<u>\$ 6,178,438</u>	<u>100</u>	<u>\$ 5,664,675</u>	<u>100</u>

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, 2022 AND 2021

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

	NOTES	2022		2021	
		Amount	%	Amount	%
NET REVENUE	6(23) 、 7	\$ 2,630,253	100	\$ 2,613,247	100
COST OF REVENUE	6(5 、 24) 、 7	(1,926,438)	(73)	(2,011,148)	(77)
GROSS PROFIT		703,815	27	602,099	23
OPERATING EXPENSES	6(24) 、 7				
Marketing		(237,234)	(9)	(212,075)	(8)
General and administrative		(274,227)	(10)	(284,452)	(11)
Research and development		(75,409)	(3)	(54,380)	(2)
Expected credit loss	6(3 、 4)	(17,749)	(1)	(3,667)	-
Total operating expenses		(604,619)	(23)	(554,574)	(21)
OPERATING PROFIT		99,196	4	47,525	2
NONOPERATING INCOME AND EXPENSES					
Interest income		24,288	1	7,755	-
Other income	6(25)	38,394	1	23,165	-
Other gains and losses	6(26)	306,185	12	734,555	28
Finance costs	6(27) 、 7	(23,745)	(1)	(16,426)	-
Total nonoperating income and expenses		345,122	13	749,049	28
INCOME BEFORE INCOME TAX		444,318	17	796,574	30
INCOME TAX EXPENSE	6(28)	(203,226)	(8)	(269,061)	(10)
NET INCOME		241,092	9	527,513	20
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will not be reclassified subsequently to profit or loss :					
Remeasurement of defined benefit obligation	6(16 、 29)	2,000	-	254	-
Income tax expenses related to items that will not be reclassified subsequently	6(28 、 29)	(400)	-	(51)	-
Items that may be reclassified subsequently to profit or loss :					
Exchange differences arising on translation of foreign operations	6(20 、 22 、 29)	113,303	4	(50,285)	(2)
Income tax benefit (expenses) related to items that may be reclassified	6(28 、 29)	(21,870)	-	8,258	1
Other comprehensive income (loss) for the year, net of income tax		93,033	4	(41,824)	(1)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		\$ 334,125	13	\$ 485,689	19
NET INCOME ATTRIBUTABLE TO :					
Shareholders of the parent		\$ 224,400	9	\$ 513,224	20
Non-controlling interests		16,692	-	14,289	-
		\$ 241,092	9	\$ 527,513	20
TOTAL COMPREHENSIVE INCOME :					
Shareholders of the parent		\$ 313,447	13	\$ 480,181	19
Non-controlling interests		20,678	-	5,508	-
		\$ 334,125	13	\$ 485,689	19
EARNINGS PER SHARE (IN DOLLARS)	6(30)				
Basic earnings per share		\$ 2.12		\$ 4.71	
Diluted earnings per share		\$ 2.11		\$ 4.68	

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, 2022 AND 2021
(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, 2021	\$ 1,091,071	213,926	16,848	313,708	106,123	1,110,432	(9,806)	0	2,842,302	74,296	2,916,598
Appropriations of prior year's earnings											
Legal capital reserve	-	-	-	7,603	-	(7,603)	-	-	-	-	-
Special capital reserve	-	-	-	-	9,806	(9,806)	-	-	-	-	-
Cash dividends to shareholders - NT\$0.4 per share	-	-	-	-	-	(43,643)	-	-	(43,643)	-	(43,643)
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	(13,512)	(13,512)
Net income in 2021	-	-	-	-	-	513,224	-	-	513,224	14,289	527,513
Other comprehensive income (loss) in 2021	-	-	-	-	-	(11)	(33,032)	-	(33,043)	(8,781)	(41,824)
Purchase of treasury stock	-	-	-	-	-	-	-	(68,448)	(68,448)	-	(68,448)
BALANCE, DECEMBER 31, 2021	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\$1.0 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 (loss) in 2022	-	-	-	-	-	1,566	87,481	-	89,047	3,986	93,033
Purchase of treasury stock	-	-	-	-	-	-	-	(13,580)	(13,580)	-	(13,580)
Employee stock option	-	-	-	-	-	(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

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, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 444,318	\$ 796,574
Adjustments to reconcile profit (loss)		
Expected credit loss	17,749	3,667
Depreciation	196,441	192,643
Amortization	1,862	2,136
Interest expense	23,745	16,426
Interest income	(24,288)	(7,755)
Gain on disposal of property, plant and equipment	(1,787)	(1,914)
Gain on disposal of non-current assets held for sales	-	(22,350)
Gain on lease modification	(149)	-
Impairment loss on non-financial assets	49,966	33,576
Gain on land expropriation compensation from government	(326,361)	(756,855)
Changes in operating assets and liabilities		
Notes receivable	8,729	2,198
Accounts receivable	51,827	(22,424)
Inventories	22,216	(29,862)
Other receivables	(5,625)	2,284
Prepayments	13,114	(21,096)
Other current assets	122	(16)
Contract liabilities	10,911	2,312
Notes payable	(19,937)	19,688
Accounts payable	(50,308)	6,934
Other payables	4,381	(13,461)
Advance payment	13,766	434
Deferred revenue	(215)	(210)
Other current liabilities	2,945	4,005
Net defined benefit liability	(831)	(3,964)
Cash provided from operations	432,591	202,970
Interest received	21,883	4,615
Interest paid	(25,207)	(16,943)
Income taxes paid	(206,020)	(105,851)
Net cash provided by operating activities	223,247	84,791
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal of non-current assets held for sales	-	30,798
Acquisition of property, plant and equipment	(247,344)	(314,970)
Proceeds from disposal of Property, plant and equipment	9,603	78,228
Acquisition of investment Property	-	(1,125)
Acquisition of intangible assets	(1,044)	(19)
Decrease in prepayments for equipment	15,453	46,883
Increase in receipts in advance - disposal of assets	92,130	-
Decrease (increase) in refundable deposits	(3,848)	347
(Decrease) increase in other financial assets	643,646	(558,423)
Decrease in other noncurrent assets	(579)	-
Receipts in advance of land expropriation compensation from government	491,626	869,003
Net expenditure for plant relocating	(16,278)	(67,911)
Net cash provided by investing activities	983,365	82,811

(Continued)

SHINIH ENTERPRISE CO., LTD. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term loans	\$ 38,485	\$ (145,746)
Proceeds from long-term loans	150,000	290,000
Repayment of long-term loans	(50,000)	(50,000)
Repayment of the principal portion of lease liabilities	(50,475)	(32,065)
Decrease in guarantee deposit	(303)	(28)
Cash dividends paid	(105,603)	(43,643)
Decrease in non-controlling interests	(12,753)	(13,512)
Payments to acquire treasury stock	(6,461)	(68,448)
Net cash used in financing activities	<u>(37,110)</u>	<u>(63,442)</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
	<u>75,327</u>	<u>(32,567)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,244,829	71,593
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	754,271	682,678
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,999,100</u>	<u>\$ 754,271</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
SHINIH ENTERPRISE CO., LTD.

Opinion

We have audited the accompanying parent company only financial statements of SHINIH ENTERPRISE CO., LTD. ("the Company"), which comprise the parent company only balance sheets as of December 31, 2022 and 2021, 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, 2022 and 2021, 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 of Financial Statements by Certified Public Accountants and auditing standards generally accepted in 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, 2022. 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, 2022 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-subsidiary of SHINIH ENTERPRISE CO., LTD., Taixin Fiber Products (Suzhou) Co., Ltd., entered into the "land expropriation and compensation agreement" with Taichang Municipal People's Government in November 2022 for the local people government's construction plan, including that Taixin 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. Taixin Fiber Products (Suzhou) Co., Ltd. has been implemented under the contract and received total subsidies, 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 Taixin 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, 2022, the Company's property, plant and equipment were \$1,409,552 thousand, representing 27% 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, 2022, 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, 2022 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 Shao, Chao Pin and Huang Chien Chen.

A handwritten signature in black ink that reads "Crowe TW CPAs". The signature is written in a cursive, flowing style.

CROWE (TW) CPAs

Taichung, Taiwan (Republic of China)

March 24, 2023

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, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

ASSETS	NOTES	December 31, 2022		December 31, 2021	
		Amt	%	Amt	%
CURRENT ASSETS					
Cash and cash equivalents	6(1)	\$ 233,237	4	\$ 120,538	3
Notes receivable, net	6(2)	10,639	-	12,597	-
Accounts receivable, net	6(3)	34,268	1	49,436	1
Accounts receivable, net - related parties	7	2,089	-	9,677	-
Other receivables, net	6(4)	2,936	-	1,741	-
Other receivables, net - related parties	7	27,099	1	33,044	1
Contract assets	6(25)	12,376	-	13,805	-
Intervest	6(5)	108,293	2	81,975	2
Prepayments		15,958	-	17,117	-
Other financial assets - current	6(1)	144,158	3	-	-
Total current assets		591,053	11	339,930	7
NONCURRENT ASSETS					
Investment in long-term equity	6(6)	2,816,176	54	2,503,552	53
Property, plant and equipment	6(7) 、 8	1,409,552	27	1,343,909	28
Right-of-use assets	6(8)	9,215	-	9,829	-
Intervest	6(9) 、 8	254,904	5	257,430	5
Intangible assets	6(10)	7,757	-	7,845	-
Deferred income taxes	6(25)	79,964	2	84,792	2
Other financial assets - noncurrent	6(1)	76,954	1	189,331	5
Other noncurrent assets		16,310	-	23,150	-
Total noncurrent assets		4,670,832	89	4,419,838	93
TOTAL ASSETS		\$ 5,261,885	100	\$ 4,759,768	100
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Short-term borrowings	6(11)	\$ 450,687	9	\$ 261,377	6
Contract liabilities - current	6(20)	7,327	-	5,621	-
Notes payable		11,844	-	29,928	1
Accounts payable		8,297	-	12,213	-
Accounts payable - related parties	7	6,155	-	5,338	-
Other payables	6(12)	85,432	2	90,704	2
Other payables - related parties	7	6,025	-	2,438	-
Contract liabilities	6(25)	16,262	-	451	-
Lease liabilities - current	6(8) 、 7	570	-	563	-
Long-term liabilities - current	6(13)	166,250	4	132,917	3
Other contract liabilities		21,296	-	6,630	-
Total current liabilities		780,145	15	548,180	12
NONCURRENT LIABILITIES					
Long-term borrowings	6(13)	973,750	19	907,083	19
Deferred income tax liabilities - noncurrent	6(25)	81,493	1	75,949	2
Lease liabilities - noncurrent	6(8) 、 7	8,884	-	9,455	-
Net defined benefit liability - noncurrent	6(14)	884	-	3,769	-
Guarantee deposits received		4,954	-	4,940	-
Total noncurrent liabilities		1,069,965	20	1,001,196	21
Total liabilities		1,850,110	35	1,549,376	33
EQUITIES					
Capital - common	6(15)	1,091,071	21	1,091,071	23
Capital surplus	6(16)	230,774	4	230,774	5
Retained earnings	6(17)				
Legal capital reserve		372,632	7	321,311	7
Special capital reserve		148,961	3	115,929	2
Unappropriated earnings		1,598,582	30	1,562,593	33
Others	6(18)	44,643	1	(42,838)	(1)
Treasury stock	6(19)	(74,888)	(1)	(68,448)	(2)
Total equity		3,411,775	65	3,210,392	67
TOTAL LIABILITIES AND EQUITIES		\$ 5,261,885	100	\$ 4,759,768	100

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

SHINIH ENTERPRISE CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

FOR YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earning Per Share)

	NOTES	2022		2021	
		Am	%	Am	%
REVENUE	6(20) · 7	\$ 443,926	100	\$ 406,656	100
COST OF REVENUE	6(5) · 21)	(318,963)	(72)	(326,236)	(80)
GROSS PROFIT		124,963	28	80,420	20
Unrealized gain/(loss) on sales	(382)	-		(611)	-
Realized gain/(loss) on sales	611	-		-	-
GROSS PROFIT		125,192	28	79,809	20
OPERATING EXPENSES	6(21) · 7				
Marketing		(51,421)	(12)	(51,099)	(13)
General and administrative		(102,663)	(23)	(101,970)	(25)
Research and development		(75,421)	(17)	(54,538)	(13)
Expected credits	6(3) · 4)	(538)	-	-	-
Total operating expenses		(230,043)	(52)	(207,607)	(51)
OPERATING LOSS		(104,851)	(24)	(127,798)	(31)
NON-OPERATING INCOME AND EXPENSES					
Interest income		4,915	1	391	-
Other income	6(22)	40,260	9	26,318	6
Other gains and losses	6(23)	(10,158)	(2)	(21,129)	(5)
Finance costs	6(24)	(14,439)	(3)	(7,218)	(2)
Share of profits of subsidiaries accounted for by equity method	315,394	71	650,954	160	
Total non-operating income and expenses	335,972	76	649,316	159	
INCOME BEFORE INCOME TAX		231,121	52	521,518	128
INCOME TAX EXPENSE	6(25)	(6,721)	(2)	(8,294)	(2)
NET INCOME		224,400	50	513,224	126
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will be reclassified to profit or loss					
Remeasurement of defined benefit plans	6(14) · 26)	1,725	-	(1,489)	-
Remeasurement of defined benefit plans of the subsidiary accounted for by equity method	6(26)	186	-	1,180	-
Income tax benefit (expense) related to items that will be reclassified	6(25) · 26)	(345)	-	298	-
Items that may be reclassified to equity					
Exchange differences arising on translation of foreign operations	6(18) · 26)	109,351	25	(41,290)	(10)
Income tax benefit related to items that may be reclassified	6(18) · 25) · 26)	(21,870)	(5)	8,258	2
Other comprehensive income (loss) for the current period	89,047	20	(33,043)	(8)	
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE CURRENT PERIOD		\$ 313,447	70	\$ 480,181	118
EARNINGS PER SHARE (IN DOLLARS)	6(27)				
Basic earnings per share	\$	2.12		\$ 4.71	
Diluted earnings per share	\$	2.11		\$ 4.68	

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

SHINIH ENTERPRISE CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
 FOR YEARS ENDED DECEMBER 31, 2022 AND 2021
 (In Thousands of New Taiwan Dollars)

	Capital Stocks			Retained Earnings			Others		
	Capital - Common Stocks	Additional Paid-in Capital Arising From Balances Carried Over	Others	Legal Capital Reserve	Special Capital Reserve	Unappropriated Earnings	Foreign Currency Translation Reserve	Treasury Stock	Total Equity
BALANCE, JANUARY 1, 2021	\$ 1,091,071	213,926	16,848	313,708	106,123	1,110,432	(9,806)	-	2,842,302
Appropriated prior year earnings									
Legal capital reserve	-	-	-	7,603	-	(7,603)	-	-	-
Special capital reserve	-	-	-	-	9,806	(9,806)	-	-	-
Cash dividends shareholders- NT\$0.4 per share	-	-	-	-	-	(43,643)	-	-	(43,643)
Net income in 2021	-	-	-	-	-	513,224	-	-	513,224
Other comprehensive income (loss) in 2021	-	-	-	-	-	(11)	(33,032)	-	(33,043)
Purchase of treasury stock	-	-	-	-	-	-	-	(68,448)	(68,448)
BALANCE, DECEMBER 31, 2021	1,091,071	213,926	16,848	321,311	115,929	1,562,593	(42,838)	(68,448)	3,210,392
Appropriated prior year earnings									
Legal capital reserve	-	-	-	51,321	-	(51,321)	-	-	-
Special capital reserve	-	-	-	-	33,032	(33,032)	-	-	-
Cash dividends shareholders- NT\$1 per share	-	-	-	-	-	(105,603)	-	-	(105,603)
Net income in 2022	-	-	-	-	-	224,400	-	-	224,400
Other comprehensive income (loss) in 2022	-	-	-	-	-	1,566	87,481	-	89,047
Purchase of treasury stock	-	-	-	-	-	-	-	(13,580)	(13,580)
Treasury stock sold expenses	-	-	-	-	-	(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

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

SHINIH ENTERPRISE CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income before income tax	\$ 231,121	\$ 521,518
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	76,150	56,568
Amortization	1,132	1,318
Interest expense	14,439	7,218
Interest income	(4,915)	(391)
Net increase in accounts receivable	(315,394)	(650,954)
Unrealized losses	(850)	(680)
Net gain on disposal of property, plant and equipment	(274)	260
Increase in financial assets	49,966	13,843
Net changes in operating assets and liabilities:		
Accounts receivable	1,958	(2,243)
Accounts payable	22,756	654
Inventories	(26,318)	6,907
Other receivables	6,014	27,233
Prepayments	1,159	(8,736)
Contract liabilities	1,706	3,710
Notes payable	(18,084)	15,207
Accounts payable	(3,099)	(12,163)
Other payables	(8,921)	14,892
Other contract liabilities	14,666	558
Net defined benefit liability	(1,160)	(597)
Cash provided from operations	42,052	(5,878)
Interest received	3,651	447
Dividends received	113,158	290,882
Interest paid	(13,908)	(7,031)
Income tax paid	(1,324)	(23,234)
Net cash provided by operating activities	143,629	255,186
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(181,918)	(91,269)
Acquisition of intangible assets	-	(1,125)
Acquisition of financial assets	(1,044)	-
Proceeds from disposal of property, plant and equipment	279	-
Increase in refundable deposits	(39)	-
Prepayments decrease in cash	6,877	-
Increase in financial assets	(31,781)	(103,891)
Decrease in other assets	-	4,388
Net cash used in investing activities	(207,626)	(191,897)

(Contd.)

SHINIH ENTERPRISE CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
 FOR YEARS ENDED DECEMBER 31, 2022 AND 2021
 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	\$ 189,309	\$ (129,931)
Proceeds from long-term borrowings	100,000	290,000
Repayment of long-term borrowings	-	(50,000)
Repayment of the principal portion of lease liabilities	(563)	(554)
Gain on debt extinguishment	14	-
Payment of lease cost	(13,580)	(68,448)
Treasury stock repurchases	7,119	-
Cash dividends paid	(105,603)	(43,643)
Net cash provided by (used in) financing activities	176,696	(2,576)
NET INCREASE IN CASH AND CASH EQUIVALENTS	112,699	60,713
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	120,538	59,825
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 233,237	\$ 120,538

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

(Attachments 3)

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

Dear Shareholders,

The board of directors of the Company prepares the 2022 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 Chao-Pin Shao and Chien-Chen Huang of Crowe (TW) CPAs 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.

To:

The Company's 2023 General Shareholders Meeting

Shinih Enterprise Co., Ltd.

Audit Committee convener: Shu-Fen Wang

March 24, 2023

(Attachments 4)

Shinih Enterprise Co., Ltd.
Surplus allocation table for 2022

Unit: NT\$

Item	Amount	
	Sub-total	Total
Undistributed Earnings at the Beginning of the Period		1,372,637,904
Plus : Current net income after tax	224,400,276	
Plus : Other comprehensive income carry forward to retained earnings (Actuarial gains and losses of defined benefit plans)	1,566,162	
Plus : Resersal of Special Reserve	42,837,033	
Less : 10% Legal Reserve	(22,596,644)	
Less : Employees subscribe for treasury shares	(21,420)	246,185,407
Distributable earnings for this period		1,618,823,311
Distribution item:		
Shareholders' cash dividend (NT\$1.05 per share)	111,203,505	
Shareholders' stock dividend (NT\$ per share)		111,203,505
Undistributed earnings at the end of the period		1,507,619,806

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 third 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.

Appendix 3

Impact of Stock Dividend Issuance on Business Performance, EPS, and Shareholder's Return on Investment:
Not applicable.

Appendix 4

Shareholdings of Directors

I. By April 18, 2023, 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