



Shinih Enterprise Co., Ltd.

2025 General Shareholders' Meeting
Meeting Handbook

June 13, 2025

Table of Contents

Agenda of Regular Shareholders' Meeting	1
Report Items	2
Ratification Items	4
Discussion Items	4
Election Items	4
Other Matters	5
Extraordinary Motion	5
Attachments	6
I. Business Report	7
II. Independent Auditors' Report and Financial Statements	9
III. Audit Committee's Review Report	30
IV. Earnings Distribution Table.....	32
V. Comparison Table of the Articles of Incorporation Before and After Amendment	33
VI. Directors and Independent Directors Candidates List.....	35
Appendix	37
I. Articles of Incorporation (Before Amendment)	38
II. Rules of Procedure for Shareholders' Meetings.....	42
III. Regulations Governing the Election of Directors and Independent Directors	49
IV. Shares Held by Directors.....	51
V. Other Explanatory Items	52

Shinih Enterprise Co., Ltd.

Agenda of Regular Shareholders' Meeting

Shareholders' Meeting Convention Method: Physical Shareholders' Meeting

Date and Time: June 13, 2025, Friday, 9:00 a.m.

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

Meeting Procedure

I. Call Meeting to Order

II. Chairman's Remarks

III. Report Items:

(I) The Company's Business Report of 2024.

(II) Audit Committee's Review Report on 2024 Financial Statements.

(III) Report on 2024 Cash Dividend Distribution Status of the Company.

(IV) Report on 2024 Distribution Status of Remuneration of Employees and Directors of the Company.

(V) Report on material transactions with related parties in 2024.

IV. Ratification Items:

(I) Approved the 2024 business report and financial statements.

(II) Recognition of the 2024 earnings distribution proposal.

V. Discussion Items:

(I) Amendment to the "Articles of Incorporation."

VI. Election Items:

(I) Re-election of directors (including independent directors) of the Company.

VII. Other Matters:

(I) Removal of restrictions on the Company's directors from competing in competing businesses.

VIII. Extraordinary Motion

IX. Adjournment

Report Items:

Proposal 1

Proposal: The Company's Business Report of 2024.

- Explanation: (I) As for the Company's operating results for 2024, in terms of revenue, the consolidated net revenue of the parent company and subsidiaries was NT\$2,313,098 thousand, an increase of 9.37% from the consolidated net revenue of NT\$2,114,906 thousand in 2023; The net operating revenue was NT\$415,773 thousand, an increase of 39.97% from the net operating revenue of NT\$297,040 thousand in 2023.
- (II) In terms of earnings, the consolidated net profit after tax for the current period was NT\$28,679 thousand, representing a decrease of 83.75% compared to NT\$176,466 thousand in 2023. The decline was mainly attributable to the one-time gain from asset disposal recognized in 2023, as well as the negative impact of inflation, which led to an overall industry downturn. In addition, rising costs of raw materials, freight, electricity, and labor further compressed gross profit and adversely affected overall profitability.
- (III) Please refer to pages 7 to 29 of this handbook for the business report and related financial statements.
- (IV) Please review.

Proposal 2

Proposal: Audit Committee's review report on the financial statements of 2024.

- Explanation: (I) The financial statements of the Company for 2024 have been audited and certified by CPAs Chien-Chen Huang and Chen-Yu Yang of Crowe (TW). The audit has been completed and reviewed by the Audit Committee, with respective Independent Auditors' Report and review reports issued. Please refer to page 30 of this handbook.
- (II) Please review.

Proposal 3

Proposal: Report on the cash dividend distribution status of 2024 of the Company.

- Explanation: (I) With regard to the Company's 2024 earnings distribution, it has been resolved by the Board of Directors on March 7, 2025, to allocate a dividend of NT\$31,772,430, with cash dividend of NT\$0.3 per share. The entire amount will be distributed in cash (rounded down to the nearest whole number), and any fractional amounts will be included in other income of the Company.
- (II) The present ex-dividend base date is set to be July 1, 2025, and the cash dividend distribution date is July 22, 2025.
- (III) Please review.

Proposal 4

Proposal: Report on 2024 Distribution Status of Remuneration of Employees and Directors of the Company.

- Explanation: (I) The remuneration for employees and directors for 2024 of the Company was approved by the Board of Directors on March 7, 2025, and will be fully distributed in cash.
- (II) The net income before tax for 2024 of the Company, before deducting employee and director remuneration, amounted to NT\$21,067,207. The remuneration allocation is as follows:
The remuneration to employees is NT\$855,000, accounting for approximately 4.06% of the net income before tax. The remuneration to directors is NT\$285,000, accounting for approximately 1.35% of the net income before tax.
- (III) There is no difference between the above distributed amount and the estimated amount in the year of expense recognition (2024).
- (IV) Please review.

Proposal 5

Proposal: Report on material transactions between the Company and related parties in 2024.

- Explanation: (I) According to Article 17 of the Corporate Governance Best Practice Principles, if there are financial transactions or dealings between a TWSE/TPEX listed company and its related parties of shareholders, the Company should establish written regulations based on the principles of fairness and reasonableness regarding the financial transactions between them. The Company has already passed the regulations governing financial transactions between related enterprises in the 11th meeting of the 20th Board of Directors.
- (II) According to the Regulations, the Company's purchase or sales, labor service or technical service transactions with related parties, and the expected transaction amount for the whole year reaches 5% of the Company's most recent consolidated total assets or the most recent consolidated net operating revenues, unless the Regulations Governing the Acquisition or Disposal of Assets by Public Companies apply, or transactions between the Company, its subsidiaries, or between subsidiaries, the relevant information should be submitted to the Board of Directors for approval before proceeding with the transaction. Additionally, it should be reported to the shareholders' meeting after the end of the year.
- (III) The Company did not have any material transactions in 2024 with related parties that required reporting to the shareholders meeting in compliance with the Regulations.
- (IV) Please review.

Ratification Items:

Proposal 1 (Proposed by the Board of Directors)

Proposal: Ratification of the 2024 business report and financial statements.

Explanation: (I) The Company's 2024 business report and financial statements (including consolidated 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. Please refer to page 7 to 30 of this handbook.

(II) Please approve.

Resolution:

Proposal 2 (Proposed by the Board of Directors)

Proposal: Ratification of 2024 earnings distribution.

Explanation: (I) The Company's 2024 earnings after tax is NT\$5,258,039. After combining with the accumulated undistributed earnings from previous years and adjusting according to legal requirements, the actual distributable earnings amounts to NT\$1,591,869,160.

(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 31 of this Handbook for the Earnings Distribution Table.

(IV) Please approve.

Resolution:

Discussion Items:

Proposal 1: (Proposed by the Board of Directors)

Proposal: Amendments to the "Articles of Incorporation", please discuss.

Explanation: (I) To comply with legal requirements and management requirements, the Company's "Articles of Incorporation" have been amended. Please refer to page 32 to 33 of this handbook.

(II) Please discuss.

Resolution:

Election Items:

Proposal 1: (Proposed by the Board of Directors)

Proposal: Re-election of directors (including independent directors) of the Company, please vote.

Explanation: (I) The term of office of the Company's 20th board of directors (including independent directors) will expire on June 16, 2025. It is proposed to re-elect the 21st board of directors in accordance with the law. re-election, and their term of office is advanced to the time the re-elected directors take office.

(II) There are seven directors to be elected in this re-election (three independent directors are included). The term of office of the new directors is three years from June 13, 2025 to June 12, 2028.

(III) The Company adopts the candidate nomination system for election of directors in accordance with the Articles of Incorporation. The seats of independent directors and non-independent directors are counted separately.

(IV) For the Directors and Independent Directors Candidates List, please refer to pages 34-35 of this handbook.

(V) Please vote.

Election results:

Other Matters:

Proposal 1 (Proposed by the Board of Directors)

Proposal: Removal of restrictions on the Company's directors from competing in competing businesses.

- Explanation: (I) Pursuant to Article 209 of the Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and obtain its approval.
- (II) The Company re-elected the 21st Board of Directors (including Independent Directors) at the shareholders' meeting on June 13, 2025. It is within the Company's scope of business if the newly elected Directors act for themselves or others of any non-compete restrictions imposed by the shareholders' meeting, shall be submitted to the shareholders' meeting for approval in accordance with laws.

The details of the removal of the non-compete prohibition in this year are as follows:

Title	Name	Name and position of a competing company
Director	Nadino International Co., Ltd. Representative: Chiu-Chiu Chien	Director, INTERBOND CO., LTD.
Director	Lee Pont Investment Co., Ltd. Representative: Hung-Jung Chang	Chairman, VFT INC.
		Chairman, American Nonwovens Inc.
		Chairman, American Furniture Alliance Inc.
		Chairman, American Outdoor Living Inc.
		Chairman, S International Inc.
		Chairman, Shinih USA
Director	Ying Hung Int. Co., Ltd. Representative: Chia-Chin Chien	Director, Taiwan Kureha Co., Ltd.
		Chairman, Sunfiber (Vietnam) Co., Ltd.
		Chairman, Suntex Textile Vn Co., Ltd.
		Director, Kureha (Thailand) Co., Ltd.
Director	Bo Young Medical Corporation Representative: Chi-Cheng Chien	Chairman, MS Nonwovens Inc.
		Chairman, World Furniture Group

- (III) If the newly elected director is a corporate director, when the representative of the corporate director is reappointed due to business needs, the restrictions on the non-competition restrictions on the representative of the corporate director shall be lifted.

- (IV) Please vote.

Resolution:

Extempore Motion

Adjournment

Attachments

Shinih Enterprise Co., Ltd. Business Report of 2024

I. Operational Policy

Although global inflation is easing and the world economy is not entering a recession, the downside risk is rising significantly, and the company may fall into the predicament of low growth and high debt in the future. At present, the world has generally entered the cycle of interest rate reduction. Following the return of former US President Trump, the US domestic and foreign policies will usher in another major turn, with repeated geopolitical conflicts, and the global economic and political uncertainty and instability intensify. Affected by factors such as high cost, high debt, and intensified protectionism, the global economy will still face adjustment pressure in 2025.

We have formulated the following strategies to deal with this change:

1. Existing core: Improve overall process technology

Based on the existing core foundation, fully integrate the non-woven technology, horizontal process integration, vertical material development, technology integration and product development, and upgrade to digitization, automation and intelligence to make the technology more complete and competitive. Product differentiation and high-value products, low-cost and high-efficiency manufacturing, and become the first choice for customers.

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

With the continuous development of two-component high-end equipment, the existing process capabilities are integrated to develop in the direction of differentiation, sub-micron, and multi-composite. The design and development of multi-composite in raw materials, fibers, web forming, post-processing and other processes, and take the opportunity to further expand the scope of product applications.

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

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

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

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

5. Utilize regional advantages and expand international strategic cooperation.

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

II. Implementation Overview

In the past year, the global business environment has been very challenging, and the operational difficulties have become more and more difficult than in the past, which tested the flexibility and flexibility of enterprises in facing this challenging environment. Under such challenging environment, the Company has responded to the unfavorable impact by adjusting strategies such as rapid response, flexible production and global logistics. With the effective operations outside the industry, the overall operating performance is still stable. The consumer market recovers, and the overall operating performance is expected to grow gradually.

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

The Company's consolidated net operating revenue for 2024 was NT\$2,313,098 thousand, representing an increase of 9.4% compared to NT\$2,114,906 thousand in 2023. Despite unfavorable factors such as rising costs in raw materials, labor, freight, and energy, the Company achieved a significant improvement in operating performance through strategic adjustments and proper recognition of compensation income. As a result, consolidated operating profit reached NT\$105,293 thousand, a substantial improvement from the operating loss of NT\$84,116 thousand recorded in the previous year. However, due to non-operating losses

such as foreign exchange losses, reduced interest income, and asset impairment, the consolidated net profit after tax was NT\$28,679 thousand. Net profit attributable to the parent company amounted to NT\$5,258 thousand, translating to basic earnings per share of NT\$0.05.

IV. Operating Income and Expenditure Status

(I) Operating income

The 2024 consolidated operating revenue was NT\$2,313,098 thousand, an increase of NT\$198,192 thousand (9.4%) from NT\$2,114,906 thousand in 2023. From a regional operational perspective, Taiwan, the United States, and China have all suffered from the decline in revenue due to the impact of the economic downturn. The overall regional demand has yet to recover. In terms of product application, the demand for materials such as insulation materials and consumer materials has gradually recovered due to the gradual depletion of inventory. The overall industry demand has rebounded, while industrial materials have also grown in revenue due to the completion of plant relocation and strategic cooperation.

(II) Operating expenditure

The 2024 consolidated operating cost was NT\$1,622,778 thousand, compared with NT\$1,645,778 thousand in 2023, a decrease of NT\$23,000 thousand (1.4%). The benefits of operational integration, resulting in revenue growth but overall cost reduction is a favorable phenomenon.

V. Profitability Analysis

In 2024, the Company's consolidated net operating revenue increase of NT\$198,192 thousand or 9.4% in 2023. Despite unfavorable factors such as rising costs of raw materials, labor, freight, and energy, the Company effectively adjusted its operational strategies and recognized compensation income, leading to a reduction in operating costs by NT\$23,000 thousand (1.4%). As a result, gross profit significantly increased by NT\$221,192 thousand to NT\$690,320 thousand, with the gross profit margin rising to 30%, an improvement of 8 percentage points in 2023. Operating expenses increased by NT\$31,783 thousand due to the Company's continued investment in R&D and innovation, resulting in an operating expense ratio of 25%. Consequently, consolidated operating profit amounted to NT\$105,293 thousand, marking a significant turnaround from the operating loss of NT\$84,116 thousand in the previous year. However, due to non-operating losses such as foreign exchange losses, lower interest income, and asset impairment, the consolidated net profit after tax for the period was NT\$28,679 thousand. Net profit attributable to the parent company was NT\$5,258 thousand, resulting in basic earnings per share of NT\$0.05.

VI. Research and Development Status

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

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of SHINIH ENTERPRISE CO., LTD. and subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, 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, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China (ROC).

Basis for Opinion

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

Key Audit Matters

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

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

1. Impairment assessment of property, plant and equipment

As of December 31, 2024, the Group's property, plant and equipment were NT\$2,045,781 thousand, representing 32% 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. The impairment loss assessment of non-financial assets involves forecasting and discounting future cash flows to determine their recoverable amounts. The process inherently involves a considerable degree of uncertainty. Therefore, we identified this as a key matter for auditing these consolidated financial statements. Therefore, the impairment assessment of property, plant and equipment was identified as one of the key matters in auditing the consolidated financial statements.

Our primary audit procedures included obtaining the Group's self-assessment of asset impairment indicators; evaluating the rationality of the management's identification of impairment indicators; reviewing whether there were any significant adverse changes in the scope or manner of use or expected use of the Group's property, plant, and equipment; and verifying whether the economic performance of the Group's property, plant, and equipment fell below expectations.

2. Impairment of accounts receivable

As of December 31, 2024, the Group assessed its accounts receivable for impairment loss according to its policies. Due to the instability of the domestic and international economic situation, the collection risk of accounts receivable has increased. And the assessment of expected credit impairment loss involves the judgment of the management on assumptions regarding the credit risk of customers. Therefore, the impairment assessment of accounts receivable was identified as one of the key matters in auditing the consolidated financial statements.

Our primary audit procedures included testing controls related to collections and reviewing subsequent collection records; obtaining the overdue account aging analysis table provided by the management and randomly verifying the accuracy of the aging intervals. Analyze and compare the aging periods and provision percentages, and evaluate the reasonableness of the impairment loss on accounts receivable as well as evaluate the appropriateness of management's disclosures regarding the impairment of accounts receivable.

3. Valuation of allowance to reduce inventory to market

The accounting policies of loss for market price decline and obsolete and slow-moving inventories of SHINIH ENTERPRISE CO., LTD. and its subsidiaries were based on the loss for obsolete and slow-moving inventories in the inventories aging information. Those information resources were the management based on the sales, obsolete and qualities of inventories to judge and assess the net realized value of inventories and measured the inventories value by the lower of cost and net realized value, and provision for reducing inventory to market. Therefore, the valuation of



allowance to reduce inventory to market was identified as one of the key matters in auditing the consolidated financial statements.

Our primary audit procedures included 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.

Other Matter

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by 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, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Huang, Chien Chen and Yang, Chen Yu.

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

March 7, 2025

Notice to Readers

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

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

SHINIH ENTERPRISE CO., LTD. and Subsidiaries
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023	
ASSETS	NOTES	Amount	%	Amount	%
CURRENT ASSETS					
Cash and cash equivalents	6(1)	\$ 2,287,100	36	\$ 1,786,752	30
Notes receivable, net	6(2)	13,861	-	16,559	-
Accounts receivable, net	6(3) 、 7	262,013	4	260,934	4
Other receivables, net	6(4) 、 7	19,970	-	16,545	-
Current income tax assets	6(28)	20,552	-	18,887	-
Inventories, net	6(5)	437,787	7	392,131	7
Prepayments		165,506	3	111,786	2
Non-current assets or disposal groups classified as held for sale	6(6)	34,303	1	340,051	6
Other financial assets - current	6(7)	279,227	5	346,861	6
Other current assets		1,003	-	537	-
Total current assets		3,521,322	56	3,291,043	55
NONCURRENT ASSETS					
Property, plant and equipment	6(8)	2,045,781	32	2,167,358	36
Right-of-use assets	6(9) 、 7	325,956	5	206,471	4
Investment property	6(10)	154,684	2	155,920	3
Intangible assets	6(11)	7,970	-	7,847	-
Deferred income tax assets	6(28)	121,047	2	107,519	2
Prepayments for business facilities		31,814	1	9,054	-
Refundable deposits		15,115	-	13,713	-
Net defined benefit assets	6(16)	1,777	-	950	-
Other noncurrent assets	6(12)	113,171	2	159	-
Total noncurrent assets		2,817,315	44	2,668,991	45
TOTAL		\$ 6,338,637	100	\$ 5,960,034	100
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Short-term loans	6(13)	\$ 1,161,705	18	\$ 820,000	14
Contract liabilities - current	6(23) 、 7	50,597	1	14,429	-
Notes payable		26,353	-	34,330	1
Accounts payable	7	72,959	1	77,929	1
Other payables	6(14)	220,673	4	182,311	3
Other payables - related parties	7	10,636	-	36,818	1
Current income tax liabilities	6(28)	38,306	1	23,965	-
Liabilities related to non-current assets or disposal groups classified as held for sale	6(6)	36	-	14,863	-
Lease liabilities - current	6(9) 、 7	51,163	1	28,331	1
Receipts in advance		13,580	-	9,519	-
Long-term liabilities - current portion	6(15)	95,417	2	178,333	3
Other current liabilities		9,068	-	1,832	-
Total current liabilities		1,750,493	28	1,422,660	24
NONCURRENT LIABILITIES					
Long term loans	6(15)	600,000	9	795,417	13
Deferred income tax liabilities	6(28)	195,888	3	155,555	3
Lease liabilities - noncurrent	6(9) 、 7	150,406	2	52,670	1
Long-term deferred revenue	6(9)	8,425	-	8,218	-
Net defined benefit liability - noncurrent	6(16)	7,645	1	7,790	-
Guarantee deposit received		5,122	-	4,517	-
Other noncurrent liabilities		539	-	-	-
Total noncurrent liabilities		968,025	15	1,024,167	17
Total liabilities		2,718,518	43	2,446,827	41
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT					
Common stocks	6(17)	1,091,071	17	1,091,071	18
Capital surplus	6(18)	230,774	4	230,774	4
Retained earnings	6(19)				
Legal capital reserve		411,001	6	395,229	7
Special capital reserve		106,123	2	106,123	2
Unappropriated earnings		1,592,518	25	1,665,343	28
Others	6(20)	168,415	3	19,449	-
Treasury stock	6(21)	(74,888)	(1)	(74,888)	(1)
Equity attributable to shareholders of the parent		3,525,014	56	3,433,101	58
NON-CONTROLLING INTERESTS					
Total equity	6(22)	95,105	1	80,106	1
TOTAL		\$ 6,338,637	100	\$ 5,960,034	100

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

SHINIH ENTERPRISE CO., LTD. and Subsidiaries

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

	NOTES	2024		2023	
		Amount	%	Amount	%
NET REVENUE	6(23) 、 7	\$ 2,313,098	100	\$ 2,114,906	100
	6(5 、 24) 、 7	(1,622,778)	(70)	(1,645,778)	(78)
GROSS PROFIT		690,320	30	469,128	22
OPERATING EXPENSES	6(24) 、 7				
Marketing		(234,401)	(10)	(219,487)	(10)
General and administrative		(254,960)	(11)	(239,372)	(11)
Research and development		(96,721)	(4)	(98,856)	(5)
Expected credit (loss) gain	6(3 、 4)	1,055	-	4,471	-
Total operating expenses		(585,027)	(25)	(553,244)	(26)
OPERATING PROFIT (LOSS)		105,293	5	(84,116)	(4)
NONOPERATING INCOME AND EXPENSES					
Interest income		97,282	4	70,568	3
Other income	6(25)	27,801	1	34,067	1
Other gains and losses	6(26)	(83,109)	(3)	380,292	18
Finance costs	6(27) 、 7	(42,958)	(2)	(29,134)	(1)
Total nonoperating income and expenses		(984)	-	455,793	21
INCOME BEFORE INCOME TAX		104,309	5	371,677	17
INCOME TAX EXPENSE	6(28)	(75,630)	(4)	(195,211)	(9)
NET INCOME		28,679	1	176,466	8
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will not be reclassified subsequently to profit or loss :					
Remeasurement of defined benefit obligation	6(16 、 29)	1,605	-	(58)	-
Income tax expenses related to items that will not be reclassified subsequently	6(28 、 29)	(321)	-	12	-
Items that may be reclassified subsequently to profit or loss :					
Exchange differences arising on translation of foreign operations	6(20 、 22 、 29)	190,823	8	(31,075)	(1)
Income tax benefit (expenses) related to items that may be reclassified	6(28 、 29)	(37,242)	(1)	6,299	-
Other comprehensive income (loss) for the year, net of income tax		154,865	7	(24,822)	(1)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		\$ 183,544	8	\$ 151,644	7
NET INCOME ATTRIBUTABLE TO :					
Shareholders of the parent		\$ 5,258	-	\$ 157,614	7
Non-controlling interests		23,421	1	18,852	1
		\$ 28,679	1	\$ 176,466	8
TOTAL COMPREHENSIVE INCOME :					
Shareholders of the parent		\$ 155,458	7	\$ 132,530	6
Non-controlling interests		28,086	1	19,114	1
		\$ 183,544	8	\$ 151,644	7
EARNINGS PER SHARE (IN DOLLARS)	6(30)				
Basic earnings per share		\$ 0.05		\$ 1.49	
Diluted earnings per share		\$ 0.05		\$ 1.48	

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, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	(In Thousands of New Taiwan Dollars)											
	Capital Surplus			Retained Earnings			Others					
	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	Total Attributable to Shareholders of the Parent	Non-controlling Interests	Total Equity	
BALANCE, JANUARY 1, 2023	\$ 1,091,071	\$ 213,926	\$ 16,848	\$ 372,632	\$ 148,961	\$ 1,598,582	\$ 44,643	\$ (74,888)	\$ 3,411,775	\$ 74,217	\$ 3,485,992	
Appropriations of prior year's earnings												
Legal capital reserve	-	-	-	22,597	-	(22,597)	-	-	-	-	-	
Special capital reserve	-	-	-	-	(42,838)	42,838	-	-	-	-	-	
Cash dividends to shareholders - NT\$1.05 per share	-	-	-	-	-	(111,204)	-	-	(111,204)	-	(111,204)	
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	(13,225)	(13,225)	
Net income in 2023	-	-	-	-	-	157,614	-	-	157,614	18,852	176,466	
Other comprehensive income (loss) in 2023	-	-	-	-	-	110	(25,194)	-	(25,084)	262	(24,822)	
BALANCE, DECEMBER 31, 2023	1,091,071	213,926	16,848	395,229	106,123	1,665,343	19,449	(74,888)	3,433,101	80,106	3,513,207	
Appropriations of prior year's earnings												
Legal capital reserve	-	-	-	15,772	-	(15,772)	-	-	-	-	-	
Cash dividends to shareholders - NT\$0.6 per share	-	-	-	-	-	(63,545)	-	-	(63,545)	-	(63,545)	
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	(13,087)	(13,087)	
Net income in 2024	-	-	-	-	-	5,258	-	-	5,258	23,421	28,679	
Other comprehensive income (loss) in 2024	-	-	-	-	-	1,234	148,966	-	150,200	4,665	154,865	
BALANCE, DECEMBER 31, 2024	\$ 1,091,071	\$ 213,926	\$ 16,848	\$ 411,001	\$ 106,123	\$ 1,592,518	\$ 168,415	\$ (74,888)	\$ 3,525,014	\$ 95,105	\$ 3,620,119	

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, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 104,309	\$ 371,677
Adjustments to reconcile profit (loss)		
Expected credit loss (gain)	(1,055)	(4,471)
Depreciation	229,675	208,141
Amortization	1,005	2,108
Interest expense	42,958	29,134
Interest income	(97,282)	(70,568)
Gain on disposal of property, plant and equipment	(2,505)	(8,321)
Gain on disposal of non-current assets held for sales	-	(90,999)
Profit from lease modification	(27)	-
Impairment loss on non-financial assets	85,242	-
Gain on land expropriation compensation from government	-	(282,284)
Changes in operating assets and liabilities		
Notes receivable	3,191	18,003
Accounts receivable	1,033	61,240
Inventories	(45,656)	159,403
Other receivables	(4,408)	6,379
Prepayments	(54,606)	(10,773)
Other current assets	(466)	(134)
Contract liabilities	36,168	(11,958)
Notes payable	(7,977)	4,203
Accounts payable	(6,377)	(7,517)
Other payables	(3,924)	(17,767)
Advance payment	4,061	(9,877)
Deferred revenue	(218)	(214)
Other current liabilities	7,236	(6,581)
Net defined benefit liability	312	(437)
Cash provided from operations	290,689	338,387
Interest received	99,970	62,403
Interest paid	(41,909)	(31,709)
Income taxes paid	(76,228)	(303,423)
Net cash provided by operating activities	272,522	65,658
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal of non-current assets classified as held for sales	-	63,753
Acquisition of property, plant and equipment	(130,853)	(174,115)
Proceeds from disposal of Property, plant and equipment	32,102	14,089
Acquisition of intangible assets	(1,093)	(1,651)
Decrease (Increase) in prepayments for business facilities	(22,760)	11,698
Increase in refundable deposits	(1,338)	(526)
Decrease (increase) in other financial assets	82,987	(45,834)
Increase in prepayments for land cost	(112,789)	-
Decrease (increase) in other noncurrent assets	(261)	698
Receipts in advance of land expropriation compensation from government	-	243,178
Net expenditure for plant relocating	-	(40,699)
Net cash provided by (used in) investing activities	(154,005)	70,591

(Continued)

SHINIH ENTERPRISE CO., LTD. and Subsidiaries

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

	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	\$ 341,705	\$ 339,313
Repayment of long-term loans	(278,333)	(166,250)
Repayment of the principal portion of lease liabilities	(51,657)	(43,185)
Increases (Decrease) in guarantee deposit	537	(586)
Cash dividends paid	(63,545)	(111,204)
Decrease in non-controlling interests	(13,087)	(13,225)
Increases in other liabilities	539	-
Net cash provided by (used in) financing activities	(63,841)	4,863
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	157,750	(33,309)
NET INCREASE IN CASH AND CASH EQUIVALENTS	212,426	107,803
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,106,903	1,999,100
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 2,319,329</u>	<u>\$ 2,106,903</u>
ADJUSTMENT OF CASH AND CASH EQUIVALENT AT THE END OF YEAR		
CASH AND CASH EQUIVALENT ON CONSOLIDATED BALANCE SHEETS		
Cash and cash equivalents included in disposal groups classified as held for sale	32,229	320,151
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 2,319,329</u>	<u>\$ 2,106,903</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, 2024 and 2023, 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, 2024 and 2023, 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 Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2024. 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, 2024 are stated as follows:

1. Impairment assessment of property, plant and equipment

As of December 31, 2024, the Company's property, plant and equipment were \$1,314,969 thousand, representing 23% 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. The impairment loss assessment of non-financial assets involves forecasting and discounting future cash flows to determine their recoverable amounts. The process inherently involves a considerable degree of uncertainty. Therefore, we identified this as a key matter for auditing these parent company only financial statements. Therefore, the impairment assessment of property, plant and equipment was identified as one of the key matters in auditing the parent company only financial statements.

Our primary audit procedures included obtaining the Company's self-assessment of asset impairment indicators; evaluating the rationality of the management's identification of impairment indicators; reviewing whether there were any significant adverse changes in the scope or manner of use or expected use of the Company's property, plant, and equipment; and verifying whether the economic performance of the Company's property, plant, and equipment fell below expectations.

2. Impairment of accounts receivable

As of December 31, 2024, the Company assessed its accounts receivable for impairment loss according to its policies. Due to the instability of the domestic and international economic situation, the collection risk of accounts receivable has increased. And the assessment of expected credit impairment loss involves the judgment of the management on assumptions regarding the credit risk of customers. Therefore, the impairment assessment of accounts receivable was identified as one of the key matters in auditing the parent company only financial statements.

Our primary audit procedures included testing controls related to collections and reviewing subsequent collection records; obtaining the overdue account aging analysis table provided by the management and randomly verifying the accuracy of the aging intervals. Analyze and compare the aging periods and provision percentages, and evaluate the reasonableness of the impairment loss on accounts receivable as well as evaluate the appropriateness of management's disclosures regarding the impairment of accounts receivable.

3. 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, the valuation of allowance to reduce inventory to market was identified as one of the key matters in auditing the parent company only financial statements.

Our primary audit procedures included 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, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



The engagement partners on the audit resulting in this independent auditors' report are Huang, Chien Chen and Yang, Chen Yu.

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

March 7, 2025

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, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023	
ASSETS	NOTES	Amount	%	Amount	%
CURRENT ASSETS					
Cash and cash equivalents	6(1)	\$ 638,253	11	\$ 283,175	5
Notes receivable, net	6(2)	5,605	-	8,850	-
Accounts receivable, net	6(3)	24,322	1	18,843	1
Accounts receivable, net - related parties	7	4,098	-	2,941	-
Other receivables, net	6(4)	5,159	-	3,611	-
Other receivables, net - related parties	7	26,501	1	18,038	1
Current income tax assets	6(25)	13,422	-	13,685	-
Inventories	6(5)	66,739	1	71,706	1
Prepayments		15,838	-	16,131	-
Other financial assets - current	6(1)	156,257	3	175,019	3
Total current assets		956,194	17	611,999	11
NONCURRENT ASSETS					
Investments accounted for using equity method	6(6)	3,121,904	54	3,057,842	56
Property, plant and equipment	6(7) 、 8	1,314,969	23	1,426,968	26
Right-of-use assets	6(8)	7,986	-	8,600	-
Investment properties	6(9) 、 8	249,950	4	251,938	5
Intangible assets	6(10)	7,901	-	7,823	-
Deferred income tax assets	6(25)	106,670	2	97,039	2
Net defined benefit assets - non current	6(14)	346	-	-	-
Other noncurrent assets		2,227	-	2,719	-
Total noncurrent assets		4,811,953	83	4,852,929	89
TOTAL ASSETS		\$ 5,768,147	100	\$ 5,464,928	100
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Short-term loans	6(11)	\$ 1,121,705	20	\$ 790,000	15
Contract liabilities - current	6(20)	23,349	-	6,198	-
Notes payable		10,046	-	9,473	-
Accounts payable		8,629	-	4,693	-
Accounts payable - related parties	7	810	-	2,655	-
Other payables	6(12)	80,882	1	66,045	1
Other payables - related parties	7	5,865	-	3,073	-
Current income tax liabilities	6(25)	24,544	1	7,832	-
Lease liabilities - current	6(8) 、 7	587	-	578	-
Long-term liabilities-current portion	6(13)	95,417	2	178,333	4
Other current liabilities		21,594	-	10,564	-
Total current liabilities		1,393,428	24	1,079,444	20
NONCURRENT LIABILITIES					
Long-term loans	6(13)	600,000	11	795,417	15
Deferred income tax liabilities - noncurrent	6(25)	172,912	3	131,516	2
Lease liabilities - noncurrent	6(8) 、 7	7,719	-	8,306	-
Net defined benefit liability - noncurrent	6(14)	-	-	920	-
Guarantee deposits received		5,056	-	4,456	-
Credit balance of investments accounted for using equity method	6(6)	64,018	1	11,768	-
Total noncurrent liabilities		849,705	15	952,383	17
Total liabilities		2,243,133	39	2,031,827	37
EQUITIES					
Capital - common stocks	6(15)	1,091,071	19	1,091,071	20
Capital surplus	6(16)	230,774	4	230,774	4
Retained earnings	6(17)				
Legal capital reserve		411,001	7	395,229	7
Special capital reserve		106,123	2	106,123	2
Unappropriated earnings		1,592,518	27	1,665,343	31
Others	6(18)	168,415	3	19,449	-
Treasury stock	6(19)	(74,888)	(1)	(74,888)	(1)
Total equity		3,525,014	61	3,433,101	63
TOTAL LIABILITIES AND EQUITEIS		\$ 5,768,147	100	\$ 5,464,928	100

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

SHINIH ENTERPRISE CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Except Earning Per Share)

ITEMS	NOTES	2024		2023	
		Amount	%	Amount	%
REVENUE	6(20) 、 7	\$ 415,773	100	\$ 297,040	100
COST OF REVENUE	6(5 、 21) 、 7	(237,043)	(57)	(250,974)	(84)
GROSS PROFIT		178,730	43	46,066	16
Unrealized gross profit on sales		(240)	-	(654)	-
Realized gross profit on sales		654	-	382	-
GROSS PROFIT		179,144	43	45,794	16
OPERATING EXPENSES	6(21) 、 7				
Marketing		(53,258)	(12)	(37,378)	(14)
General and administrative		(120,108)	(29)	(108,414)	(36)
Research and development		(95,071)	(23)	(98,286)	(33)
Total operating expenses		(268,437)	(64)	(244,078)	(83)
OPERATING LOSS		(89,293)	(21)	(198,284)	(67)
NON-OPERATING INCOME AND EXPENSES					
Interest income		28,558	7	18,104	6
Other income	6(22)	47,131	11	46,671	16
Other gains and losses	6(23)	(48,644)	(12)	3,050	1
Finance costs	6(24)	(28,541)	(7)	(23,563)	(8)
Share of profit or loss of subsidiaries accounted for using equity method		110,716	27	357,647	120
Total non-operating income and expenses		109,220	26	401,909	135
INCOME BEFORE INCOME TAX		19,927	5	203,625	68
INCOME TAX EXPENSE	6(25)	(14,669)	(4)	(46,011)	(15)
NET INCOME		5,258	1	157,614	53
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will not be reclassified to profit or loss:					
Remeasurement of defined benefit plans	6(14 、 26)	1,205	-	(71)	-
Remeasurements of defined benefit plans of the subsidiary accounted for using equity method	6(26)	270	-	166	-
Income tax benefit (expense) related to items that will not be reclassified	6(25 、 26)	(241)	-	15	-
Items that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations	6(18 、 26)	186,208	45	(31,493)	(10)
Income tax benefit related to items that may be reclassified	6(18 、 25 、 26)	(37,242)	(9)	6,299	2
Other comprehensive income (loss) for the current period		150,200	36	(25,084)	(8)
TOTAL COMPREHENSIVE INCOME FOR THE CURRENT PERIOD		\$ 155,458	37	\$ 132,530	45
EARNINGS PER SHARE (IN DOLLARS)	6(27)				
Basic earnings per share		\$ 0.05		\$ 1.49	
Diluted earnings per share		\$ 0.05		\$ 1.48	

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

SHINIH ENTERPRISE CO., LTD.

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

		Capital Surplus		Retained Earnings			Others			
	Capital - Common Stocks	Additional Paid-in Capital Arising From Bond Conversion	Others	Legal Capital Reserve	Special Capital Reserve	Unappropriated Earnings	Foreign Currency Translation Reserve	Treasury Stock	Total Equity	
BALANCE, JANUARY 1, 2023	\$ 1,091,071	\$ 213,926	\$ 16,848	\$ 372,632	\$ 148,961	\$ 1,598,582	\$ 44,643	\$ (74,888)	\$ 3,411,775	
Appropriations of prior year's earnings										
Legal capital reserve	-	-	-	22,597	-	(22,597)	-	-	-	
Special capital reserve	-	-	-	-	(42,838)	42,838	-	-	-	
Cash dividends to shareholders - NT\$1.05 per share	-	-	-	-	-	(111,204)	-	-	(111,204)	
Net income in 2023	-	-	-	-	-	157,614	-	-	157,614	
Other comprehensive income (loss) in 2023	-	-	-	-	-	110	(25,194)	-	(25,084)	
BALANCE, DECEMBER 31, 2023	\$ 1,091,071	\$ 213,926	\$ 16,848	\$ 395,229	\$ 106,123	\$ 1,665,343	\$ 19,449	\$ (74,888)	\$ 3,433,101	
Appropriations of prior year's earnings										
Legal capital reserve	-	-	-	15,772	-	(15,772)	-	-	-	
Cash dividends to shareholders - NT\$0.6 per share	-	-	-	-	-	(63,545)	-	-	(63,545)	
Net income in 2024	-	-	-	-	-	5,258	-	-	5,258	
Other comprehensive income in 2024	-	-	-	-	-	1,234	148,966	-	150,200	
BALANCE, DECEMBER 31, 2024	\$ 1,091,071	\$ 213,926	\$ 16,848	\$ 411,001	\$ 106,123	\$ 1,592,518	\$ 168,415	\$ (74,888)	\$ 3,525,014	

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

SHINIH ENTERPRISE CO., LTD.

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

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income before income tax	\$ 19,927	\$ 203,625
Adjustments to reconcile profit (loss)		
Depreciation	80,791	77,120
Amortization	956	1,585
Interest expense	28,541	23,563
Interest income	(28,558)	(18,104)
Net investment income accounted for using equity method	(110,716)	(357,647)
Unrealized gain from sales	596	(1,469)
Net gain on disposals of property, plant and equipment	(29)	(230)
Impairment loss	84,885	-
Net changes in operating assets and liabilities		
Notes receivable	3,245	1,789
Accounts receivable	(6,636)	14,573
Inventories	4,967	36,587
Other receivables	(9,163)	10,195
Prepayments	293	(173)
Contract liabilities	17,151	(1,129)
Notes payable	573	(2,371)
Accounts payable	2,091	(7,104)
Other payables	14,365	(7,570)
Other current liabilities	11,030	(10,732)
Net defined benefit liability	(61)	(35)
Cash provided from (used in) operations	114,248	(37,527)
Interest received	27,710	16,295
Dividends received	284,786	97,891
Interest paid	(28,341)	(23,381)
Income taxes paid	(3,412)	(16,488)
Net cash provided by operating activities	394,991	36,790
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(54,078)	(107,759)
Acquisition of intangible assets	(1,034)	(1,651)
Proceeds from disposal of Property, plant and equipment	6,096	2,083
Decrease (increase) in refundable deposits	(30)	22
Prepayments - decrease in noncurrent	522	13,569
Decrease (increase) in other financial assets	18,762	46,093
Net cash used in investing activities	(29,762)	(47,643)

(Continued)

SHINIH ENTERPRISE CO., LTD.

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

	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	\$ 331,705	\$ 339,313
Repayment of long-term loans	(278,333)	(166,250)
Repayments of the principal portion of lease liabilities	(578)	(570)
Increase (decrease) in Guarantee deposit received	600	(498)
Cash dividends paid	(63,545)	(111,204)
Net cash provided by (used in) financing activities	(10,151)	60,791
NET INCREASE IN CASH AND CASH EQUIVALENTS	355,078	49,938
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	283,175	233,237
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 638,253	\$ 283,175

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

(Concluded)

(Attachment III)

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

Dear Shareholders,

The board of directors of the Company has prepared the 2024 Financial Statements (including Business Report, Parent Company Only Financial Report, Consolidated Financial Report and Distribution of Earnings) proposals. The aforementioned Financial Report (including Parent Company Only Financial Report and Consolidated Financial Report) has been audited by two CPAs Chien-Chen Huang and Chen-Yu Yang of Crowe (TW) retained by the Company and an audit report has been issued for review. After the review of the Financial Report, the Audit Committee considers the content of the reports are consistent and conforming with the requirements properly. Accordingly, the Audit Committee's Review Report is hereby issued in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Please review.

Submitted to
Shinih Enterprise Co., Ltd. General Shareholders' Meeting of 2025

Shinih Enterprise Co., Ltd.

Chairman of the Audit Committee: Shu-Fen Wang

March 7, 2025

Shinih Enterprise Co., Ltd.
Earnings Distribution Table

2024

Unit: NT\$

Item	Amount	
	Subtotal	Total
Unappropriated earnings at beginning of the period		1,586,025,895
Add: Net profit after tax of the current year	5,258,039	
Add: Other comprehensive income carry forward to retained earnings (Actuarial gains and losses of defined benefit plans)	1,234,478	
Add: Special reserve	0	
Less: Legal reserve	(649,252)	5,843,265
Distributable earnings of the current year		1,591,869,160
Distribution item:		
Shareholders' bonuses - cash 0.3	31,772,430	
Shareholders' bonuses - shares	0	31,772,430
Undistributed earnings at the end of the period		1,560,096,730

Shinih Enterprise Co., Ltd.
Comparison Table of Amendments to the "Articles of Incorporation"

Article Number	Provisions after amendment	Current provisions	Explanation of amendment
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.".	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.".	Add abbreviation points to the English name.
Article 15	<p>The Company shall have seven <u>to nine</u> directors, forming the Board of Directors, who shall be elected by the shareholders' meeting from among the persons disposing capacity.</p> <p>Among the aforementioned number of directors, the number of independent directors <u>shall not be fewer than three</u> and shall not be less than one-fifth of the total number of <u>director seats</u>.</p> <p>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.</p> <p>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.</p>	<p>The Company shall have <u>seven</u> directors, forming the board of directors, who shall be elected by the shareholders' meeting from among the persons disposing capacity.</p> <p>In the roster of directors described in the preceding paragraph, the number of independent directors shall not be less than <u>two</u> and shall not be less than one-fifth of the total number of directors.</p> <p>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.</p> <p>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.</p>	Amend certain provisions in coordination with the "Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers" issued by the Taiwan Stock Exchange Corporation.
Article 18	<p>The Company has established an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act. The Audit Committee is composed entirely of independent directors and is responsible for exercising the powers of supervisors as stipulated in the Company Act, the Securities and Exchange Act, and other relevant laws and regulations.</p> <p><u>The Company may establish other functional committees as necessary.</u></p>	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.	The establishment of functional committees shall be specified in the Articles of Incorporation in accordance with Article 27 of the "Corporate Governance Best Practice Principles".

Article Number	Provisions after amendment	Current provisions	Explanation of amendment
			The current provisions do not specify this; therefore, Article 2 is added.
Article 22	<p>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.</p> <p><u>Of the amount of employee remuneration mentioned in the preceding paragraph, no less than 30% shall be allocated to entry-level employees.</u></p> <p>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.</p>	<p>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.</p> <p>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.</p>	Amend certain provisions in accordance with Article 14, Paragraph 6 of the Securities and Exchange Act.
Article 24	...The 37th amendment was made on June 21, 2019; the 38th amendment was made on June 17, 2022; <u>the 39th amendment was made on June 13, 2025.</u>	... The 37th amendment was made on June 21, 2019; the 38th amendment was made on June 17, 2022.	Added the date of this amendment.

(Attachment VI)

SHINIH ENTERPRISE CO., LTD.

List of candidates for directors (including independent directors)

Category	Name	Academic background	Experience	Current position	Number of shares held (shares)
Director	Nadino International Co., Ltd. Representative: Chiu-Chiu Chien	UCLA Stanford SLSC	Executive Director, Shinih Enterprise Co., Ltd. President, Shinih Enterprise Co., Ltd. Director Of Isolation Material, Shinih Enterprise Co., Ltd.	Shinih Enterprise Co., Ltd. Special Assistant Interbond Co., Ltd. Director	1,400,000
Director	Li Bang Investment Co., Ltd. Representative: Hung-Jung Chang	Master of Software Engineering (MSWE), University of California Irvine	Shinih Enterprise Co., Ltd. Director Shinih Suzhou Plant was built (1992-1997)	President Of USA Area, Shinih Enterprise Co., Ltd. VFT INC. Chairman American Nonwovens Inc. Chairman, American Furniture Alliance Inc. Chairman American Outdoor Living Inc. Chairman S International Inc. Chairman Shinih USA Chairman,	24,075,234
Director	Ying Hung International Co., Ltd. Representative: Chia-Ching Chien	Cal State Fullerton Information Management	Executive Secretary to the President, BNP Paribas Taiwan Executive Secretary to the President, Corporate Finance, Standard Chartered Bank Executive Secretary to the President, Global Markets Department, Ta Chong Commercial Bank Co., Ltd.	The 16th Chairman of Taiwan Nonwoven Fabrics Industry Association Taiwan Kureha Co., Ltd. Chairman Sunfiber (Vietnam) Co., Ltd. Chairman Suntex Textile Vn Co., Ltd. Chairman Kureha (Thailand) Co., Ltd. Director Shinih Enterprise Co., Ltd. Vice President	4,442,311
Director	Bo Young Medical Corporation Representative: Chi-Cheng Chien	Bachelor, Department of Electrical Engineering, Cal State LA, minor in Japanese	Director, SHINIH ENTERPRISE CO., LTD. Shinih Suzhou Plant was built (1992-1996) Rotation at the auxiliary factory in Shinih (1997-2005) Vice Plant Manager, Shinih Hangzhou (2005-2008) Plant Manager, Shinih N.C. Plant (2009-2013) MSNI Plant Manager (2014-2018) Head of IT, ANI (2019 - 2024)	Shinih Enterprise Co., Ltd. Senior Manager of Information Department MS Nonwovens Inc. Chairman World Furniture Group Chairman	3,442,701

Category	Name	Academic background	Experience	Current position	Number of shares held (shares)
Independent Director	Kuang-Wu Lu	Bachelor of Law, College of Law, National Taiwan University	Attorney-at-Law, Yung Cheng Law Firm Lawyer, Louis & Charles Attorneys at Law Manager, Fei Nian International Co., Ltd.	Attorney, Tungli Attorneys-At-Law Consultant, Tungli Attorneys-At-Law	0
Independent Director	Shu-Fen Wang	PhD, Finance, University of Houston	Associate Professor, Department of Information Management and Finance, National Chiao Tung University Department Head of Department of Information and Finance Management, Chiao Tung University Independent Director, Phison Electronics Corp. Supervisor, MICROELECTRONICS TECHNOLOGY INC. Director, Chinese Association of Valuation Hsinchu City CATV Review Committee Member	Independent Director, Original BioMedicals Co., Ltd.	0
Independent Director	Tung-Yao Wu	Department of Industrial Engineering and Systems Management, Feng Chia University	President, YUE SHENG INDUSTRIAL CO., LTD.	None	0

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 NT\$2,000,000,000, divided into 200,000,000 shares of NT\$10 per share, and shall be issued in tranches; unissued shares shall be issued by resolution of the Board of Directors when necessary.
- A total of NT\$50,000,000 for the issuance of 5,000,000 employee stock options is reserved for the total capital referred to in the preceding paragraph. The amount of NT\$10 per share may be issued in installments as resolved by the board of directors.
- Article 6-1: If the Company transfers shares to employees at a price lower than the average repurchase price, or issues employee stock options with an exercise price lower than the closing price of the Company's shares on the date of issuance, such actions shall be approved by a shareholders' meeting attended by shareholders representing more than half of the total outstanding shares, and approved by at least two-thirds of the voting rights of the shareholders present.
- 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. 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 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: When a shareholder is unable to attend a shareholders' meeting for any reason, it shall be governed by the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" and other relevant laws and regulations.

Article 14-2: 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 board and a copy distributed to each shareholder within twenty days after the conclusion 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. 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: If the Company records net profit after tax in the annual final accounts, it shall first pay taxes in accordance with the law and offset accumulated losses. Thereafter, 10% of the remaining profit shall be appropriated as legal reserve; however, this requirement may be waived when the legal reserve has reached the amount of the Company's paid-in capital. Any remaining earnings shall be further set aside or reversed as special reserve in accordance with laws and regulations or the requirements of the competent authority. If there is still a surplus remaining, it shall be combined with accumulated undistributed earnings, and the Board of Directors shall draft a proposal for distribution of earnings, which shall be submitted to the shareholders' meeting for resolution on the distribution of dividends and bonuses to shareholders. 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 17th amendment was made on June 14, 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 has 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.

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 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 , 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 '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 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 chairman'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.

Shinih Enterprise Co., Ltd.
Regulations Governing the Election of Directors and Independent Directors

- Article 1: For the purpose of fair, just and open election of directors, these Regulations are established in accordance with Articles 21 and 41 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies." Except as otherwise provided by law and regulation or by the Company's Articles of Incorporation, elections of directors shall be conducted in accordance with these Regulations.
- Article 1-1: The overall composition of the Board of Directors shall be taken into consideration in the election of directors. All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. The overall ability shall be as follows:
1. Operational judgment.
 2. Accounting and financial analysis capabilities.
 3. Operation and management capabilities.
 4. Crisis management capabilities.
 5. Professional knowledge.
 6. The international market view.
 7. Leadership.
 8. Decision-making capabilities.
- More than half of the directors shall not be a spouse or a relative within the second degree of kinship.
- Article 1-2: Independent directors shall have at least five years of work experience in commerce, finance, law, or other types of work required by the Company. An independent director shall be deemed not to have met any of the independence criteria if he/she has any of the following circumstances:
1. An employee of the Company or a director, supervisor, or employee of any of its affiliates.
 2. Not a director or supervisor of the Company or any of its associates. However, this does not apply to independent directors appointed by the Company or its parent company or subsidiary in accordance with the Act or the laws and regulations of the local country.
 3. The shareholder, spouse, underage child, or person in the name of another person holds, directly or indirectly, 15% or more of the Company's issued shares, or is a top-10 natural-person shareholder by shareholding.
 4. A spouse or a direct relative within the second degree of kinship or a direct blood relative within the third degree of kinship of the persons listed in the preceding three subparagraphs.
 5. A director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the Company's total number of issued shares, or a director, supervisor, or employee of a top-5 corporate shareholder holding shares.
 6. A director, supervisor, managerial officer, or shareholder holding more than 5% of the shares of a specific company or institution that has financial or business dealings with the Company.
 7. Business owners, partners, directors, supervisors, sole proprietorships, partnerships, companies, or institutions that provide financial, accounting, commercial, and legal services or consultations to the Company or its affiliated enterprises. Managers and their spouses. However, this excludes members of the Remuneration Committee who perform their duties in accordance with Article 7 of Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange.
 8. Serving concurrently as an independent director or independent supervisor in more than three companies in total.
- Article 1-3: If the qualifications of the Company's Board of Directors or nominees have complied with the relevant provisions of the Company Act, the Company may provide the recommended list of directors for the next term of office as a reference for the election of directors.
- Article 2: The cumulative election method shall be used for the election of the Company's directors. At the time of election of directors, each share shall have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.
- Article 3: The Directors of the Company shall be elected by the Shareholders' Meeting from the persons who are capable and shall be in accordance with the number of seats set by the Company's Articles of Incorporation. When two or more candidates receive the same number of voting rights and thus exceed the specified number of votes, their candidate shall draw lots to determine if the candidate receives the same number of voting rights. The chair shall draw lots on behalf of the absent candidate.
- If a director is also elected as a director in accordance with the preceding paragraph, he/she shall decide to act as a director at his/her own discretion, or an inspection confirms that the personal information of the director does not meet the requirements or that he/she is unfit according to relevant laws and regulations, the vacancy shall be filled by the candidate with the second majority of the original vote.
- Article 3-1: If the number of directors is less than five due to dismissal of the directors for cause, the Company shall hold by-election at the most recent general meeting. However, if the vacancy in the Board of Directors reaches one-third of the number specified in the Articles of Incorporation, the Company shall convene an extraordinary general meeting for by-election within 60 days from the date of occurrence of the fact.
- If the number of independent directors of the Company falls below the minimum required under the proviso to

Paragraph 1, Article 14-2 of the Securities and Exchange Act, the relevant regulations of the Taiwan Stock Exchange Corporation's Rules Governing the Review of Securities Listings, or Item 8, Paragraph 1, Article 10 of the Taipei Exchange's Specific Criteria for Unfitness for Listing under the Regulations Governing the Review of Securities Traded on the TPEx, a by-election shall be held at the next shareholders' meeting. If all independent directors have been dismissed, the Company shall convene an extraordinary shareholders' meeting within 60 days from the date of the occurrence to hold a by-election.

- Article 4: The board of directors shall prepare the ballots separately for the election of directors. The ballots shall be numbered according to the number of the attendance card, with the number of votes added thereto, and shall be distributed to each shareholder according to the number of ballots to be elected. The number of voting rights entered on each ballot is based on the number of voting rights of each shareholder. The number of voting rights shall be calculated in accordance with the Articles of Incorporation.
- Article 5: Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel.
- Article 6: The balloting trays shall be prepared by the Board of Directors and publicly checked by the vote monitoring personnel before voting commences.
- Article 7: If the candidate is a shareholder, the voter shall indicate the candidate's account name and shareholder account number in the candidate column of the ballot; if the candidate is not a shareholder, the candidate's name and identity shall be indicated Document number. However, when the candidate is a government or institutional shareholder, the name of the government or institution shall be filled in the column for the account name of the candidate. The name of the government or institution and the name of its representative may also be filled in; if there are several representatives, The names of the representatives should be filled in separately.
- Article 8: A ballot is invalid under any of the following circumstances:
1. Ballots not specified in these Regulations are not used.
 2. A blank ballot is thrown into the ballot box.
 3. The writing on the ballot is blurred that cannot be identified.
 4. If the candidate is a shareholder, his/her account name and shareholder account number do not conform with those listed in the shareholder roster; if the candidate is not a shareholder, the name and identity card number are not in conformity.
 5. Other words or marks are entered in addition to the candidate's account title (name) and shareholder account number (identification number).
 6. The name of the candidate whose name is entered on the ballot is identical to that of another shareholder and the shareholder account number or identity document number is not provided for identification.
 7. Two or more candidates are placed on the same ballot.
- Article 9: The ballot will be calculated on the spot after the end of the poll. The chair will announce the results of the elected directors on the spot.
- Article 10: The Board of Directors of the Company will issue a notice of election to the elected directors.
- Article 11: Matters not covered by these Regulations shall be handled in accordance with the Company Act and relevant laws and regulations.
- Article 12: The Regulations shall be implemented after the approval of the shareholders' meeting, and shall be amended in the same manner.

Shareholding of Directors

1. As of April 15, 2025, the total number of shares issued by the Company is 105,908,100 shares.
2. Up to the book closure date of the TOPIX present general shareholders' meeting of the Company, the number of shares held by each individual director and all directors respectively as recorded in the shareholders' roster are described in the following:

Title	Name	Number of Shares
Chairman	Lee Pont Investment Co., Ltd. Representative: Jui-Jui Chien	24,075,234
Director	Lee Pont Investment Co., Ltd. Representative: Chia-Ching Chien	24,075,234
Director	Ying Hung International Co., Ltd. Representative: Jung-Tsai Chien	4,442,311
Director	Xiang Bo International Development Co., Ltd. Representative: Chiu-Chiu Chien	600,000
Independent Director	Kuang-Wu Lu	-
Independent Director	Shu-Fen Wang	-
Independent Director	Tung-Yao Wu	-
Minimum number of shares required to be held by all directors		8,000,000
Number of shares held by all directors		29,117,545

Other Explanatory Items

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

- Explanation: 1. According to Article 172-1 of the Company Act, a shareholder who holds more than 1% of the total number of issued shares may submit a written proposal to the Company for a General Shareholders' Meeting, but only one proposal may be proposed for no more than 300 words (including punctuation marks).
2. The Company accepted the shareholders' proposal applications for this year's shareholders' meeting. The acceptance period was from March 27, 2025 to April 7, 2025, and it was announced on the Market Observation Post System according to laws.
3. The Company did not receive any shareholder proposal during the acceptance period .