

**Stock Code:4999**



# **鑫禾科技股份有限公司**

# **Sinher Technology Inc.**

**Handbook for the 2024 Annual Meeting of Shareholders**

**Meeting date and time: 9 :00 a.m ON June 25, 2024**

**Meeting place: No. 128, Section 1, Datong Road, Xizhi District,  
New Taipei City(Fuji Grand Hotel)**

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# **Sinher Technology Inc.**

## **Procedure for the 2023 Annual Meeting of Shareholders**

**1. Call the Meeting to Order**

**2. Chairperson Remarks**

**3. Reported Matters**

**4. Matters for Ratification**

**5. Director Election**

**6. Matters for Discussion**

**7. Extempore Motions**

**8. Adjournment**

# **Sinher Technology Inc.**

## **The agenda of the shareholders committee meeting in 2024**

Type of Meeting : Physical Meeting

Time: June 25, 2024, at 9:00 a.m.

Place : No. 128, Section 1, Datong Road, Xizhi District, New Taipei City  
(Fuji Grand Hotel)

Call the Meeting to Order

Chairperson Remarks

### **I . Reported Matters :**

1. 2023 Business Report
2. 2023 Audit Committee's Review Report
3. 2023 distribution of remuneration to employees and directors
4. 2023 Cash dividend distribution report
5. Amendment to the "Rules of Procedure for Board of Directors Meeting"

### **II . Matters for Ratification:**

- 1.To accept 2023 Business Report and Financial Statements

### **III . Director Election :**

1. To elect the ninth Directors (including four independent directors)

### **IV. Matters for Discussion:**

1. To release the prohibition on Directors and their representatives from participating in competitive business.

### **V. Extemporary Motions**

### **VI. Adjournment**

# Reported Matters

## 1.2023 Business Reports

Explanation Notes: The 2023 Business Report please refer to P.9-11 , Attachments 1.

## 2.2023 Audit committee's Review Report

Explanation Notes: The 2023 Audit Committee's Review Report please refer to P.12 , Attachments 2.

## 3.2023 distribution of remuneration to employees and directors

Explanation Notes:

- (1)According to the Company's Articles of Incorporation, directors' remuneration allocation was NTD 0 and employees' remuneration allocation was NTD 529,756.
- (2)2023 Employees' and directors' remuneration allocation proposal was approved by the board of directors.

## 4. Report on 2023 Earnings Distribution

Explanation Notes:

- (1)Appropriating NTD 73,617,200 of shareholder dividends as cash dividends, allotment per share was NTD 1, when the Company's number of outstanding common shares varied, the payout ratio was changed hereafter, and authorizing the chairman to discretionarily adjust.
- (2)Cash dividends shall be calculated to dollar, with amounts of less than NTD 1.00 unconditionally rounded down.
- (3)The proposal was approved by a resolution of board of directors, and authorizing the chairman to set the ex-dividend date, the issuance date.

## 5. Amendment to the "Rules of Procedure for Board of Directors Meeting"

Explanation Note:

Amendments to related commercial laws, the company hereby proposes to amend the "Rules of Procedure for Board of Directors Meeting" please refer to P.30-31. Attachments 5.

## **Matters for Ratification**

1.To accept 2023 Business Report and Financial Statements (Proposed by the Board of Directors)

Explanatory Notes :

- (1) 2023 Annual financial statements and consolidated financial statements were made, and audited by the accountants Szu-Chuan Chien and Yiu-Kwan Au of KPMG, and to issue an auditors' report that includes opinions, together with the business report and earnings distribution statements, were audited by the Company's audit committee, and approved by a resolution of board of directors, for your examination.
- (2) 2023 Business report, CPA's audit report and financial statements and earnings distribution statements, please refer to P.9-11 、 P.13-29 (attachment 1/attachment 3/attachment4)

Resolution:

## Director Election

### 1.To elect the ninth Directors (including four independent directors)

#### Explanatory Notes :

- (1) Since the director's term expires on August 23, 2024, he should be re-elected in accordance with the law in conjunction with the convening of the 2024 regular meeting of shareholders.
- (2) The term of the nine new directors (including four independent directors) in this re-election will be from June 25, 2024 to June 24, 2027, with a term of three years. The new directors will be elected at the end of this regular shareholders' meeting. He took office immediately and the original director was dismissed immediately.
- (3) The company held a board meeting on May 9, 2024 to review the qualifications of director candidates. The relevant information is hereby stated as follows:

Title	Name	Education	work experiences	Current position	Shareholding numbers
Director	Ting-Hung Su	National Pei-Kang Agricultural & Industrial vocational High School	Board Chairman, Daher Mold Co.	Board Chairman and President, Sinher Technology Inc. Board Chairman, Daher Mold Co. Legal representative and executive director, Kunshan Wanhe Precision Electronics Co., Ltd. Legal representative and executive director, Chongqing Shuanghe Technology Co., Ltd. Legal representative , SINHER TECHNOLOGY VIETNAM COMPANY LIMITED Legal representative, Million On International Co., Ltd Legal representative, Profit Earn International Co., Ltd Legal representative, Great Info International Co., Ltd. Legal representative, Sinher (HK) Limited Legal representative, Cingher(HK) Limited Legal representative, Top Trading group LTD.	6, 028, 359
	King-Tung Huang	National Taipei University of	Hon Hai Precision Industry RD assistant	Vice-President, Sinher Technology Inc. Vice-President, Kunshan Wanhe Precision Electronics Co., Ltd.	2, 440, 029

		Technology	manager	Legal representative, Kunshen QianQuan	
	Yung-Chang Chiang	National Formosa University Materials Engineering and Science	Formosa Optical RD Manager	Vice-President, Sinher Technology Inc. Vice-President, Kunshan Wanhe Precision Electronics Co., Ltd. Vice-President, Chongqing Shuanghe Technology Co., Ltd.	901, 007
	Han-Pin Cheng	EMBA, National Taipei University of Technology	President, PENDEC ENTERPRISE CO., LTD.	Resident and director, PENDEC ENTERPRISE CO., LTD. Board Chairman, legal representative, and president, PAL ACOUSTICS TECHNOLOGY LTD. Supervisors, AURAS Technology.	1, 988, 456
	San-Lu Su	Lunghwa University of Science and Department Technology	President, Daher Mold Co.	President, Daher Mold Co.	1, 387, 398
Independent Director	Eliza Wang	PhD, University of Leeds, U.K. Business School	Finance Manager, Kuang-Hwa Investment Holding Co., Ltd. Assistant professor, Chien Hsin University of Science and Technology, Department of Finance.	Assistant professor, National Taipei University of Business, College of Business	0
	Yong-Ren Lin	MBA, National Yang Ming Chiao Tung University	Vice-President of supply-chain, Wistron Corp. Vice-President of NB BG, Wistron Corp. President of Computer BG, Acer Inc.		0
	Zhi-Feng Lin	Master of Marketing, University of Westminster Doctor of Business Administration, Macau University of Science and Technology	Purchasing Department Associate Director, Siemens Taiwan President, Sintronic Technology Inc.	Chairman, Ko JA(Cayman)Co., LTD. Chairman, Jia Jing Investment Co., Ltd. Director, Luumii Co Ltd. Director, GODA VIETNAN Director, CODIA INTERNATIONAL (H.K) LIMITED Director, PanVisopn Technology Corp.	0
	Shian-Cheng Liou	National Tsinghua	Senior Manager of Hongzhun Precision		0



		University Department of Industrial Engineering	Co., Ltd. Special Assistant to the Chairman of Yangcheng Technology (Co., Ltd.) Operating Director of Shenzhen Yuanrong Intelligent Manufacturing Co., Ltd.		
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Independent Director Eliza Wang : She has served as an independent director of the company for more than three terms, due to his financial expertise and familiarity with relevant laws and corporate governance expertise.

The experience has obviously helped the company, so we will continue to nominate candidates as independent directors this time to enable them to perform their duties as independent directors.

At this time, he can still use his expertise and provide supervision and advice to the Board of Directors.

(4) The method for the election of directors is detailed in Appendix 3 (please refer to page 51 of this manual).

(5) Please vote.

## Matters for Discussion:

1. To release the prohibition on Directors and their representatives from participating in competitive business.

Explanatory Notes :

(1)According 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 secure its approval.

(2)As business needs, the Company's directors reported to a shareholders' meeting for approving to lift restrictions of non-compete prohibition of new-elected directors without impairing the Company's benefits as follows, for your approval.  
Title Name Concurrent company name Business prohibition of new-elected directors without impairing the Company's benefits as follows, for your approval.

(3)Title Name Concurrent company name Business Position

Name	Current Company Name and Position
Ting-Hung Su	Board Chairman, Daher Mold Co. Legal representative and executive director, Kunshan Wanhe Precision Electronics

	<p>Co., Ltd.</p> <p>Legal representative and executive director, Chongqing Shuanghe Technology Co., Ltd.</p> <p>Legal representative , SINHER TECHNOLOGY VIETNAM COMPANY LIMITED</p> <p>Legal representative, Million On International Co., Ltd</p> <p>Legal representative, Profit Earn International Co., Ltd</p> <p>Legal representative, Great Info International Co., Ltd.</p> <p>Legal representative, Sinher (HK) Limited</p> <p>Legal representative, Cingher(HK) Limited</p> <p>Legal representative, Top Trading group LTD.</p>
King-Tung Huang	<p>Vice-President, Kunshan Wanhe Precision Electronics Co., Ltd.</p> <p>Legal representative, Kunshen QianQuan</p>
Yung-Chang Chiang	<p>Vice-President, Kunshan Wanhe Precision Electronics Co., Ltd.</p> <p>Vice-President, Chongqing Shuanghe Technology Co., Ltd.</p>

Resolution:

## Extemporary Motions

## Adjournment

## Sinher Technology Inc.

### Business Report of 2023

First of all, on behalf of the Sinher Technology management team, I would like to thank all shareholders for their support of the company.

In the turbulent global situation, 2023 is still a very unstable year. The wars from Europe to the Middle East cannot be stopped, the pressure to raise interest rates and inventories has not yet completely eased, the recovery momentum of the global economic market is still fragile, and high inflationary pressures continue to exist. Although we have experienced a difficult year, we have also seen new prospects. Breakthrough developments in the application of AI have given us a sense of future opportunities.

According to information from Electronic Times, global notebook computer (excluding detachable models) shipments in 2023 were 166 million units, a total decline of approximately 10.8% from 187 million units in 2022. As inventory pressure slowly eases, the overall market is expected to gradually return to a normal supply and demand cycle next year. With the trend of AI PCs, it is expected that future replacement demand will promote the recovery of the laptop market.

The business results for 2023 and the business plan for 2024 are summarized below.

#### 1. Business Performance of 2023

##### (1). Operational and Financial Performance

The consolidated revenue in 2023 was NT\$1,908,535 thousand, a decrease of 15.39% compared with NT\$2,255,701 thousand in 2022; the net profit after tax was NT\$3,813 thousand, a decrease of 98.14% over NT\$205,462 thousand in 2022. The consolidated gross margin 2023 was 16%, while the net profit margin for the current period was 0.2%, and the basic earnings per share after tax is NT\$0.05.

##### (2). Research and Development Progress

Sinher Technology has continued to promote all-round automation transformation for 2023 years, bravely trying new process technologies in all aspects, and fully cooperating with suppliers and business partners to achieve the set goals and attempt to create greater production capacity and stable

quality.

In terms of expanding the operating territory, we plan and strategically invest in the layout, redefine various product lines, and coordinate with diversified business development. Adjust the operating model from a macro and long-term perspective, cater to more diverse and different market demands, and develop new businesses that are different from the past.

Innovative research and development has further developed, and it has considerable mass production experience in folding shafts, and continues to work hard and expand on various brands. At the same time, Sinher continuously improves and optimizes its process capabilities and effectively controls costs to cope with the needs of the popular market and maintain competitiveness.

## 2. Abstract of 2024 Business Plan

### (1) Operation Strategy

- A. High-efficiency and precise management policies to effectively control costs and stabilize quality
- B. Introduction of advanced automation equipment to improve quality and reduce manpower requirements
- C. Development plans for MIM, lathes, stamping and CNC parts and components to expand the company's territory
- D. Deeply cultivate strategic partnerships with suppliers and customers to strengthen service and quality

### (2) Important Production and Marketing Policy

- A. Actively enhance R&D innovation energy and create high value-added products
- B. Cooperate with customers' global layout and develop new business locations
- C. Grasp market trends and develop potential products and customers

### (3) Impacts from External Competitive, Legal, and Overall Business Environment

- A. In the face of more external competition, continue to strengthen product value and enhance core competitiveness, solidify the foundation and develop potential markets
- B. Combine the concept of corporate social responsibility with core capabilities and implement ESG to create sustainable development
- C. In response to changes and challenges in the environment, Xinhe has always been based on a solid operating foundation, breaking through the siege

and achieving great results, and will adhere to its consistent philosophy to usher in higher growth opportunities.

### 3. The company's future operating prospects and goals.

Looking forward to 2023, TrendForce expects that the demand for laptops will improve quarter by quarter, and the global laptop market will show moderate growth, with an annual shipment growth rate of approximately 3.6%. The International Monetary Fund (IMF) released a global economic outlook report, predicting a global economic growth rate of 3.1%.

It is foreseeable that the demand for automation will continue to grow. Sinher Technology's long-term investment in R&D, vertical integration and global marketing layout has given us long-term competitive advantages. We will continue to innovate and create more added value for our customers.

Sinher Technology is a sustainable enterprise that continuously cultivates competitiveness in the face of the environment, R&D innovation capabilities and marketing capabilities. Based on the new shaft technology, combined with automation and innovative processes, we are committed to finding the product development needed to find new market trends.

Here, I would like to express my deepest gratitude to all shareholders for their support. We must maintain the best interests of all shareholders as our purpose. All colleagues of Sinher will work harder to create a new situation. We would like to thank all shareholders for their long-term support and love.

Board Chairman: Ting-Hung Su      Manager: Ting-Hung Su      Accountant: Chen-Jung Chen

## **Sinher Technology Inc.**

### **Audit Committee's Review Report**

Date: Mar 7, 2024

The Board of Directors has prepared the Sinher Technology Inc.'s ("the Company") 2023 Financial Statements, Business Report, and proposal for earning distribution. The CPA Szu-Chuan Chien and Yiu-Kwan Au from KPMG were retained to audit the Company's financial statements and have issued an audit report relating to the financial statements. The above Financial Statements, Business Report, and proposal for earning distribution have been examined and determined to be correct and accurate by the Audit Committee members of Sinher Technology Inc. According to Article 14-4 of Securities and Exchange Act and relevant requirement of the Company Law, we hereby submit this report.

Sinher Technology Inc.

Chairman of the Audit Committee: Ms. Eliza Wang

### **Representation Letter**

The entities that are required to be included in the combined financial statements of SINHER TECHNOLOGY INC. as of and for the year ended December 31, 2023 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 endorsed by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, SINHER TECHNOLOGY INC. and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: SINHER TECHNOLOGY INC.

Chairman: Ting-Hung Su

Date: March 7, 2024

## Independent Auditors' Report

To the Board of Directors of SINHER TECHNOLOGY INC.:

### Opinion

We have audited the consolidated financial statements of SINHER TECHNOLOGY INC. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and 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 at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### Basis for Opinion

We conducted our audit in accordance with the "Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants" and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of 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 of the current period. 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. In our judgment, the key audit matters to that should communicate in the audit report are as follows:

#### 1. Valuation of Inventories

Please refer to note (4)(h) "Inventories" for accounting policies with respect to valuating inventories; note (5) "Valuation of inventories" for accounting estimates and uncertainties of affairs for inventory valuation; and to note (6)(c) for the information regarding the estimation of net realizable value of inventories.

Description of key audit matter:

The inventory is measured at the lower of cost or net realizable value. The Group produces the electronic products which are customized with short life cycle; therefore, if the quantities of products manufactured are more than the quantities of customers' order, the book value of inventory may be lower than net realizable value of inventories. Therefore, the valuation of inventories is one of the significant assessment items in our audit procedures.

How the matter was addressed in our audit:

Our main audit procedures for the aforementioned key audit matter included: assessing whether the policies for the inventory valuation of the Group are in accordance with the related accounting standards; inspecting the aging inventory reports; analyzing the changes in the aging reports, as well as testing the classification of the range of the aging and the calculation at the lower of cost or net realizable value.



## 2. Operating Revenue

Please refer to note (4)(o) "revenue recognition" for the accounting policies of operating revenue recognition (including revenue recognition of external warehouse).

Description of key audit matter:

The main activities of the Group include researching-developing, manufacturing and selling the parts of hinge. The operating revenue is a significant item for the consolidated financial statements, and the amounts and the changes of operating revenue may affect the users' understanding of the entire financial statements. Therefore, the test of revenue recognition is one of the significant assessment items in our audit procedures.

How the matter was addressed in our audit:

Our main audit procedures for the aforementioned key audit matter included: testing the related controls surrounding revenue recognition in the sales and collection cycle and financial reporting; performing the detailed test of sales; as well as selectively conducting confirmations on accounts receivables and revenue recognition of external warehouse; evaluating whether the timing of the operating revenue recognition of the Group is in accordance with the related accounting standards.

### **Other Matter**

Sinher Technology Inc. has additionally prepared its parent company only financial statements as of and for the year's ended December 31, 2023 and 2022, on which we have issued an unmodified opinion.

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

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with 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 of the current period 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 Szu-Chuan Chien and Yiu-Kwan Au.

KPMG

Taipei, Taiwan (Republic of China)

March 7, 2024

#### **Notes to Readers**

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance, and cash flows in accordance with the 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 accepted and applied in the Republic of China.

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

**Consolidated Balance Sheets**  
**December 31, 2023 and 2022**  
**(Expressed in thousands of New Taiwan Dollars)**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

**SINHER TECHNOLOGY INC. AND SUBSIDIARIES**

**Consolidated Statements of Comprehensive Income**

**For the years ended December 31, 2023 and 2022**

**(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)**

		<b>2023</b>		<b>2022</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4100	<b>Operating revenues</b> (notes (6)(q))	\$ 1,908,535	100	2,255,701	100
5110	<b>Cost of sales</b> (notes (6)(c), (6)(m), (6)(r), (7) and (12))	1,595,435	84	1,806,425	80
5900	<b>Gross profit</b>	313,100	16	449,276	20
	<b>Operating expenses</b> (notes (6)(b), (6)(m), (6)(r), (7) and (12))				
6100	Selling expenses	100,186	5	118,087	6
6200	Administrative expenses	145,379	7	140,090	6
6300	Research and development expenses	90,167	5	91,581	4
		335,732	17	349,758	16
6900	<b>Net operating income (loss)</b>	(22,632)	(1)	99,518	4
	<b>Non-operating income and expenses:</b>				
7100	Interest income	35,423	2	14,050	-
7190	Other income	14,811	1	10,036	-
7110	Rental income (notes (6)(l))	13,292	-	14,296	1
7230	Foreign exchange gain (losses), net (note (6)(s))	25,451	1	151,611	7
7050	Finance costs	(5,382)	-	(3,843)	-
7060	Shares of loss of associates and joint ventures accounted for using equity method(note (6)(d))	(14,192)	(1)	(5,101)	-
7590	Miscellaneous disbursements	(5,762)	-	(1,342)	-
7670	Impairment loss (notes (6)(d))	(9,358)	-	-	-
		54,283	3	179,707	8
7900	<b>Profit before tax</b>	31,651	2	279,225	12
7950	Less: Tax expenses (note (6)(n))	27,838	2	73,763	3
	<b>Profit</b>	3,813	-	205,462	9
8300	<b>Other comprehensive income:</b>				
8310	<b>Items that will not be reclassified subsequently to profit or loss:</b>				
8311	Gains (losses) on re-measurements of defined benefit plans (notes (6)(m))	(23)	-	524	-
8349	Income tax related to components of other comprehensive income that will not be reclassified subsequently to profit or loss (notes (6)(n))	(5)	-	105	-
	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>	(18)	-	419	-
8360	<b>Items that will be reclassified subsequently to profit or loss:</b>				
8361	Exchange differences on translation	(23,611)	(1)	19,493	1
8399	Income tax related to components of other comprehensive income that will be reclassified subsequently to profit or loss (notes (6)(n))	(4,722)	-	3,899	-
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>	(18,889)	(1)	15,594	1
8300	<b>Other comprehensive income</b>	(18,907)	(1)	16,013	1
8500	<b>Comprehensive income</b>	<u>\$ (15,094)</u>	<u>(1)</u>	<u>221,475</u>	<u>10</u>
	<b>Earnings per common share</b> (note (6)(p))				
9750	<b>Basic earnings per share</b> (expressed in dollars)	<u>\$ 0.05</u>		<u>2.77</u>	
9850	<b>Diluted earnings per share</b> (expressed in dollars)	<u>\$ 0.05</u>		<u>2.75</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

**SINHER TECHNOLOGY INC. AND SUBSIDIARIES**

**Consolidated Statements of Changes in Equity**

**For the years ended December 31, 2023 and 2022**

**(Expressed in Thousands of New Taiwan Dollars)**

		Retained earnings				Exchange differences on translation of foreign financial statements	Treasury shares	Total equity
		Ordinary shares	Capital surplus	Legal reserve	Special reserve	Ordinary shares		
<b>A1</b>	<b>Balance at January 1, 2022</b>	\$ 744,172	440,035	465,592	35,579	1,848,483	(42,710)	3,491,151
Appropriation and distribution of retained earnings:								
B1	Legal reserve appropriated	-	-	18,219	-	(18,219)	-	-
B3	Special reserve appropriated	-	-	-	7,131	(7,131)	-	-
B5	Cash dividends of ordinary share	-	-	-	-	(148,834)	-	(148,834)
		-	-	18,219	7,131	(174,184)	-	(148,834)
D1	Profit for the year ended December 31, 2022	-	-	-	-	205,462	-	205,462
D3	Other comprehensive income for the year ended December 31, 2022	-	-	-	-	419	15,594	16,013
D5	Total comprehensive income for the year ended December 31, 2022	-	-	-	-	205,881	15,594	221,475
L1	Purchase of treasury shares	-	-	-	-	-	(31,100)	(31,100)
<b>Z1</b>	<b>Balance at December 31, 2022</b>	744,172	440,035	483,811	42,710	1,880,180	(27,116)	3,532,692
Appropriation and distribution of retained earnings:								
B1	Legal reserve appropriated	-	-	20,588	-	(20,588)	-	-
B5	Cash dividends of ordinary share	-	-	-	-	(128,830)	-	(128,830)
B17	Reversal of special reserve	-	-	-	(15,594)	15,594	-	-
		-	-	20,588	(15,594)	(133,824)	-	(128,830)
D1	Profit for the year ended December 31, 2023	-	-	-	-	3,813	-	3,813
D3	Other comprehensive income for the year ended December 31, 2023	-	-	-	-	(18)	(18,889)	(18,907)
D5	Total comprehensive income for the year ended December 31, 2023	-	-	-	-	3,795	(18,889)	(15,094)
<b>Z1</b>	<b>Balance at December 31, 2023</b>	<u>\$ 744,172</u>	<u>440,035</u>	<u>504,399</u>	<u>27,116</u>	<u>1,750,151</u>	<u>(46,005)</u>	<u>3,388,768</u>

See accompanying notes to consolidated financial statements.

## (English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

## SINHER TECHNOLOGY INC. AND SUBSIDIARIES

## Consolidated Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

		2023	2022
AAAA	<b>Cash flows from (used in) operating activities:</b>		
A10000	<b>Profit before tax</b>	\$ 31,651	279,225
A20000	<b>Adjustments:</b>		
A20010	<b>Adjustments to reconcile profit (loss):</b>		
A20100	Depreciation expense	134,739	160,291
A20200	Amortization expense	5,383	5,315
A20300	Expected credit loss	351	(440)
A20900	Interest expense	5,382	3,843
A21200	Interest income	(35,423)	(14,050)
A22300	Shares of loss of associates and joint ventures accounted for using equity method	14,192	5,101
A23700	Impairment loss on assets	9,358	-
A29900	Others	(84)	2,916
A20010	<b>Total adjustments to reconcile profit (loss)</b>	133,898	162,976
A30000	<b>Changes in operating assets and liabilities:</b>		
A31000	<b>Changes in operating assets:</b>		
A31150	Decrease in notes receivable and accounts receivable	80,700	384,879
A31200	Decrease in inventories	49,294	109,935
A31240	Decrease (increase) in other current assets	3,022	(1,330)
A31250	Decrease (increase) in other current financial assets	(3,792)	6,657
A31990	Others	(171)	(157)
A31000	<b>Total changes in operating assets</b>	129,053	499,984
A32000	<b>Changes in operating liabilities:</b>		
A32150	Increase (decrease) in accounts payable	25,574	(66,691)
A32180	Decrease in other payables	(59,649)	(19,184)
A32230	Decrease in other current liabilities	-	(3,478)
A32000	<b>Total changes in operating liabilities</b>	(34,075)	(89,353)
A30000	<b>Total changes in operating assets and liabilities</b>	94,978	410,631
A20000	<b>Total adjustments</b>	228,876	573,607
A33000	Cash inflow generated from operations	260,527	852,832
A33100	Interest received	36,060	9,908
A33300	Interest paid	(4,916)	(3,843)
A33500	Income taxes paid	(65,285)	(27,813)
AAAA	<b>Net cash flows from (used in) operating activities</b>	226,386	831,084
BBBB	<b>Cash flows from (used in) investing activities:</b>		
B01800	Acquisition of investments accounted for using equity method	-	(43,434)
B02700	Acquisition of property, plant and equipment	(140,743)	(44,243)
B02800	Proceeds from disposal of property, plant and equipment	1,005	220
B03700	Increase in guarantee deposits paid	(2,022)	(208)
B04500	Acquisition of intangible assets	(3,010)	(2,675)
B05350	Acquisition of right-of-use assets	(26,114)	-
B05400	Acquisition of investment properties	-	(170)
B06500	Increase in other non-current financial assets	-	33,164
B06700	Increase in other non-current assets	(30,000)	(33,625)
BBBB	<b>Net cash flows from (used in) investing activities</b>	(200,884)	(90,971)
CCCC	<b>Cash flows from (used in) financing activities:</b>		
C00100	Increase in short-term borrowings	116,478	187,391
C00200	Decrease in short-term borrowings	(164,336)	(294,461)
C01600	Proceeds from long-term borrowings	57,140	-
C01700	Repayments of long-term borrowings	(4,395)	-
C03100	Increase in guarantee deposits received	(23)	18
C04020	Payment of lease liabilities	(254)	(510)
C04500	Cash dividends paid	(128,830)	(148,834)
C04900	Payments to acquire treasury shares	-	(31,100)
CCCC	<b>Net cash flows from (used in) financing activities</b>	(124,220)	(287,496)
DDDD	<b>Effect of exchange rate changes on cash and cash equivalents</b>	(15,092)	35,861
EEEE	<b>Net increase (decrease) in cash and cash equivalents</b>	(113,810)	488,478
E00100	<b>Cash and cash equivalents at beginning of period</b>	1,847,969	1,359,491
E00200	<b>Cash and cash equivalents at end of period</b>	\$ 1,734,159	1,847,969

See accompanying notes to consolidated financial statements.

## **Independent Auditors' Report**

To the Board of Directors of SINHER TECHNOLOGY INC.:

### **Opinion**

We have audited the financial statements of SINHER TECHNOLOGY INC. ("the Company"), which comprise the balance sheets as of December 31, 2023 and 2022, and the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis for Opinion**

We conducted our audit in accordance with the "Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants" and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our judgment, the key audit matters that should be communicated in the audit report are as follows:

#### **1. Valuation of Inventories**

Please refer to note (4)(g) "Inventories" for accounting policies with respect to valuating inventories; note (5) "Valuation of inventories" for accounting estimates and uncertainties of affairs for inventory valuation; and to note (6)(c) for the information regarding the estimation of net realizable value of inventories.

Description of key audit matter:

The inventory is measured at the lower of cost or net realizable value. The Company produces the electronic products which are customized with short life cycle; therefore, if the quantities of products manufactured are more than the quantities of customers' order, the book value of inventory may be lower than net realizable value of inventories. Therefore, the valuation of inventories is one of the significant assessment items in our audit procedures.

How the matter was addressed in our audit:

### **Notes 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 the 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 parent company only financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and parent company only financial statements, the Chinese version shall prevail.

Our main audit procedures for the aforementioned key audit matter included: assessing whether the policies for the inventory valuation of the Company are in accordance with the related accounting standards; inspecting the aging inventory reports; analyzing the changes in the aging reports, as well as testing the classification of the range of the aging and the calculation at the lower of cost or net realizable value.

## 2. Operating Revenue and investment accounted for using equity method-operation revenue from subsidiaries

Please refer to note (4)(m) "revenue recognition" of the consolidated financial statements for the accounting policies of operating revenue recognition.

Description of key audit matter:

The main activities of the Company and subsidiaries include researching-developing, manufacturing and selling the parts of hinge. The operating revenue is a significant item for the financial statements, and the amounts and the changes of operating revenue may affect the users' understanding of the entire financial statements. Therefore, the test of revenue recognition that follows by related regulations is one of the significant assessment items in our audit procedures.

How the matter was addressed in our audit:

Our main audit procedures for the aforementioned key audit matter included: testing both the Company and subsidiaries related controls surrounding revenue recognition in the sales and collection cycle and financial statements reporting; performing the detailed test of sales; as well as selectively conducting confirmations on accounts receivables; evaluating whether the timing of the operating revenue recognition of the Company and subsidiaries are in accordance with the related accounting standards.

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

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### **Notes to Readers**

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As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 1 、 Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 2 、 Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- 3 、 Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 4 、 Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 5 、 Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 6 、 Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on these financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period 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.

#### **Notes to Readers**

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The engagement partners on the audit resulting in this independent auditors' report are Szu-Chuan Chien and Yiu-Kwan Au.

KPMG

Taipei, Taiwan (Republic of China)

March 7, 2024

#### **Notes 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 the 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 parent company only financial statements are those generally accepted and applied in the Republic of China.

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(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

**SINHER TECHNOLOGY INC.**

**Balance Sheets**

**December 31, 2023 and 2022**

**(Expressed in thousands of New Taiwan Dollars)**

		December 31, 2023		December 31, 2022				December 31, 2023		December 31, 2022	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note (6)(a))	\$ 1,296,606	36	1,488,493	39	2170	Accounts payable	\$ 10,133	-	8,959	-
1170	Notes receivable and Accounts receivable, net (note (6)(b))	47,610	1	41,980	1	2180	Accounts payable to related parties (note (7))	29,700	1	47,435	1
1180	Accounts receivable due from related parties (notes (6)(b) and (7))	173,986	5	213,330	5	2200	Other payables (note (7))	72,703	2	113,263	3
1210	Other receivables due from related parties (note (7))	6,794	-	2,000	-	2130	Current contract liabilities ( notes (6)(n) and (7))	17,140	-	31,060	1
1310	Inventories (note (6)(c))	165,725	5	188,285	5	2230	Current tax liabilities	22,484	1	32,715	1
1476	Other current financial assets	5,303	-	5,933	-	2280	Current lease liabilities (note (6)(i))	256	-	255	-
1479	Other current assets	4,734	-	4,263	-			152,416	4	233,687	6
		1,700,758	47	1,944,284	50						
Non-current assets:						2570	Deferred tax liabilities (note (6)(k))	65,487	2	89,559	2
1550	Investments accounted for using equity method (note (6)(d))	1,208,352	34	1,127,522	30	2580	Non-current lease liabilities (note (6)(i))	1,755	-	2,010	-
1600	Property, plant and equipment (note(6)(e))	610,537	17	693,322	18			67,242	2	91,569	2
1755	Right-of-use assets (note (6)(f))	2,002	-	2,260	-		Total liabilities	219,658	6	325,256	8
1840	Deferred tax assets (note (6)(k))	45,187	1	44,188	1		Equity: (note (6)(l))				
1920	Guarantee deposits paid	5,456	-	5,456	-	3110	Ordinary share	744,172	21	744,172	19
1900	Other non-current assets (notes (6)(g) and (6)(j))	36,134	1	40,916	1	3200	Capital surplus	440,035	12	440,035	12
		1,907,668	53	1,913,664	50		Retained earnings:				
						3310	Legal reserve	504,399	14	483,811	13
						3320	Special reserve	27,116	1	42,710	1
						3350	Unappropriated retained earnings	1,750,151	48	1,880,180	49
								2,281,666	63	2,406,701	63
						3410	Exchange differences on translation of foreign financial statements	(46,005)	(1)	(27,116)	(1)
						3500	Treasury shares	(31,100)	(1)	(31,100)	(1)
							Total equity	3,388,768	94	3,532,692	92
Total assets		\$ 3,608,426	100	3,857,948	100		Total liabilities and equity	\$ 3,608,426	100	3,857,948	100

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese.)  
**SINHER TECHNOLOGY INC.**

**Statements of Comprehensive Income**

**For the years ended December 31, 2023 and 2022**

**(Expressed in thousands of New Taiwan Dollars , Except for Earnings Per Share)**

		<b>2023</b>		<b>2022</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4100	<b>Operating revenues</b> (notes (6)(n) and (7))	\$ 720,719	100	795,301	100
5110	<b>Cost of sales</b> (notes (6)(c), (6)(j), (6)(o), (7) and (12))	484,361	67	543,340	68
5900	<b>Gross profit</b>	236,358	33	251,961	32
	<b>Operating expenses</b> (notes (6)(j), (6)(o), (7) and (12))				
6100	Selling expenses	34,528	5	48,241	6
6200	Administrative expenses	70,265	10	75,793	10
6300	Research and development expenses	58,730	8	63,245	8
		163,523	23	187,279	24
6900	<b>Net operating income</b>	72,835	10	64,682	8
	<b>Non-operating income and expenses:</b>				
7100	Interest income	32,265	4	12,210	2
7190	Other income	1,143	-	853	-
7110	Rental income	132	-	135	-
7070	Share of profit (loss) of associates and joint ventures accounted for using equity method	(112,636)	(15)	42,634	5
7050	Finance costs	(8)	-	(11)	-
7230	Foreign exchange gain (losses), net (note (6)(p))	15,438	2	130,375	17
7590	Miscellaneous disbursements	(154)	-	(43)	-
		(63,820)	(9)	186,153	24
7900	<b>Profit before tax</b>	9,015	1	250,835	32
7950	Less: Tax expenses (note (6)(k))	5,202	1	45,373	6
	<b>Profit</b>	3,813	-	205,462	26
8300	<b>Other comprehensive income:</b>				
8310	<b>Items that will not be reclassified subsequently to profit or loss:</b>				
8311	Gains (losses) on re-measurements of defined benefit plans (notes (6)(j))	(23)	-	524	-
8349	Income tax related to components of other comprehensive income that will not be reclassified subsequently to profit or loss (notes (6)(k))	(5)	-	105	-
	Components of other comprehensive income that will not be reclassified to profit or loss	(18)	-	419	-
8360	<b>Items that will be reclassified subsequently to profit or loss:</b>				
8361	Exchange differences on translation	(23,611)	(3)	19,493	2
8399	Income tax related to components of other comprehensive income that will be reclassified subsequently to profit or loss (notes (6)(k))	(4,722)	(1)	3,899	-
	Components of other comprehensive income that will be reclassified to profit or loss	(18,889)	(2)	15,594	2
8300	<b>Other comprehensive income</b>	(18,907)	(2)	16,013	2
8500	<b>Comprehensive income</b>	\$ (15,094)	(2)	221,475	28
	<b>Earnings per common share</b> (note (6)(m))				
9750	<b>Basic earnings per share</b> (expressed in dollars)	\$ 0.05		2.77	
9850	<b>Diluted earnings per share</b> (expressed in dollars)	\$ 0.05		2.75	

See accompanying notes to financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese.)

**SINHER TECHNOLOGY INC.**

**Statements of Changes in Equity**

**For the years ended December 31, 2023 and 2022**

**(Expressed in thousands of New Taiwan Dollars)**

	Ordinary shares	Capital surplus	Retained earnings		Exchange differences on translation of foreign financial statements	Treasury shares	Total equity
			Legal reserve	Special reserve			
<b>A1 Balance at January 1, 2022</b>	<u>\$ 744,172</u>	<u>440,035</u>	<u>465,592</u>	<u>35,579</u>	<u>1,848,483</u>	<u>(42,710)</u>	<u>3,491,151</u>
Appropriation and distribution of retained earnings:							
B1 Legal reserve appropriated	-	-	18,219	-	(18,219)	-	-
B3 Special reserve appropriated	-	-	-	7,131	(7,131)	-	-
B5 Cash dividends of ordinary share	-	-	-	-	(148,834)	-	(148,834)
	-	-	18,219	7,131	(174,184)	-	(148,834)
D1 Profit for the year ended December 31, 2022	-	-	-	-	205,462	-	205,462
D3 Other comprehensive income for the year ended December 31, 2022	-	-	-	-	419	15,594	16,013
D5 Total comprehensive income for the year ended December 31, 2022	-	-	-	-	205,881	15,594	221,475
L1 Purchase of treasury shares	-	-	-	-	-	(31,100)	(31,100)
<b>Z1 Balance at December 31, 2022</b>	<u>744,172</u>	<u>440,035</u>	<u>483,811</u>	<u>42,710</u>	<u>1,880,180</u>	<u>(27,116)</u>	<u>3,532,692</u>
Appropriation and distribution of retained earnings:							
B1 Legal reserve appropriated	-	-	20,588	-	(20,588)	-	-
B5 Cash dividends of ordinary share	-	-	-	-	(128,830)	-	(128,830)
B17 Reversal of special reserve	-	-	-	(15,594)	15,594	-	-
	-	-	20,588	(15,594)	(133,824)	-	(128,830)
D1 Profit for the year ended December 31, 2023	-	-	-	-	3,813	-	3,813
D3 Other comprehensive income for the year ended December 31, 2023	-	-	-	-	(18)	(18,889)	(18,907)
D5 Total comprehensive income for the year ended December 31, 2023	-	-	-	-	3,795	(18,889)	(15,094)
<b>Z1 Balance at December 31, 2023</b>	<u><u>\$ 744,172</u></u>	<u><u>440,035</u></u>	<u><u>504,399</u></u>	<u><u>27,116</u></u>	<u><u>1,750,151</u></u>	<u><u>(46,005)</u></u>	<u><u>3,388,768</u></u>

See accompanying notes to financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese.)

**SINHER TECHNOLOGY INC.**

**Statements of Cash Flows**

**For the years ended December 31, 2023 and 2022**

**(Expressed in thousands of New Taiwan Dollars)**

		<u>2023</u>	<u>2022</u>
AAAA	<b>Cash flows from (used in) operating activities:</b>		
A10000	<b>Profit before tax</b>	\$ 9,015	250,835
A20000	<b>Adjustments:</b>		
A20010	<b>Adjustments to reconcile profit (loss):</b>		
A20100	Depreciation expense	88,113	116,445
A20200	Amortization expense	4,078	4,060
A20300	Expected credit impairment loss (or reversed)	27	(7)
A20900	Interest expense	8	11
A21200	Interest income	(32,265)	(12,210)
A22400	Share of loss (gain) of associates and joint ventures accounted for using equity method	112,636	(42,634)
A29900	Others	15	(48)
A20010	<b>Total adjustments to reconcile profit (loss)</b>	172,612	65,617
A30000	<b>Changes in operating assets and liabilities:</b>		
A31000	<b>Changes in operating assets:</b>		
A31150	Decrease in notes and accounts receivable	33,687	286,991
A31190	Decrease (increase) in other receivables from related parties	(4,794)	12,852
A31200	Decrease in inventories	22,560	30,301
A31240	Decrease in other current assets	446	161
A31250	Decrease (increase) in other current financial assets	(7)	2,626
A31990	Others	(171)	(157)
A31000	<b>Total changes in operating assets</b>	51,721	332,774
A32000	<b>Changes in operating liabilities:</b>		
A32125	Increase (decrease) in contract liabilities	(13,920)	31,060
A32150	Decrease in accounts payable	(16,561)	(2,966)
A32180	Decrease in other payables	(40,560)	(9,496)
A32000	<b>Total changes in operating liabilities</b>	(71,041)	18,598
A30000	<b>Total changes in operating assets and liabilities</b>	(19,320)	351,372
A20000	<b>Total adjustments</b>	153,292	416,989
A33000	Cash inflow generated from operations	162,307	667,824
A33100	Interest received	32,902	8,068
A33300	Interest paid	(8)	(11)
A33500	Income taxes paid	(36,694)	(3,404)
AAAA	<b>Net cash flows from (used in) operating activities</b>	158,507	672,477
BBBB	<b>Cash flows from (used in) investing activities:</b>		
B01800	Acquisition investments accounted for using equity method	(183,452)	-
B02700	Acquisition of property, plant and equipment	(5,135)	(24,952)
B02800	Proceeds from disposal of property, plant and equipment	50	181
B03700	Increase in guarantee deposits paid	-	(66)
B04500	Acquisition of intangible assets	(2,773)	(1,053)
B06700	Increase in other non-current assets	(30,000)	(33,625)
BBBB	<b>Net cash flows from (used in) investing activities</b>	(221,310)	(59,515)
CCCC	<b>Cash flows from (used in) financing activities:</b>		
C04020	Payment of lease liabilities	(254)	(510)
C04500	Cash dividends paid	(128,830)	(148,834)
C04900	Payments to acquire treasury shares	-	(31,100)
CCCC	<b>Net cash flows from (used in) financing activities</b>	(129,084)	(180,444)
EEEE	<b>Net increase (decrease) in cash and cash equivalents</b>	(191,887)	432,518
E00100	<b>Cash and cash equivalents at beginning of period</b>	1,488,493	1,055,975
E00200	<b>Cash and cash equivalents at end of period</b>	<u>\$ 1,296,606</u>	<u>1,488,493</u>

See accompanying notes to financial statements.

**Sinher Technology Inc.****2023 Earnings Distribution Statement**

Item	Amount Unit: NT\$
Undistributed earnings at the beginning of the period	1,746,355,827
Measure on defined benefit plans	(18,394)
Adjusted opening amount of undistributed earnings	1,746,337,433
Add: After-tax net profit of the current year	3,813,802
Subtract: Provision for statutory reserve (10%)	(379,541)
Subtract: Provision for special reserve	(18,888,951)
Distributable earnings of the period	1,730,882,743
Items for distribution:	
Dividends to shareholders -- cash -- earnings@1	( 73,617,200)
Undistributed earnings at the end of the period	1,657,265,543

Chairman: Ting-Hung Su      CEO: Ting-Hung Su

Head of accounting: Chen-Jung Chen

**Table Comparing the Original and the Amended Articles of the” Rules of Procedure for Board of Directors Meeting**

Article No.	Content of Article before Amendment	Content of Article after Amendment	Explanation
Article 8	<p>(Reference materials, non-voting participants, and holding board meetings)</p> <p>When a board meeting is held, each department shall furnish the attending directors with relevant materials for ready reference.</p> <p>During the board meeting, the manager of the relevant department who is not a director shall attend the meeting to report on the current business of this Corporation and answer questions from the directors, so as to help the directors understand the current situation of the Company and make appropriate resolutions. Certified public accountants, attorneys, or other professionals retained by this Corporation may also be invited to attend the meeting as non-voting participants and to provide expert advice for directors' reference, provided that they shall leave the meeting when deliberation or voting takes place.</p> <p>The chair shall call the board meeting to order at the appointed meeting time and when more than one-half of all the directors are in attendance.</p> <p>If one-half of all the directors are not in attendance at the appointed meeting time, the chair may announce postponement of the meeting time, provided that no more than two such postponements may be made.</p> <p>If the quorum is still not met after two postponements, the chair shall reconvene the meeting in accordance with the procedures in Article 3.</p> <p>The number of "all directors," as used in the</p>	<p>(Reference materials, non-voting participants, and holding board meetings)</p> <p>When a board meeting is held, each department shall furnish the attending directors with relevant materials for ready reference.</p> <p>During the board meeting, the manager of the relevant department who is not a director shall attend the meeting to report on the current business of this Corporation and answer questions from the directors, so as to help the directors understand the current situation of the Company and make appropriate resolutions. Certified public accountants, attorneys, or other professionals retained by this Corporation may also be invited to attend the meeting as non-voting participants and to provide expert advice for directors' reference, provided that they shall leave the meeting when deliberation or voting takes place.</p> <p>The chair shall call the board meeting to order at the appointed meeting time and when more than one-half of all the directors are in attendance.</p> <p>If one-half of all the directors are not in attendance at the appointed meeting time, the chair may announce postponement of the meeting time <u>on the same day</u>, provided that no more than two such postponements may be made. If the quorum is still not met after two postponements, the chair shall reconvene the meeting in accordance with the procedures in Article 3.</p> <p>The number of "all directors," as used in the</p>	<p>In order to avoid disputes caused by the undetermined extended meeting time of the board of directors, if the number of attendees is insufficient, the chairman may announce that the postponement of the meeting will be limited to that day.</p>



	preceding paragraph, shall be counted as the number of directors then actually in office.	preceding paragraph, shall be counted as the number of directors then actually in office.	
Article 11	<p>(Discussion of proposals)</p> <p>A board meeting shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the board meeting.</p> <p>The chair may not declare the meeting closed before the end of the proceedings (including temporary motions) without the approval of a majority of the directors in attendance at the meeting.</p> <p>At any time during the course of a board meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending directors, then upon the motion by a director sitting at the meeting, the chair shall declare a suspension of the meeting, in which case Article 8, paragraph 3 shall apply mutatis mutandis.</p>	<p>(Discussion of proposals)</p> <p>A board meeting shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the board meeting.</p> <p>The chair may not declare the meeting closed before the end of the proceedings (including temporary motions) without the approval of a majority of the directors in attendance at the meeting.</p> <p>At any time during the course of a board meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending directors, then upon the motion by a director sitting at the meeting, the chair shall declare a suspension of the meeting, in which case Article 8, paragraph 3 shall apply mutatis mutandis.</p> <p><u>If the chairman of the board of directors is unable to preside over the meeting for some reason or fails to declare the adjournment of the meeting in accordance with the provisions of paragraph 2, the provisions of paragraph 3 of Article 7 shall apply mutatis mutandis to the selection and appointment of his agent.</u></p>	<p>Considering practical considerations, when the board of directors is in progress and the chairman is unable to preside over the meeting for some reason or fails to adjourn the meeting as required, in order to avoid affecting the operation of the board of directors, a fourth item is added.</p>

## Articles of Incorporation of Sinher Technology Inc.

### Chapter 1 General Provisions

- Article 1: The company shall be incorporated under the Company Act, and its name shall be 鑫禾科技股份有限公司 in Chinese and SINHER TECHNOLOGY INC. in English.
- Article 2: The scope of business of the Company shall be as follows:
1. CA02030 Screw, Nut and Rivet Manufacturing
  2. CA02040 Spring Manufacturing
  3. CA02080 Metal Forging
  4. CA02990 Other Fabricated Metal Products Manufacturing
  5. CB01010 Mechanical Equipment Manufacturing
  6. CC01120 Data Storage Media Manufacturing and Duplicating
  7. CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing
  8. CC01060 Wired Communication Mechanical Equipment Manufacturing
  9. CC01070 Telecommunication Equipment and Apparatus Manufacturing
  10. CC01080 Electronic Parts and Components Manufacturing
  11. F113010 Wholesale of Machinery
  12. F113030 Wholesale of Precision Instruments
  13. F113050 Wholesale of Computers and Office Machinery Equipment
  14. F113070 Wholesale of Telecommunication Instruments
  15. F118010 Wholesale of Computer Software
  16. F119010 Wholesale of Electronic Materials
  17. F213030 Retail Sale of Computers and Office Machinery Equipment
  18. F213040 Retail Sale of Precision Instruments
  19. F213060 Retail Sale of Telecommunication Instruments
  20. F213080 Retail Sale of Machinery and Tools
  21. F218010 Retail Sale of Computer Software
  22. F219010 Retail Sale of Electronic Materials
  23. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3: The Company may make endorsements due to business demands.
- Article 4: Depending on business demands, the Company can re-invest other businesses with the resolution by the board of directors. The amount of reinvestment can be more 40% of the paid-in capital to the Company without being limited by the regulations of Article 13, Company Act.
- Article 5: The Company shall have its head office in New Taipei City and may set up

branch offices within or outside the territory of the Republic of China when deemed necessary.

Article 6: Public announcements of the Company shall be made according to Article 28 of the Company Act.

## **Chapter 2 Shares**

Article 7: The total capital stock of the Company shall be in the amount of 1 billion New Taiwan Dollars. It is divided into 100 million shares with each share of 10 New Taiwan Dollars. The unissued shares are authorized to the board of directors to issue them in installments.

25 million New Taiwan Dollars are reserved from the total paid-in capital and divided into 2.5 million shares with each share of 10 New Taiwan Dollars for the issuance of employee stock option security, and the board of directors is authorized for issuance in installments.

Article 8: The corporate stock is in registered form and should be signed and affixed seals by the directors representing the Company and shall be issued after being certified according to law. According to the regulations of the Company Act, the corporate stocks are waived for printing out but shall be registered at Centralized Securities Depository & Clearing Corporation.

Article 8-1: If the Company plans to revoke public offering, it shall be approved by the shareholders' meeting before implementation. The provision must not be changed during period in emerging, over-the-counter, and listed stock markets.

Article 9: The Company shall handle the affairs related to stocks according to relevant legal laws and the regulations from the competent authority.

## **Chapter 3 Shareholders' Meeting**

Article 10: The name change or transfer of the Company's stock shall be handled according to Article 165 of the Company Act.

Article 11: Shareholders' meeting includes general meeting and special meeting. The general meeting is held once every year within six month after the end of each business year by the board of directors according to law. The special meeting shall be held according to law when necessary.

The Company's shareholders' meeting is based on video conference. Shareholders participate in the video conference shall be regarded as attendance in person.

Article 12: When shareholders cannot attend the shareholders' meeting due to any reason, they shall submit letter of attorney issued by the Company with the scope of authorization as well as being signed and affixed a seal to trust

their representative to attend the meeting.

Article 13: Except the situation of no voting right specified in Article 179 of the Company Act, each shareholder shall have one vote for each share held.

Article 14: Unless otherwise agreed herein, the resolution at the shareholders meeting shall only be implemented when it is attended by shareholders who hold more than half of the total shares issued and agreed by over half of the attended shareholders who have voting rights.

Shareholders who exercise their voting rights electronically shall be regarded as attendance in person, and the relevant matters shall be handled according to legal regulations.

#### **Chapter 4 Directors and Functional Committee**

Article 15: The Company shall have 7 to 9 directors with a term of office in three years. They shall be elected at the shareholders' meeting among those who have behavioral competence and shall be eligible for re-election.

The election of directors in the Company adopts uninominal cumulative voting system. The number of votes exercisable in respect of one share shall be the same as the number of directors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates. A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed a director elect. The Company shall obtain directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of directorship.

Article 15-1: The election of the directors and independent directors in the Company adopts candidates nomination system. At least 3 independent directors shall be elected in the list of directors. Please refer to the regulations specified by the securities competent authority for independent directors' professional qualification, shareholding, concurrent serving restrictions, nomination & election methods, and other matters that should be complied with.

According to Article 14-4 of the Securities and Exchange Act, the Company establishes an audit committee. The committee consists of all the independent directors and the members must not be less than three people; one shall be the chairman and at least one of them is specialized in accounting or finance. The resolution of the audit committee must be approved by more than half of the members.

Article 16: Directors organize the board of directors and elect one director among as the president by more than two-thirds of directors attending the meeting

and more than half of them approve the election. The president represents the Company externally.

Article 17: When the president is on leave or unable to exercise the authority due to any reasons, the substitute shall be handled according to Article 208 of the Company Act.

Article 18: Directors can entrust other directors to attend the meeting as the deputy by submitting an authorized letter if they cannot attend the meeting due to any reasons. The scope of authorization related to the matters in the meeting must be specified on the letter.

The above deputy should be limited to the authorization for one director each time.

If the director meeting is done by video conference, the directors who participate in the meeting by video conference call shall be treated as attendant in person.

Article 19: The remuneration to the directors of the Company is authorized to the board of directors to approve according to the participation in the operation, the contribution value, and the general standards among companies in the same profession.

## **Chapter 5 Managerial Officers**

Article 20: The Company may have one General Manager and several Vice General Manager and managers. The appointment, discharge, and remuneration shall be handled according to Article 29 of the Company Act.

## **Chapter 6 Accounting**

Article 21: The Company shall prepare the following reports by the board of directors by the end of each fiscal year. They shall be submitted to the audit committee for verification 30 days before the general shareholders' meeting for the acknowledgement of the meeting.

1. Report on Operations.
2. Financial reports.
3. Proposal Concerning Appropriations of Net Profits or Making up Losses.

Shareholder dividends and bonuses, capital reserves, or all of or part of surplus reserves shall be issued in cash. It is authorized the board of directors to approve by more than two-thirds of directors attending the meeting and agreement by more than half of the attendants. It should be reported at the shareholders' meeting afterwards.

Article 22: If there are profits at the end of the fiscal year (meaning the income before

tax, which has deducted allocated employee compensation and director remuneration), at least 2% of the profits shall be distributed as employee compensation and less than 1% of the profit shall be distributed as director remuneration. However, the Company's accumulated losses (including the adjustment of undistributed surplus) shall have been covered first.

The above employee compensation can be issued in stock or in cash. The subjects of payment shall include employees in the subordinate company that meet the requirements. The special requirements shall be established by the board to directors.

The above two matters shall be approved at the meeting of the board of directors and reported to the shareholders' meeting.

Article 22-1: After closing annual accounts, if there are earnings, the Company shall distribute the earnings in the following orders:

1. Covering the deficit in the past years;
2. Making a provision of 10% as legal surplus reserves until the accumulated achieving the total paid-in capital of the Company;
3. Setting aside or reversing special surplus reserves depending on Company's operating demands and according to legal regulations;
4. Distributing bonuses to shareholders based on the net profits after tax on annual account settlement deducting the balance of paragraph 1 to 3 above. After deducting above items from the earnings of the year, stock dividends and bonuses shall be distributed in not less than 10% of earnings. Besides, depending on the development of the Company, it can be distributed along with the retained earnings in the past. Board of directors is responsible for establishing the distribution plan and submitting it to general shareholders' meeting for approval.

Article 22-2: The Company will consider the environment and the period of growth faced and respond to the demand of capital, financial structure, earnings, and balanced and stable dividend policy in the future to share the earnings appropriately by issuing stock dividends or cash dividends depending on the demand of capital and the level of diluted earnings per share. The cash dividends must not be lower than 10% of the total issued dividends.

## **Chapter 7 Supplementary Provisions**

Article 23: If there is any matter that is not specified in the Articles, it shall be handled according to the Company Act and other legal regulations.

Article 24: The Articles was on December 31<sup>st</sup>, 2001.

The 1<sup>st</sup> revision was on June 30<sup>th</sup>, 2007.

The 2<sup>nd</sup> revision was on June 30<sup>th</sup>, 2009.

The 3<sup>rd</sup> revision was on March 15<sup>th</sup>, 2010.  
The 4<sup>th</sup> revision was on June 30<sup>th</sup>, 2011.  
The 5<sup>th</sup> revision was on June 25<sup>th</sup>, 2012.  
The 6<sup>th</sup> revision was on June 24<sup>th</sup>, 2014.  
The 7<sup>th</sup> revision was on June 14<sup>th</sup>, 2016.  
The 8<sup>th</sup> revision was on June 22<sup>nd</sup>, 2017.  
The 9<sup>th</sup> revision was on June 24<sup>th</sup>, 2020.  
The 10<sup>th</sup> revision was on June 23<sup>rd</sup>, 2022.

## **Sinher Technology Inc. Rules of Procedure for Shareholders Meetings**

### **Article 1**

To establish a strong governance system and sound supervisory capabilities for this Corporation'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/GTSM Listed Companies.

### **Article 2**

The rules of procedures for this Corporation's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

### **Article 3**

(Convening shareholders meetings and shareholders meeting notices)

Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.

Changes to how this Corporation 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.

This Corporation 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, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. If, however, this Corporation has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, this Corporation 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 this Corporation and the professional shareholder services agent designated thereby.

This Corporation shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:

1. For physical shareholders meetings, to be distributed on-site at the meeting.



2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
3. For virtual-only 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, 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 this Corporation 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 Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, 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.

The main content of the notice may be placed on MOPS or this Corporation designated, and the website address shall be stated in the notice.

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.

A shareholder holding one percent or more of the total number of issued shares may submit to this Corporation a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. A shareholder may make a proposal urging this Corporation to promote the public interest or fulfill its social responsibility, and the Board of Directors may still include it in the motion. In addition, if a shareholder proposes a motion under the circumstances listed in Article 172-1 of the Company Act, the proposal will not be included in the agenda of the meeting.

Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 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, this Corporation 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 shareholder 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 this Corporation 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 this Corporation before 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 this Corporation, if the shareholder intends to attend the meeting in person, a written notice of proxy cancellation shall be submitted to this Corporation before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail. If, after a proxy form is delivered to this Corporation, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to this Corporation two business 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

(Principles determining the time and place of a shareholders meeting)

The venue for a shareholders meeting shall be the premises of this Corporation, 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 this Corporation convenes a virtual-only shareholders meeting.

#### Article 6

(Preparation of documents such as the attendance book)

This Corporation shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "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 30 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 30 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. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

This Corporation 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.

This Corporation 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 wishing to attend the meeting online shall register with this Corporation two days before the meeting date.

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

#### Article 6-1

(Convening virtual shareholders meetings and particulars to be included in shareholders meeting notice)

To convene a virtual shareholders meeting, this Corporation shall include the following particulars in the shareholders meeting notice:

1. How shareholders attend the virtual meeting and exercise their rights.
2. 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:
  - (1) 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.
  - (2) Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.
  - (3) In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.
  - (4) Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.
3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.

#### Article 7

(The chair and non-voting participants of a shareholders meeting)

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

A majority of the Board of Directors shall be present at the shareholders' meeting called by the Board of Directors.

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 select a chair from among themselves. This Corporation 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

(Documentation of a shareholders meeting by audio or video)

This Corporation, shall make an uninterrupted audio and video recording of the proceedings of the shareholders meeting. The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

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

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

In case of a virtual shareholders meeting, this Corporation is advised to audio and video record the back-end operation interface of the virtual meeting platform.

#### 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 chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair 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 chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, this Corporation 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 Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to this Corporation 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 chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

#### Article 10

##### (Discussion of proposals)

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

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

#### Article 11

##### (Shareholder speech)

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 chair.

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 chair, 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 chair 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 chair and the shareholder that has the floor; the chair 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 chair 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 chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.

As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

## Article 12

(Calculation of voting shares and recusal system)

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

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

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 this Corporation, 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 Article 179, paragraph 2 of the Company Act.

When this Corporation convenes a shareholders' meeting, this Corporation may exercise its voting rights by written or electronic means (in accordance with the first proviso of Article 175-1 of the Company Act for companies that should adopt electronic voting: when this Corporation convenes a shareholders' meeting, this Corporation shall adopt electronic means and may adopt its voting rights by written 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 meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that this Corporation avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before two 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 online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before two business 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 this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders.

In addition to the motions listed on the agenda, any other motions or amendments or substitutions to original motions proposed by shareholders shall be seconded by other shareholders, and the shareholding of the proposer together with the seconder shall reach 3% of the total voting rights of the issued shares.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one 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 chair, provided that all monitoring personnel shall be shareholders of this Corporation.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. 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 this Corporation convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

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

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

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

#### Article 14

##### (Election of directors)

The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, 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 were elected, and the names of directors 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. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the 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 chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed through the MOPS. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their 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 for the duration of the existence of this Corporation.

Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes. When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, this Corporation shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online

#### Article 16

##### (Public disclosure)

On the day of a shareholders meeting, this Corporation 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, this Corporation shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

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

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

In the event of a virtual shareholders meeting, this Corporation shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

#### Article 17

##### (Maintaining order at the meeting place)

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

The chair 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 this Corporation, the chair may prevent the shareholder from so doing.

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

#### Article 18

(Recess and resumption of a shareholders meeting)

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

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

(Disclosure of information at virtual meetings)

In the event of a virtual shareholders meeting, this Corporation shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

#### Article 20

(Location of the chair and secretary of virtual-only shareholders meeting)

When this Corporation convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.

#### Article 21

(Handling of disconnection)

In the event of a virtual shareholders meeting, this Corporation may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues. In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

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

For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

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

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

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

When postponing or resuming a meeting according to the second paragraph, this Corporation shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

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

## Article 22

### (Handling of digital divide)

When convening a virtual-only shareholders meeting, this Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.

## Article 23

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.

## **Sinher Technology Inc.**

### **Procedures for Election of Directors**

1. The election of directors of this company shall be conducted in accordance with the provisions of these Measures, unless otherwise provided by laws, regulations or articles of association.
2. The company's directors shall be elected at the shareholders' meeting.
3. The overall composition of the board of directors shall be taken into consideration in the selection of this Corporation's directors.  
Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:
  - 3.1 The ability to make judgments about operations.
  - 3.2 Accounting and financial analysis ability.
  - 3.3 Business management ability
  - 3.4 Crisis management ability
  - 3.5 Knowledge of the industry
  - 3.6 An international market perspective
  - 3.7 Leadership ability
  - 3.8 Decision-making abilityMore than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.
4. The qualifications for the independent directors of this Corporation shall comply with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.
5. When the number of directors falls short by one third of the total number prescribed in this Corporation's articles of incorporation, this Corporation shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.  
  
When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, or Taiwan Stock Exchange Corporation Rules Governing Review of Securities Listings, or Article 10, paragraph 1 of the Taipei Exchange Rules Governing the Review of Securities for Trading on the TPEx, by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.
6. The single registered cumulative voting method shall be used for election of the directors at this Corporation. Each share will 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.
7. The directors of this company shall be elected by the shareholders' meeting from individuals with the ability to act. The number of directors will be as specified in this Corporation's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more

persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

8. The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting.
9. 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.
10. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.
11. If the candidate is a shareholder, the elector must fill in the candidate's account name and shareholder account number in the "Candidate" column of the election ticket; if not a shareholder, the name of the candidate and ID card number. However, when a government or legal person shareholder is the candidate, the "Candidate" column in the election ticket should be filled in with the name of the government or legal person, and the name of the government or legal person and the name of its representative may also be filled in; when there are several representatives, The name of the representative should be added separately
12. A ballot is invalid under any of the following circumstances:
  - 12.1 The ballot was not prepared by a person with the right to convene
  - 12.2 A blank ballot is placed in the ballot box
  - 12.3 The writing is unclear and indecipherable or has been altered
  - 12.4 If the candidate filled in is a shareholder, his or her identity and shareholder account number does not match the shareholder list; if the elector filled in is not a shareholder, his or her name and ID card number does not match after verification.
  - 12.5 Other words or marks are entered in addition to the candidate's account name (or personal name) or shareholder account number (or identity document number) and the number of voting rights allotted
  - 12.6 The filled-in elected name is the same as that of other shareholders, but the shareholder account number or ID card number is not filled in for identification
  - 12.7 Fill in two or more candidates for the same election ticket
13. The voting rights shall be calculated on site immediately after the end of the pool, and the results of the list of persons elected as directors shall be announced by the chair on the site.
14. The board of directors of this Corporation shall issue notifications to the persons elected as directors.
15. Matters not stipulated in these Measures shall be handled in accordance with the Company Law and relevant laws and regulations.
16. These Procedures and any amendments hereto, shall be implemented after approval by a shareholders meeting.

Sinher Technology Inc.  
Rules of Procedure for Board of Directors Meetings

Appendix IV

Article 1

(Basis for the adoption of these Rules)

To establish a strong governance system and sound supervisory capabilities for this Corporation's board of directors and to strengthen management capabilities, these Rules are adopted pursuant to Article 2 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.

Article 2

(Scope of these Rules)

With respect to the board of directors meetings ("board meetings") of this Corporation, unless otherwise provided by law or this Corporation's articles of incorporation, shall be handled in accordance with the provisions of these Rules.

Article 3

(Convening and notice of board meetings)

The board of directors shall meet at least quarterly.

A notice of the reasons for convening a board meeting shall be given to each director and supervisor before 7 days before the meeting is convened. The notice should include meeting time, location and seasons. In emergency circumstances, however, a board meeting may be called on shorter notice. A director shall not object to the convening of a meeting on the grounds that the notice of the meeting is less than 7 days.

The notice to be given under the preceding paragraph may be effected by means of electronic transmission with the prior consent of the recipients.

All matters specified in paragraph 1 of Article 12 of these rules shall be stated in the notice of the reason for convening a meeting of the Board of Directors and shall not be raised by special motion.

Article 4

(Meeting notification and meeting materials)

The designated unit responsible for the board meetings of this Corporation shall be Financial Department.

The unit responsible for board meetings shall draft agenda items and prepare sufficient meeting materials, and shall deliver them together with the notice of the meeting.

A director who is of the opinion that the meeting materials provided are insufficient may request their supplementation by the unit responsible for board meetings. If a director is of the opinion that materials concerning any proposal are insufficient, the deliberation of such proposal may be postponed by a resolution of the board of directors.

Article 5

(Preparation of attendance book and other documents; attendance by proxy)

When a board meeting is held, an attendance book shall be provided for signing-in by attending directors. Attendance by videoconference will be deemed attendance in person and signature should be faxed in lieu of signing-in.

A director who appoints another director to attend a board meeting shall in each instance issue a proxy form stating the scope of authorization with respect to the reasons for convening the meeting.

The proxy referred to in paragraph 2 may be the appointed proxy of only one person.

#### Article 6

(Principles for determining the place and time of a board meeting)

Meetings of the Board of Directors shall be held at the office of this Corporation and during business hours and, for the purposes of business, at such other place and time as may be convenient for the Directors to attend and suitable for the purpose.

#### Article 7

(Chair and acting chair of a board meeting)

Board meetings shall be convened and chaired by the chairperson of the board. However, with respect to the first meeting of each newly elected board of directors, it shall be called and chaired by the director that received votes representing the largest portion of voting rights at the shareholders meeting in which the directors were elected; if two or more directors are so entitled to convene the meeting, they shall select from among themselves one director to serve as chair.

When the chairperson of the board is on leave or for any reason unable to exercise the powers of chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson is also on leave or for any reason unable to exercise the powers of vice chairperson, the chairperson shall appoint one of the managing directors to act, or, if there are no managing directors, one of the directors shall be appointed to act as chair. If no such designation is made by the chairperson, the managing directors or directors shall select one person from among themselves to serve as chair.

#### Article 8

(Reference materials, non-voting participants, and holding board meetings)

When a board meeting is held, each department shall furnish the attending directors with relevant materials for ready reference.

During the board meeting, the manager of the relevant department who is not a director shall attend the meeting to report on the current business of this Corporation and answer questions from the directors, so as to help the directors understand the current situation of the Company and make appropriate resolutions. Certified public accountants, attorneys, or other professionals retained by this Corporation may also be invited to attend the meeting as non-voting participants and to provide expert advice for directors' reference, provided that they shall leave the meeting when deliberation or voting takes place.

The chair shall call the board meeting to order at the appointed meeting time and when more than one-half of all the directors are in attendance.



If one-half of all the directors are not in attendance at the appointed meeting time, the chair may announce postponement of the meeting time on the same day, provided that no more than two such postponements may be made. If the quorum is still not met after two postponements, the chair shall reconvene the meeting in accordance with the procedures in Article 3.

The number of "all directors," as used in the preceding paragraph, shall be counted as the number of directors then actually in office.

#### Article 9

(Documentation of a board meeting by audio or video)

Proceedings of a board meeting shall be recorded in their entirety in audio or video, and the recording shall be retained for a minimum of 5 years. The record may be retained in electronic form.

If any litigation arises with respect to a resolution of a board meeting before the end of the retention period of the preceding paragraph, the relevant audio or video record shall be retained until the conclusion of the litigation.

Where a board meeting is held by videoconference, the audio or video documentation of the meeting constitutes part of the meeting minutes and shall be retained for the duration of the existence of this Corporation.

#### Article 10

(Agenda items)

Agenda items for regular board meetings of this Corporation shall include at least the following:

1. Matters to be reported:
  - (1) Minutes of the last meeting and action taken.
  - (2) Important financial and business matters.
  - (3) Internal audit activities.
  - (4) Other important matters to be reported.
2. Matters for discussion:
  - (1) Items for continued discussion from the last meeting.
  - (2) Items for discussion at this meeting.
3. Extraordinary motions.

#### Article 11

(Discussion of proposals)

A board meeting shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the board meeting.

The chair may not declare the meeting closed before the end of the proceedings (including temporary motions) without the approval of a majority of the directors in attendance at the meeting.

At any time during the course of a board meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending directors, then upon the motion by a

director sitting at the meeting, the chair shall declare a suspension of the meeting, in which case Article 8, paragraph 3 shall apply mutatis mutandis.

If the chairman of the board of directors is unable to preside over the meeting for some reason or fails to declare the adjournment of the meeting in accordance with the provisions of paragraph 2, the provisions of paragraph 3 of Article 7 shall apply mutatis mutandis to the selection and appointment of his agent.

## Article 12

(Matters requiring discussion at a board meeting)

The matters listed below as they relate to this Corporation shall be raised for discussion at a board meeting:

1. The Corporation's business plan.
2. Annual and semi-annual financial reports, with the exception of semi-annual financial reports that are not required under relevant laws and regulations to be audited and attested by a certified public accountant (CPA).
3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act and assessment of the effectiveness of the internal control system.
4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others.
5. The offering, issuance, or private placement of equity-type securities.
6. If the board of directors does not have a managing director, the election or dismissal of the chairman.
7. The appointment or discharge of a financial, accounting, or internal audit officer.
8. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.
9. Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw, must be approved by resolution at a shareholders meeting or board meeting, or any material matter as may be prescribed by the competent authority.

The term "related party" in subparagraph 8 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.

The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.

(In the case of a foreign issuer whose shares have no par value or a par value other than NT\$10, 2.5 percent of shareholders' equity shall be substituted for the calculation of the amount equal to 5 percent of paid-in capital required under this paragraph.) At least one independent director of this Corporation shall attend the meeting in person. With respect to the matters which must be approved by resolutions at a board meeting as provided in the first paragraph, any and all independent directors shall attend the meeting. Where an independent director is unable to attend the meeting, that independent director shall appoint another independent director to attend the meeting as proxy. If an independent director objects to or expresses reservations about such a matter, it shall be recorded in the board meeting minutes; if an independent director intends to express an objection or reservation but is unable to attend the meeting in person, then unless there is a legitimate reason to do otherwise, that director shall issue a written opinion in advance, which shall be recorded in the board meeting minutes.

### Article 13

#### (Voting-I)

When the chair at a board meeting is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call a vote. When a proposal comes to a vote at a board meeting, if no attending director voices an objection following an inquiry by the chair, the proposal will be deemed approved. If there is an objection following an inquiry by the chair, the proposal shall be brought to a vote. One voting method for proposals at a board meeting shall be selected by the chair from among those below, provided that when an attending director has an objection, the chair shall seek the opinion of the majority to make a decision:

1. A show of hands or a vote by voting machine.
2. A roll call vote.
3. A vote by ballot.
4. A vote by a method selected at this Corporation's discretion.

"Attending directors," as used in the preceding two paragraphs, does not include directors that may not exercise voting rights pursuant to Article 15, paragraph 1.

### Article 14

#### (Voting-II and methods for vote monitoring and counting)

Except where otherwise provided by the Securities and Exchange Act and the Company Act, the passage of a proposal at a board meeting shall require the approval of a majority of the directors in attendance at a board of directors meeting attended by a majority of all directors. When there is an amendment or alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. If any one among them is passed, the other proposals shall then be deemed rejected, and no further voting on them shall be required.

If a vote on a proposal requires monitoring and counting personnel, the chair shall appoint such personnel, providing that all monitoring personnel shall be directors.

Voting results shall be made known on-site immediately and recorded in writing.

## Article 15

### (Recusal system for directors)

If a director or a juristic person that the director represents is an interested party in relation to an agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interest of this Corporation, that director may not participate in discussion or voting on that agenda item and shall recuse himself or herself from the discussion or the voting on the item, and may not exercise voting rights as proxy for another director.

Where a director is prohibited by the preceding paragraph from exercising voting rights with respect to a resolution at a board meeting, the provisions of Article 180, paragraph 2 of the Company Act apply mutatis mutandis in accordance with Article 206, paragraph 3 of the same Act.

## Article 16

### (Meeting minutes and sign-in matters)

Discussions at a board meeting shall be recorded in the meeting minutes, and the minutes shall fully and accurately state the matters listed below:

1. The meeting session (or year) and the time and place of the meeting.
2. The name of the chair.
3. The directors' attendance at the meeting, including the names and the number of directors in attendance, excused, and absent.
4. The names and titles of those attending the meeting as non-voting participants.
5. The name of the minute taker.
6. The matters reported at the meeting.
7. Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by directors, supervisors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director pursuant to Article 12, paragraph 4.
8. Extraordinary motions: The name of the mover, the method of resolution and the result, a summary of the comments of any director, supervisor, expert, or other person; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; and their objections or reservations and any recorded or written statements.
9. Other matters required to be recorded.

The occurrence of any of the following circumstances, with respect to a resolution passed at a board meeting, shall be stated in the meeting minutes and shall be publicly announced and filed on the website of the Market Observation Post System designated by the Financial Supervisory Commission, within 2 days from the date of the meeting:

1. Any objection or expression of reservations by an independent director expresses of which there is a record or written statement.
2. If this Corporation has an audit committee, matters that have not been approved by this Corporation's audit committee but have been approved by at least 2/3 of all directors.

The attendance book constitutes part of the minutes for each board meeting and shall be retained for the duration of the existence of this Corporation.

The minutes of a board meeting shall bear the signature or seal of both the chair and the minute taker, and a copy of the minutes shall be distributed to each director and supervisor within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of this Corporation.

The meeting minutes of paragraph 1 may produced and distributed in electronic form.

#### Article 17

(Principles with respect to the delegation of powers by the board)

With the exception of matters required to be discussed at a board meeting under Article 12, paragraph 1, when the board of directors appoints a party to exercise the powers of the board in accordance with applicable laws and regulations or this Corporation's articles of incorporation, the levels of such delegation and the content or matters it covers shall be definite and specific, and carried out in accordance with the principles below:

1. Convene the board of directors and implement the resolution
2. Preparation of operation plan
3. Examination and approval of business related rules and regulations and contracts
4. Approval of purchase and disposal of property related to business
5. Personnel transfer related to business and approval of posts in various departments
6. Editing and reviewing drafts of budget and final accounts and business reports
7. Draft capital increase and decrease, surplus distribution or loss recovery

#### Article 18

(Supplementary provisions)

These Rules of Procedure shall be adopted by the approval of meeting of the board of directors and shall be reported to the shareholders meeting. The board of directors may be authorized to adopt, by resolution, any future amendments to these Rules.

## Sinher Technology Inc.

### Shareholdings of Directors

Title	Name	As of Aril 27, 2024, Number of shares held	Percentage (%)
Chairman	Ting-Hung Su	6,028,359	8.10
Director	King-Tung Huang	2,440,029	3.28
Director	Yung-Chang Chiang	901,007	1.21
Director	Han-Pin Cheng	1,988,456	2.67
Director	San-Lu Su	1,387,398	1.86
Independent Director	Eliza Wang	0	0
Independent Director	Yong-Ren Lin	0	0
Independent Director	Zhi-Feng Lin	0	0
Independent Director	Jie-Shou Su	0	0

1. According to Article 2 of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies", the minimum number of shares that all directors should hold is 5,953,376 shares.
2. The number of shares held by all directors complies with the law.