Stock Code: 6126

SINGATRON ENTERPRISE CO., LTD.

2023 Regular Shareholders' Meeting

Handbook

Date: June 13, 2023, 9 a.m.

Location: No. 209, Section 2, Zhongzheng Road, Hukou Township, Hsinchu County
(3rd Floor, Employee Cafeteria, SINGATRON ENTERPRISE CO., LTD.)

This English version is prepared based on the Chinese version and is for reference only. If there is any discrepancy between the English version and the Chinese version, the Chinese version shall prevail.

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SINGATRON ENTERPRISE CO., LTD.
Meeting Procedure for 2023 Regular Shareholders' Meeting

I. Report on the total number of shares represented at the shareholders' meeting
II. Call the Meeting to Order
III. Chair Takes Chair
IV. Chair Remarks
V. Report Items
VI. Adoption
VII. Discussion
VIII. Extempore Motions
IX. Adjournment

Meeting Procedure for 2023 Shareholders' Meeting of SINGATRON ENTERPRISE CO., LTD.

The way the regular shareholders' meeting is convened: Physical shareholders' meeting

Meeting time: June 13, 2023 (Tuesday) 9:00 a.m.

Meeting location: No. 209, Section 2, Zhongzheng Road, Hukou Township, Hsinchu County (3rd Floor, Employee Cafeteria of the Company)

1. Report on the total number of shares represented at the shareholders' meeting

II. Call the Meeting to Order

III. Chair Remarks

IV. Report Items
- (I). 2022 business report of the Company
- (II). Audit Committee's review of the Company's final accounting reports for 2022
- (III). Report on the distribution of profit-sharing remuneration to employees and directors (including supervisors of the 15th term of 2022) of the Company.
- (IV). Report on the amendments to certain provisions of the "Rules of Procedure for the Board of Directors' Meetings" by the Company.
- (V). Report on the amendments to certain provisions of the "Corporate Governance Best Practice Principles" by the Company.
- (VI). Report on the payment of cash dividends for 2022
- (VII). Report on the Company's investments in Mainland China.
- (VIII). Report on the endorsements and guarantees of the Company and its subsidiaries for 2022
- (IX). Report on the execution of the repurchase of the Company's treasury stock.
- (X). Report on the progress of the initial public offering of common stock in RMB (A shares) and application for listing on an overseas stock exchange by the Company's subsidiary, SINGATRON Electronics (China) Co. Ltd.

V. Adoption
- (I). The Company's 2022 business report, standalone financial statements and consolidated financial statements.
- (II). The Company's 2022 earnings distribution proposal

VI. Discussion
- (I). Discussion on the amendments to certain provisions of the Company's Articles of Incorporation.
- (II). Discussion on the amendments to certain provisions of the Company's "Operating Procedures for Acquisition or Disposal of Assets".
- (III). Authorization for strategic or long-term investments for diversified business development.
- (IV). Discussion on the release of directors from non-compete clause.

VII. Extempore Motions

VIII. Adjournment

Report Items

No. 1

Subject: The Company's 2022 business report is hereby presented for your review.

Explanation: Please refer to Appendix 1 (P10) of this Handbook for the 2022 business report.

No. 2

Subject: Audit Committee's review report on the Company's final accounting reports for 2022 is hereby presented for your review.

Explanation: Please refer to Appendix 2 (P32) of this Handbook for the Audit Committee's review report.

No. 3

Subject: Report on the distribution of profit-sharing remuneration to employees and directors (including supervisors of the 15th term of 2022) of the Company.

Please proceed to review it.

Explanation:

1. In accordance with Article 235-1 of the Company Act and Article 20 of the Company's Articles of Incorporation, the Company reports the distribution of profit-sharing remuneration to employees and directors for 2022 on the basis of the profit before tax before the distribution of profit-sharing remuneration to employees and directors of NT$290,429,915, as audited and adjusted by CPAs. The total amount of profit-sharing remuneration resolved by the Board of Directors on 2023/03/03 to be distributed to employees is NT$2,000,000 (approximately 0.69%), and the total amount to be distributed to directors is NT$6,500,000 (approximately 2.24%).
2. The 2022 profit-sharing remuneration for directors recorded on the accounting book is NT$6,625,000, and the 2022 profit-sharing remuneration for directors resolved to be distributed is NT$6,500,000. The difference of NT$125,000 between the amount recorded and the actual payment will be adjusted in the year of distribution.
3. In addition, considering the overall incentive reward for the employees of the Group's overseas subsidiaries, a separate performance bonus of NT$23,000,000 is proposed to be distributed in the overseas subsidiaries.

No. 4

Subject: The amendments to certain provisions of the "Rules of Procedure for the Board of Directors' Meetings" by the Company are hereby presented for your review.

Explanation:

1. In accordance with the Financial Supervisory Commission's Letter Jin-Guan-Zheng-Fa-Zi No. 1110383263 dated August 05, 2022, the Company intends to amend certain provisions of the "Rules of Procedure for the Board of Directors' Meetings".
2. Please refer to Appendix 3 of this Handbook (P34) for the Comparison of the Amendments to the Company's "Rules of Procedure for the Board of Directors' Meetings".

No. 5

Subject: The amendments to certain provisions of the "Corporate Governance Best Practice Principles" by the Company are hereby presented for your review.

Explanation:

1. In accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" issued by the Financial Supervisory Commission, the Company intends to amend certain provisions of the "Corporate Governance Best Practice Principles" of the Company.
2. Please refer to Appendix 4 of this Handbook (P43) for the Comparison of the Amendments to the "Corporate Governance Best Practice Principles" of the Company.

No. 6

Subject: The Company's payment of cash dividends for 2022 is hereby presented for your review.

Explanation:

1. In accordance with Article 20-1 of the Company's Articles of Incorporation, "When the Company

distributes dividends and bonuses in whole or in part in cash, the Board of Directors is authorized to approve the distribution by a resolution of a majority of the directors present, with at least two-thirds of the directors present, and to report the distribution to the shareholders' meeting."

2. The Board of Directors' meeting on 2023/04/26 resolved to distribute cash dividends as follows.

Cash dividend per share	Total amount of cash dividend	Remarks
NT$1.20	NT$140,718,704	Based on the number of outstanding shares as of 2022/12/31, 117,265,587 shares

3. In accordance with the resolution of the Board of Directors' meeting on 2023/04/26, the Chairperson is authorized to set the base date for dividend distribution and pay in the fourth quarter of 2023.
4. If the number of outstanding shares is affected by the conversion of corporate bonds, the execution of employee stock options, the repurchase of treasury stock or the transfer of treasury stock, the chairperson is authorized to adjust the dividend distribution ratio per share and other related matters according to the actual number of outstanding shares on the base date of the dividend distribution.

No. 7
Subject: The Company's investments in Mainland China is hereby presented for your review.
Explanation:
For information on the Company's investments in Mainland China as of December 31, 2022, please refer to Appendix 5 (P61) of this Handbook.

No. 8
Subject: The endorsements and guarantees of the Company and its subsidiaries for 2022 are hereby presented for your review.
Explanation:

1. In accordance with the Company's "Operating Procedures for Endorsements and Guarantees," the total amount of the Company's external endorsements and guarantees shall not exceed 100% of the net worth for the period, and the amount of endorsements and guarantees for a single enterprise shall not exceed 30% of the net worth for the period, except for a single overseas affiliate, which shall not exceed 60% of the net worth for the period.
2. As of December 31, 2022, the endorsements and its subsidiaries of the Company and its subsidiaries were as follows:

Unit: Thousand NTD

Name of the company providing endorsement/ guarantee	Endorsed/guaranteed party	Limit on endorsement/ guarantee for a single enterprise	Maximum endorsement/ guarantee balance for the period	Endorsement/ guarantee balance at the end of the period	Amount actually drawn	Amount of endorsement/ guarantee secured by properties	Ratio of accumulated amount of endorsement/ guarantee to net worth in the latest financial statements	Maximum limit on endorsement/ guarantee
SINGATRON ENTERPRISE CO., LTD.	Singatron Electronics Enterprise Co., Ltd. (HK)	912,323	730,975	546,715	0	61,420	35.96%	1,520,538
SINGATRON Electronics (China) Co. Ltd.	Suzhou Singatron Auto Co., Ltd.	1,764,052	87,088	87,088	0	0	2.96%	1,764,052

No. 9
Subject: The execution of the repurchase of the Company's treasury stock is hereby presented for your review.
Explanation:

1. Processed in accordance with Article 28-2 of the Securities and Exchange Act and the Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies
2. The circumstances of repurchase of the Company's shares are reported as follows:

Repurchase term:	14th	15th
Purpose of repurchase	To protect the creditworthiness of the Company and shareholders' equity	To protect the creditworthiness of the Company and shareholders' equity

Repurchase period:	2022/05/09–2022/06/23	2022/08/23–2022/10/07
Repurchase price range	20.60–24.55	22.30-24.20
Type and number of shares repurchased	Common stock of 3,000,000 shares	Common stock of 2,497,000
Amount of shares repurchased	NT$69,554,034	NT$58,936,205
Ratio of repurchased number to scheduled repurchase number (%)	100.00%	83.23%
Number of shares retired and transferred	3,000,000 shares	2,497,000 shares
Accumulated number of shares held by the Company	0 shares	0 shares
Ratio of accumulated number of shares held by the Company to the total number of issued shares (%)	0.00%	0.00%

No. 10
Subject: Report on the progress of the initial public offering of common stock in RMB (A shares) and application for listing on an overseas stock exchange by the Company's subsidiary, SINGATRON Electronics (China) Co., Ltd.
Explanation:
1、 Report on the progress of the initial public offering of common stock in RMB (A shares) and application for listing on Shenzhen Stock Exchange by the Company's subsidiary, SINGATRON Electronics (China) Co., Ltd. as follows.

2020/06/15	The initial public offering of common stock in RMB (A shares) and application for listing on an overseas stock exchange (Shenzhen Stock Exchange) by the Company's subsidiary, SINGATRON Electronics (China) Co., Ltd.
2020/08/07	The Board of Directors of SINGATRON Electronics (China) Co., Ltd. approved the application for filing a counseling dossier for the initial public offering and listing of its shares.
2020/12/09	The Board of Directors of the Company approved the application of SINGATRON Electronics (China) Co., Ltd., a subsidiary of the Company, to terminate the listing of its shares on the National Equities Exchange and Quotations system in China.
2021/01/20	The Company announced the termination of the listing of its shares on the National Equities Exchange and Quotations system in China effective January 22, 2021 on behalf of the subsidiary, SINGATRON Electronics (China) Co., Ltd.
2021/06/30	The Company announced the completion of the application for listing on the Growth Enterprise Market of the Shenzhen Stock Exchange on behalf of the subsidiary, SINGATRON Electronics (China) Co., Ltd. (The Shenzhen Stock Exchange accepted the IPO materials)
2022/03/29	The subsidiary SINGATRON Electronics (China) Co., Ltd. submitted the supplementary document of the updated prospectus (updated with the 2021 audit figures), which was accepted by the Shenzhen Stock Exchange for resumption of examination.
2022/08/04	Results of the examination by the Listing Committee for the ChiNext of the Shenzhen Stock Exchange on August 04, 2022 SINGATRON Electronics (China) Co., Ltd. (IPO): In compliance with the issue criteria, listing criteria and disclosure requirements.
2022/11/11	IPO of the subsidiary SINGATRON Electronics (China) Co., Ltd. was formally submitted to the Beijing Office of the China Securities Regulatory Commission for registration and entered the stage of registration examination by the China Securities Regulatory Commission.
2023/03/17	The subsidiary SINGATRON Electronics (China) Co., Ltd. submitted the supplementary document of the updated prospectus (updated with the 2022 audit figures), which was accepted by the Shenzhen Stock Exchange for examination.

2、 Report on the Company's commitment to the overseas listing of its subsidiary SINGATRON Electronics (China) Co., Ltd. and the resolution of the Board of Directors
(1) On 2022/06/14, the Board of Directors of the Company resolved on the following commitments and declarations:
The subsidiary Singatron (Hong Kong) International Holding Ltd. Issued the following letter of commitment:
"Letter of Commitment for Software Use."
(2) On 2022/08/05, the Board of Directors of the Company resolved on the following commitments and declarations:

SINGATRON ENTERPRISE CO., LTD. issued the following letters of explanation:
"Letter of Explanation of Trademark and Copyright Use".

(3) On 2023/03/07, the Board of Directors of the Company resolved on the following commitments and declarations:
SINGATRON ENTERPRISE CO., LTD, SINGATRON(BVI)ENTERPRISE CO LTD, Singatron (Hong Kong) International Holding Ltd. issued the following declarations:
"Confirmation of securities issuance documents by the controlling shareholder and the substantive controller".
SINGATRON ENTERPRISE CO., LTD, SINGATRON (BVI) ENTERPRISE CO LTD, Singatron (Hong Kong) International Holding Ltd, SINGATRON Electronics (China) Co. Ltd. issued the following letters of commitment:
"Letter of Commitment for Assurance of Non-Impact and Non-Disruption of Audit."

Adoption

No. 1 (Proposed by the Board of Directors)

Subject: The Company's 2022 business report, standalone financial statements and consolidated financial statements are hereby presented for your adoption.

Explanation:

1. The Company's 2022 business report, standalone financial statements and consolidated financial statements have been prepared, and the standalone financial statements and consolidated financial statements have been audited and attested by Ernst & Young, Mao-Yi Hung and Chi-Ming Chang, Certified Public Accountants, and an audit report thereon has been issued. The Audit Committee has reviewed the above business report and financial statements and issued a written report. Please refer to Appendix 2 (P32) of this Handbook.
2. Please refer to pages 10 to 31of this Handbook for the business report, standalone and consolidated balance sheets, standalone and consolidated statements of comprehensive income, standalone and consolidated statements of changes in equity, and standalone and consolidated statements of cash flows.
3. For your adoption.

Resolution:

No. 2 (Proposed by the Board of Directors)

Subject: The Company's 2022 earnings distribution proposal is hereby presented for your adoption.

Explanation:

1. The Company's 2022 undistributed earnings at the beginning of the period amounted to NT$60,569,504, less NT$73,520,239 of write-down of retained earnings by retirement of treasury stock, plus NT$3,796,644 of other comprehensive income (remeasurement of defined benefit plans), plus NT$222,507,969 of net profit after tax for 2022, less the 10% legal reserve of NT$15,278,437 provided in accordance with the Company's Articles of Incorporation, plus reversal of NT$34,757,426 for special reserve (addition to shareholders' equity), resulting in NT$232,832,867 of total distributable earnings for the period.
2. The Board of Directors resolved on 2023/04/26 to distribute cash dividends to shareholders in the amount of NT$1.2 per share, and to distribute cash dividends in the amount of NT$140,718,704 based on the existing number of outstanding shares. The undistributed earnings at the end of the period after distribution amounted to NT$92,114,163. Please refer to Appendix 6 (P63) of this Handbook for the 2022 earnings distribution table.
3. For your adoption.

Resolution:

Discussion

No. 1 (Proposed by the Board of Directors)

Subject: The amendments to certain provisions of the Company's Articles of Incorporation are hereby presented for your discussion.

Explanation:

1. In accordance with the Company's future operation and development plan, the Company intends to amend the Company's Articles of Incorporation to add related causes for preferred shares.
2. Please refer to Appendix 7 (P64) of this Handbook for a comparison of the amendments to the Company's Articles of Incorporation.
3. For your resolution.

Resolution:

No. 2 (Proposed by the Board of Directors)

Subject: The amendments to certain provisions of the Company's "Operating Procedures for Acquisition or Disposal of Assets" are hereby presented for your discussion.

Explanation:

1. In accordance with the Company's future operation and development plan, the Company intends to amend certain provisions of the Company's "Operating Procedures for Acquisition or Disposal of Assets".
2. Please refer to Appendix 8 (P77) of this Handbook for the Comparison of the Amendments to the Company's "Procedures for Acquisition or Disposal of Assets".
3. For your resolution.

Resolution:

No. 3 (Proposed by the Board of Directors)

Subject: The authorization for strategic or long-term investments for diversified business development is hereby presented for your discussion.

Explanation:

1. In order to diversify the Company's business and products to maximize operational performance, the Company intends to authorize the Board of Directors to seek strategic or long-term investment proposals from appropriate parties within the limits under the Company's "Procedures for Acquisition or Disposal of Assets" and shall report to the shareholders at the latest shareholders' meeting afterwards.
2. For your resolution.

Resolution:

No. 4 (Proposed by the Board of Directors)

Subject: The release of directors from non-compete clause is hereby presented for your discussion.

Explanation:

1、 In accordance with 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、 The Company's directors of the 16th term were released from non-compete clause as approved by the shareholders' meeting on June 16, 2022. The following description of the director's conduct for himself or herself or for others within the scope of the Company's business is added:

Name of director	Name of the company in which the individual is concurrently serving and the position
Representative of KAN SHI INVESTMENT CO., LTD.: Chih-Chiang Chu	Director of SINGATRON Electronics (China) Co., Ltd.

3、 For your resolution.

Resolution:

Extempore Motions

Adjournment

Appendix 1

Business Report;

I. Management Guidelines

The vision, mission and management philosophy of the Company are as follows:
Vision: To be the preferred connector solution provider in the industry
Mission: To build a healthy and efficient team to accomplish the mission
Business philosophy: “Innovation, Service, Efficiency
The Company focuses on its core business, researching, developing and producing various electronic connection products, providing customers with high quality, accurate delivery and competitive prices. Through the efforts and dedication of all employees, the Company has gained a good reputation and credibility in the industry. At the same time, we continue to upgrade our smart manufacturing capabilities to provide better services to our customers and develop new markets with high added value.

II. Implementation overview:

For more than 40 years, the Singatron Group has focused on developing and manufacturing various electronic connectors for the global electronics industry and has been the designated connector supplier for global notebook computer brands. In recent years, we have continued to focus on connector products for notebook computer applications, and have been actively developing Type C connectors and related modules for new mainstream high-frequency and high-speed connectors. On the other hand, we are expanding and diversifying the application of electronic connector products and developing waterproof connector products, focusing on the market applications of consumer electronics (such as smart home and headphone applications), new energy (such as solar energy and energy storage applications) and automotive electronics (such as electric bicycle, electric motorcycle and automotive electronics applications), and have received orders from well-known domestic and foreign brands in recent years and have gained a firm foothold, gradually increasing its share of the Group’s overall revenue. In 2021, we repositioned our market development strategy as “WECAN.” [W] represents our special product series of waterproof connectors, [E] represents new energy applications, [C] represents consumer electronics applications, [A] represents automotive electronics applications, and [N] represents notebook computer applications. In the future, the Company’s market development direction will be to expand the market of [W] waterproof connector products and actively develop towards [E] new energy and [A] automotive electronics applications. As of 2022, the percentage of the Company’s sales of [E] new energy and [A] automotive electronics applications had climbed to 22.8%.

Connectors are key components of end-use products in the electronics industry. In recent years, the global connector market has continued to grow due to the continued development of the automotive electronics, new energy application industry, 5G communication industry, computer peripheral and server industry, consumer electronics and other downstream industries. According to Bishop & Associates, the global market size for connectors is estimated to grow from 2020 to 2026 with a compound annual growth rate of 5.5, with connectors for automotive electronics, 5G communications, computer peripherals and servers, and industrial applications accounting for a larger share of the global connector market. In the future, under the global trend of environmental sustainability, it is expected that the automotive electronics and new energy industries will be the industries with rapid growth of market demand in the future. The Company's market development strategy is closely related to the global trend of application development of electronic industry and connector products, and there is ample room for future growth.

III. Implementation results of business plan and profitability analysis

1、Implementation results of business plan:

The Company's consolidated operating results for 2022 are as follows: The Company's [E] new energy and [A] automotive electronics industries, which have been undergoing transformation in recent years, saw significant growth in revenue in 2022 due to market development, but the [N] notebook computer industry and [C] consumer electronics industry, which are the main sales markets, saw a significant decline in demand due to the war in Russia

and Ukraine and global inflation. The revenue for the year declined significantly. In addition, the Suzhou and Zhongshan plants in China were affected by the decline in production capacity due to the decrease in demand for orders, which led to an increase in the fixed cost rate, thus affecting the overall gross margin; In summary, the Group's consolidated revenue declined by 7.0% from the previous year, and the consolidated gross margin declined from 27.1% in 2021 to 26.1% in 2022, resulting in a slight decline in operating profit margin, net profit margin after tax, and net profit margin attributable to owners of the parent company. The Company's profitability declined slightly from the previous year, as shown in the table below.

(Unit: Thousand NTD, except earnings per share)

Item	2022		2021		Difference	
	Amount	Percentage	Amount	Percentage	Amount	Growth rate
Operating revenue	3,892,540	100.0%	4,184,088	100.0%	(291,548)	-7.0%
Operating gross profit	1,014,996	26.1%	1,133,528	27.1%	(118,532)	-10.5%
Operating expenses	(675,268)	-17.4%	(701,256)	-16.8%	25,988	NA
Operating profit	339,728	8.7%	432,272	10.3%	(92,544)	-21.4%
Non-operating income and expenses, net	62,179	1.6%	12,621	0.3%	49,558	392.7%
Net profit (loss) before tax	401,907	10.3%	444,893	10.6%	(42,986)	-9.7%
Income tax expense	(105,952)	-2.7%	(115,527)	-2.8%	9,575	NA
Net profit (loss) after tax	295,955	7.6%	329,366	7.9%	(33,411)	-10.1%
Net profit (loss) attributable to owners of the parent company	222,508	5.7%	246,754	5.9%	(24,246)	-9.8%
EPS (Unit: NTD)	1.85		1.97		-0.12	

2. Profitability and analysis of important financial ratios:

In 2022, the debt ratio increased slightly compared with 2021 due to the increase in bank loans, and the current ratio and quick ratio increased due to the increase in bank deposits. In 2022, profitability declined slightly due to the decline in demand in the [N] notebook computer industry and the [C] consumer electronics industry, which affected plant capacity utilization rates and increased fixed cost rates. Overall, our capital structure remained healthy.

Analysis Item / Year		2022	2021
Capital structure	Debt to assets ratio (%)	51.82%	50.92%
Solvency	Current ratio (%)	183.22%	181.04%
	Quick ratio (%)	156.74%	139.52%
Profitability	Return on assets (%)	5.51%	6.14%
	Return on equity (%)	14.50%	15.74%
	Net profit margin (%)	5.72%	5.90%

IV. Budget execution

In accordance with the "Regulations Governing the Publication of Financial Forecasts of Public Companies," the Company has not disclosed financial forecast information for 2022 and is not required to disclose budget execution and analysis information for 2022.

V. R&D status

1. R&D expenditures for the last two years

(Unit: Thousand NTD)

Year	2022	2021
Operating revenue	3,892,540	4,184,088
R&D expenses	137,965	120,483
As a percentage of revenue for the year (%)	3.54%	2.88%

2. R&D results

The Company has been dedicated to the connector business for more than 40 years and has been insisting on independent innovation in R&D technology, focusing on in-depth research on connector R&D and manufacturing technology, and forming an innovative mechanism combining forward-looking research and application-oriented research. In terms of process innovation, the Company has subdivided its products into modules and standardized common modules. The Company's core technologies have unique competitive advantages and broad application prospects in the industry. The efficient R&D system, rich technical repository and manufacturing and automation advantages enable the Company to analyze the manufacturing feasibility and process improvement for customers' product requirements, and provide corresponding support for customers' new product development, which effectively enhances the Company's overall service capability and customer adhesion. In recent years, our marketing and R&D programs have gradually transformed and expanded our products into [E] new energy and [A] automotive electronics applications. In December 2020, the Company became one of the first manufacturers in the world to obtain USB4 Type-C Receptacle 40Gbps (USB4 Gens) connector certification. By the end of 2022, the Company ranked in the top segment in terms of the certification number for USB4 Type-C Receptacle 40Gbps (USB4 Gens) connectors, continuing to make significant achievements in product innovation.

The Company will continue to improve its competitiveness by providing customized design services and satisfying customers' needs in order to move towards sustainable business operations.

R&D projects and achievements in 2022 are as follows:

Item	Industry	R&D project name	R&D project content	Progress
1	New energy [E]	Waterproof power connector for industrial appliances	Waterproof products for industrial appliances and high-current products	Sampling stage
2	Automotive electronics [A]	Battery connector for electric bicycle	Connectors for waterproof and multi-angle plugging and unplugging for electric bicycle battery.	Sampling stage
3	Automotive electronics [A]	PD3+QC3.0 CHARGER	In line with QC3.0 and PD3 fast charging specifications for motorcycles.	Mass production stage
4	Consumer electronics [C]	Home appliance charging stand – Cutter pairing product	Waterproof grade – IPX4 requirement. Voltage/current – 30V/45A.	Design stage
5	Automotive electronics [A]	High power battery connector for electric bicycle	1440W power (48V@30A) design, where cutter type structure allows the battery pack to be inserted in multiple directions, with radial & axial integrated double waterproof structure and battery mechanism to achieve waterproof performance above IPX6. The dual-docking design of the inter-plugging and dual-conducting terminals enables the product to achieve lower temperature rise and stable and safe performance.	Mass production stage
6	Automotive electronics [A]	Electric bicycle battery charging and discharging plug & socket	Cutter type power (3PIN) + signal (9PIN) structure, and we later can produce 3+6PIN or 2+5PIN and other combinations, which will become the standard components for customers in the future. Product power 960W (48V@20A), which supports 20° slant plugging, with plugging life of more than 3000 times, full spacing waterproof between all female terminals, while product single unit & assembly & inter-plugging meet IPX6 waterproof level.	Mass production stage
7	Consumer electronics [C]	Development of vacuum cleaner waterproof charging port	Product shape matching customer architecture, synchronous development with customer. When the plug and socket are independent, it is necessary to meet the waterproof IPX4 when plugged in and powered up, because the vacuum cleaner needs to meet the safety needs when used in the environment with water. Current 45A, and the product must meet IEEE 1625, IEC 60950, UL2054, UL2595.	The prototype has been sent to the customer for verification.
8	Automotive electronics [A]	Development of waterproof high-current charging port for electric motorcycles	Product size to meet customer specified needs, plug and socket independent state to meet the waterproof, plug into the power also need to meet the waterproof IPX7, the use of current 120A, peak 150A 20S life 10000cycles.	Prototype fabrication and validation in progress
9	Automotive electronics [A]	Development of waterproof charging port for electric motorcycles	Product size to meet customer specified needs, plug and socket independent state to meet the waterproof, plug into the power also needs to meet the waterproof IP56, each plug socket, when the water is not allowed to find short-circuit phenomenon.	Evaluation stage

			Use current 25A / 30A, male head part of the destructive lifting weight 300N, the product must comply with UL1977 UL62 and complete certification.	
10	Notebook computer [N]	16K Life Type-C PLUG Connector	The product must meet the customer's life 16K requirements, during the test according to the customer's number of times to stop and record the plugging and unplugging information and records to remove the measurement LLCR, and then reverse the plugging and unplugging until after life, and demand TID.	Prototype test phase
11	Notebook computer [N]	240W Type-C PLUG Connector	According to the customer's demand, it needs to meet 16AWG welding, voltage 48V, current 5A, and all designs need to meet the association and demand TID certification.	Prototype test phase

Person in charge: Hsin-Nan Kan Managerial officer: Peng-Huang Peng Chief accountant: Rui-Chen Hu

Independent Auditors' Report

To the Board of Directors and shareholders of SINGATRON ENTERPRISE CO., LTD.:

Audit opinions

We have audited the accompanying standalone balance sheets of SINGATRON ENTERPRISE CO., LTD. as of December 31, 2022 and 2021, and the related standalone statements of comprehensive income, standalone statements of changes in equity, standalone statements of cash flows, and notes to the standalone financial statements (including summary of significant accounting policies) for the years then ended.

In our opinion, based on our audits, the standalone financial statements referred to above present fairly, in all material respects, the financial position of SINGATRON ENTERPRISE CO., LTD. as of December 31, 2022 and 2021, and its standalone financial performance and cash flows for the years then ended, in conformity with the requirements of regulations governing the preparation of financial statements by securities issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulation Governing Auditing and Certification of Financial Statements by Certified Public Accountants and auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. The auditors of the firm, subject to the independence regulations, have maintained independence from SINGATRON ENTERPRISE CO., LTD. in accordance with the Code of Ethics and perform other obligations of such 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 standalone financial statements of SINGATRON ENTERPRISE CO., LTD. for the year ended December 31, 2022. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

For 2022, SINGATRON ENTERPRISE CO., LTD. recognized operating revenue of $106,202 thousand. The Company has agreements with its major customers to store inventory at the designated shipping warehouses of these sales customers. The Company has to judge and determine the performance obligations and the timing of satisfaction based on customer orders or shipping documents, which involves significant risk of ownership of inventory and complexity of the point of transfer of remuneration, resulting in significant risk in the recognition of operating revenue. Therefore, we decided that revenue recognition is a key audit matter. Our audit procedures included, but were not limited to, evaluating the appropriateness of accounting policies for revenue recognition, evaluating and testing the effectiveness of internal control over the sales cycle in determining revenue amounts, performing sales revenue cutoff tests on a sample of transactions for a period of time before and after the balance sheet date and reviewing whether the terms of the transactions and the timing of revenue recognition are consistent with the performance obligations and the timing of satisfaction, performing itemized tests on a sample of transactions and reviewing the material terms and conditions of the contracts. We also considered the appropriateness of the disclosure of operating revenue in Notes 4 and 6 to the standalone financial statements.

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

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

In preparing the standalone financial statements, management is also 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 financial reporting process of SINGATRON ENTERPRISE CO., LTD.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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. The term of "reasonable assurance" refers to high level of assurance. Nevertheless, the audit performed according to the Auditing Standards cannot guarantee the discovery of material misstatement in the standalone financial statements. Misstatements can arise from fraud or error. Misstatements are considered material if, standalone or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the standalone financial statements.

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

1. Identify and assess the risk of material misstatement of the standalone financial statements due to fraud or error, design and adopt appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidence in order to be used as the basis for the 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 internal control of SINGATRON ENTERPRISE CO., LTD.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management level.
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 ability of SINGATRON ENTERPRISE CO., LTD. to continue as a going concern. In case where we consider that such events or circumstances have a material uncertainty, then relevant disclosure of the standalone financial statements are required to be provided in our audit report to allow users of standalone financial statements to be aware of such events or circumstances, 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 auditor's report. However, future events or conditions may cause SINGATRON ENTERPRISE CO., LTD. to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the standalone financial statements, including relevant notes, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence for the financial information of standalone entities of the Group and provide opinion on the standalone financial statements. We handle the guidance, supervision and execution of the audit on the Group and are responsible for preparing the opinion for the Group.

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 the governance units with statements that we have complied with relevant matters that may reasonably be thought to bear on our independence, and we have also communicated with the governance units on all relationships and other matters (including relevant protective measures) that may be considered to affect the independence of auditors.

From the matters communicated with those charged with governance, we determine those matters that were of most significant in the audit of the Company's 2022 standalone financial statements and are therefore the key audit matters. We describe these matters in our auditor's 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.

Ernst & Young
Approved by the competent authorities for the processing of financial statements of public companies.
Audit and attestation document number: (2002) Tai-Cai-Zheng (6) No. 144183
(1998) Tai-Cai-Zheng (6) Zi No. 65315

Chi-Ming Chang

Certified Public Accountant:

Mao-Yi Hung

March 3, 2023

Notice to Readers

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

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

SINGATRON ENTERPRISE CO., LTD.

Standalone Balance Sheets

December 31, 2022 and 2021

(Amounts are in thousands of NTD)

Assets			December 31, 2022		December 31, 2021	
Code	Accounting item	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4 and 6.1	$20,829	1	$19,699	1
1150	Notes receivable, net	4 and 6.3	1,628	-	1,668	-
1170	Accounts receivable, net	4 and 6.4	26,877	1	28,150	1
1200	Other receivables		288	-	205	-
130x	Net inventories	4 and 6.5	8,425	-	8,904	-
1419	Other prepaid expenses		1,403	-	931	-
1470	Other current assets		102	-	10	-
11xx	Total current assets		59,552	2	59,567	2
	Non-current assets					
1517	Financial assets at fair value through other comprehensive income	4 and 6.2	6,410	-	6,410	-
1550	Investment accounted for using the equity method	4 and 6.6	2,437,177	88	2,058,909	86
1600	Property, plant and equipment	4, 6.7and 8	220,103	8	219,086	9
1760	Investment properties	4, 6.8 and 8	26,218	1	26,640	1
1780	Intangible assets	4 and 6.9	673	-	1,566	-
1840	Deferred tax income assets	4 and 6.22	29,596	1	27,539	2
1920	Refundable deposits		3	-	3	-
15xx	Total non-current assets		2,720,180	98	2,340,153	98
1xxx	Total assets		$2,779,732	100	$2,399,720	100

(Please refer to Notes to Standalone Financial Statements)

Chairperson: Hsin-Nan Kan Managerial Officer: Peng-Huang Peng Accounting Officer: Rui-Chen Hu

SINGATRON ENTERPRISE CO., LTD.

Standalone Balance Sheets (Continued)

December 31, 2022 and 2021

(Amounts are in thousands of NTD)

Liabilities and equity			December 31, 2022		December 31, 2021	
Code	Accounting item	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	6.10and 8	$587,833	21	$295,000	12
2130	Contract liabilities	4 and 6.16	-	-	2	-
2150	Notes payable		-	-	75	-
2170	Accounts payable		1,006	-	571	-
2180	Accounts payable - related parties	7	21,699	1	19,694	1
2200	Other payables	6.12	23,700	1	27,973	1
2220	Other payables - related parties	7	92,545	3	55,976	2
2230	Current tax liabilities	4 and 6.22	3,213	-	3,822	-
2300	Other current liabilities		152	-	151	-
2322	Long-term loans due within one year	4,6.11and 8	33,333	1	33,333	2
21xx	Total current liabilities		763,481	27	436,597	18
	Non-current liabilities					
2540	Long-term loans	4,6.11and 8	75,000	3	58,333	3
2570	Deferred income tax liabilities	4 and 6.22	400,910	14	333,741	14
2600	Other non-current liabilities	6.13and 6.14	19,803	1	23,491	1
25xx	Total non-current liabilities		495,713	18	415,565	18
2xxx	Total Liabilities		1,259,194	45	852,162	36
	Equity					
3100	Share capital	6.15				
3110	Common share capital		1,172,656	42	1,227,626	51
3200	Capital surplus	6.15	14,217	1	14,217	1
3300	Retained earnings	6.15				
3310	Legal reserve		85,554	3	66,651	3
3320	Special reserve		160,295	6	148,903	6
3350	Unappropriated earnings		213,354	8	250,456	10
3400	Other equity		(125,538)	(5)	(160,295)	(7)
3500	Treasury stock	6.15	-	-	-	-
3xxx	Total equity		1,520,538	55	1,547,558	64
3x2x	Total liabilities and equities		$2,779,732	100	$2,399,720	100

(Please refer to Notes to Standalone Financial Statements)

Chairperson: Hsin-Nan Kan .l Officer: Peng-Huang Peng Accounting Officer: Rui-Chen Hu

SINGATRON ENTERPRISE CO., LTD.

Standalone Statements of Comprehensive Income

January 1 to December 31, 2022

and January 1 to December 31, 2021

(Amounts in thousands of NTD, except for earnings per share)

Code	Item	Notes	2022		2021	
			Amount	%	Amount	%
4000	Operating revenue	4 and 6.16	$106,202	100	$82,606	100
5000	Operating costs	7	(85,873)	(81)	(62,294)	(76)
5900	Operating gross profit		20,329	19	20,312	24
6000	Operating expenses					
6100	Selling expenses	7	(7,280)	(7)	(8,400)	(10)
6200	Administrative expenses		(56,347)	(53)	(52,132)	(63)
6450	Expected credit impairment (losses) gains	4 and 6.17	(331)	-	121	-
	Total operating expenses		(63,958)	(60)	(60,411)	(73)
6900	Operating loss		(43,629)	(41)	(40,099)	(49)
7000	Non-operating income and expenses					
7010	Other income	6.20and 7	5,360	5	5,226	6
7020	Other gains or losses	6.20and 7	(7,075)	(7)	1,520	2
7050	Financial costs	4, 6.20and 7	(7,673)	(7)	(4,662)	(6)
7070	Subsidiaries recognized using the equity method	4 and 6.6	334,822	316	350,292	425
	Share of profit or loss of affiliates and joint ventures					
	Total non-operating income and expenses		325,434	307	352,376	427
7900	Net profit before tax		281,805	266	312,277	378
7950	Income tax expense	4 and 6.22	(59,297)	(56)	(65,523)	(79)
8200	Net profit for the period		222,508	210	246,754	299
8300	Other comprehensive income	6.21				
8310	Items not reclassified subsequently to profit or loss					
8311	Remeasurement of defined benefit plans		3,797	3	635	1
8360	Items that may be reclassified subsequently to profit or loss					
8380	Subsidiaries recognized using the equity method		43,446	41	(14,240)	(17)
	Share of other comprehensive income of affiliates and joint ventures					
8399	Items that may be reclassified to profit or loss:		(8,689)	(8)	2,848	3
	Related income tax					
8300	Other comprehensive income for the period (net of tax)		38,554	36	(10,757)	(13)
8500	Total comprehensive income for the period		$261,062	246	$235,997	286
9750	Basic earnings per share (NTD)	6.23	$1.85		$1.97	
9850	Diluted earnings per share (NTD)	6.23	$1.85		$1.97	

(Please refer to Notes to Standalone Financial Statements)

Chairperson: Hsin-Nan KanManagerial Officer: Peng-Huang PengAccounting Officer: Rui-Chen Hu

SINGATRON ENTERPRISE CO., LTD.

Standalone Statement of Changes in Equity

January 1 to December 31, 2022

and January 1 to December 31, 2021

(Amounts are in thousands of NTD)

				Retained earnings			Other items of equity			
Code	Item	Share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of the financial statements of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury stock	Total
		3100	3200	3310	3320	3350	3410	3420	3500	3XXX
A1	Balance as of January 31, 2021	$1,268,396	$14,552	$43,268	$162,704	$248,583	$(115,389)	$(33,514)	$-	1,588,600
	2020 earnings appropriation and distribution									
B1	Provision of legal reserve			23,383		(23,383)				-
B17	Reversal of special reserve				(13,801)	13,801				-
B5	Cash dividends on common stock					(177,576)				(177,576)
C7	Changes in affiliates and joint ventures accounted for using the equity method		(335)							(335)
D1	Net profit for 2021					246,754				246,754
D3	Other comprehensive income for 2021					635	(11,392)			(10,757)
D5	Total comprehensive income for the period	-	-	-	-	247,389	(11,392)	-	-	235,997
L1	Purchase of treasury stock								(99,128)	(99,128)
L3	Retirement of treasury stock	(40,770)				(58,358)			99,128	-
Z1	Balance as of December 31, 2021	1,227,626	14,217	66,651	148,903	250,456	(126,781)	(33,514)	-	1,547,558
	2021 earnings appropriation and distribution									
B1	Provision of legal reserve			18,903		(18,903)				-
B3	Provision of special reserve				11,392	(11,392)				-
B5	Cash dividends on common stock					(159,592)				(159,592)
D1	Net profit for 2022					222,508				222,508
D3	Other comprehensive income for 2022					3,797	34,757			38,554
D5	Total comprehensive income for the period	-	-	-	-	226,305	34,757	-	-	261,062
L1	Purchase of treasury stock								(128,490)	(128,490)
L3	Retirement of treasury stock	(54,970)				(73,520)			128,490	-
Z1	Balance as of December 31, 2022	$1,172,656	$14,217	$85,554	$160,295	$213,354	$(92,024)	$(33,514)	$-	$1,520,538

(Please refer to Notes to Standalone Financial Statements)

Chairperson: Hsin-Nan KanManagerial Officer: Peng-Huang PengAccounting Officer: Rui-Chen Hu

SINGATRON ENTERPRISE CO., LTD.
Standalone Statements of Cash Flows
January 1 to December 31, 2022
and January 1 to December 31, 2021
(Amounts are in thousands of NTD)

Code	Item	2022	2021	Code	Item	2022	2021
AAAA	Cash flows from operating activities			BBBB	Cash flows from investing activities:		
A10000	Income before income tax	$281,805	$312,277	B02700	Acquisition of property, plant and equipment	(12,221)	(8,566)
A20000	Adjustments:			B02800	Disposal of property, plant and equipment	590	-
A20010	Income and expenses:			B04500	Increase in intangible assets	-	(757)
A20100	Depreciation expenses (including investment property)	8,846	7,430	BBBB	Net cash inflows (outflows) from investing activities	(11,631)	(9,323)
A20200	Amortization expenses	893	834				
A20300	Expected credit impairment losses (gains)	331	(121)	CCCC	Cash flows from financing activities		
A20900	Interest expenses	7,673	4,662	C00100	Borrowing (repayment) of short-term loans	292,833	45,000
A21200	Interest income	(61)	(9)	C01600	Borrowing of long-term loans	50,000	-
A22400	Share of subsidiaries, affiliates and joint ventures recognized using the equity method	(334,822)	(350,292)	C01700	Repayment of long-term loans	(33,333)	(8,334)
				C03100	Increase (decrease) in deposits received	252	(332)
A22500	Gain on disposal of property, plant and equipment	(197)	-	C03700	Increase (decrease) in other payables - related parties	36,757	27,106
A30000	Changes in assets/liabilities related to operating activities:			C04500	Distribution of cash dividends	(159,592)	(177,576)
A31130	Decrease (increase) in notes receivable	40	498	C04900	Cost of treasury stock repurchase	(128,490)	(99,128)
A31150	Decrease (increase) in accounts receivable	942	(13,442)	CCCC	Net cash inflows (outflows) from financing activities	58,427	(213,264)
A31180	Decrease (increase) in other receivables	(83)	(70)				
A31190	Decrease (increase) in other receivables - related parties	-	538	EEEE	Increase (decrease) in cash and cash equivalents for the period	1,130	9,685
A31200	Decrease (increase) in inventories	479	(5,031)	E00100	Cash and cash equivalents at the beginning of the year	19,699	10,014
A31230	Decrease (increase) in other prepaid expenses	(472)	(19)	E00200	Cash and cash equivalents at the end of the year	$20,829	$19,699
A31240	Decrease (increase) in other non-current assets	(92)	(2)				
A32125	Increase (decrease) in contract liabilities	(2)	(12)				
A32130	Increase (decrease) in notes payable	(75)	-				
A32150	Increase (decrease) in accounts payable	435	(563)				
A32160	Increase (decrease) in accounts payable - related parties	2,005	6,476				
A32180	Increase (decrease) in other payables	(2,196)	(2,377)				
A32190	Increase (decrease) in other payables - related parties	(188)	(1,306)				
A32230	Increase (decrease) in other non-current liabilities	1	18				
A32240	Increase (decrease) in net defined benefit liabilities	(143)	(193)				
A33000	Cash inflows (outflows) from operating activities	(34,881)	(40,704)				
A33100	Interest received	61	9				
A33200	Dividends received	-	298,935				
A33300	Interest paid	(7,363)	(4,665)				
A33500	Income tax paid	(3,483)	(21,303)				
AAAA	Net cash inflows (outflows) from operating activities	(45,666)	232,272				

(Please refer to Notes to Standalone Financial Statements)

Chairperson: Hsin-Nan Kan　　Managerial Officer: Peng-Huang Peng　　Accounting Officer: Rui-Chen Hu

Independent Auditors' Report

To the Board of Directors and shareholders of SINGATRON ENTERPRISE CO., LTD.:

Audit opinions

We have audited the accompanying consolidated balance sheets of SINGATRON ENTERPRISE CO., LTD. and its subsidiaries as of December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, consolidated statements of changes in equity, consolidated statements of cash flows, and notes to the consolidated financial statements (including summary of significant accounting policies) for the years then ended.

In our opinion, based on our audits, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of SINGATRON ENTERPRISE CO., LTD. and its subsidiaries as of December 31, 2022 and 2021, and its consolidated financial performance and cash flows for the years then ended, in conformity with the requirements of regulations governing the preparation of financial statements by securities issuers and International Financial Reporting Standards, International Accounting Standards, and Interpretations endorsed and issued into effect by the Financial Supervisory Commission.

Basis for Opinion

We conducted our audits in accordance with the Regulation Governing Auditing and Certification of Financial Statements by Certified Public Accountants and auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. The auditors of the firm, subject to the independence regulations, have maintained independence from SINGATRON ENTERPRISE CO., LTD. and its subsidiaries in accordance with the Code of Ethics and perform other obligations of such 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 consolidated financial statements of SINGATRON ENTERPRISE CO., LTD. and its subsidiaries for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

For 2022, SINGATRON ENTERPRISE CO., LTD. and its subsidiaries recognized an operating revenue of $3,892,540 thousand. The Company and its subsidiaries have agreements with their major customers to store inventory at the designated shipping warehouses of these sales customers. The Company and its subsidiaries have to judge and determine the performance obligations and the timing of satisfaction based on customer orders or shipping documents, which involves significant risk of ownership of inventory and complexity of the point of transfer of remuneration, resulting in significant risk in the recognition of operating revenue. Therefore, we decided that revenue recognition is a key audit matter. Our audit procedures included, but were not limited to, evaluating the appropriateness of accounting policies for revenue recognition, evaluating and testing the effectiveness of internal control over the sales cycle in determining revenue amounts, performing sales revenue cutoff tests on a sample of transactions for a period of time before and after the balance sheet date and reviewing whether the terms of the transactions and the timing of revenue recognition are consistent with the performance obligations and the timing of satisfaction, performing itemized tests on a sample of transactions and reviewing the material terms and conditions of the contracts. We also considered the appropriateness of the disclosure of operating revenue in Notes 4 and 6 to the individual financial statements.

Allowance for losses on accounts receivable

The carrying amounts of the consolidated accounts receivable and allowance for losses of SINGATRON ENTERPRISE CO., LTD. and its subsidiaries as of December 31, 2022 were NT$1,226,401 thousand and NT$4,558 thousand, respectively. The net accounts receivable accounted for 29% of the consolidated total assets, which is significant for SINGATRON ENTERPRISE CO., LTD. and its subsidiaries. Since the allowance for losses on accounts receivable is measured based on the expected credit losses over the duration of continuation, the measurement process requires appropriate groupings of accounts receivable and judgmental and analysis of the application of assumptions related to the measurement process and the measurement result affects the net accounts receivable and, therefore, we consider it to be a critical audit. Our audit procedures included, but were not limited to, analyzing the appropriateness of management's grouping of accounts receivable to determine whether customers with significantly different loss profiles (based on similar risk characteristics) were appropriately grouped (e.g. based on historical experience); testing the reserve matrix used by SINGATRON ENTERPRISE CO., LTD. and its subsidiaries including assessing the reasonableness of the determination of the ageing range of each group of accounts receivable and checking the correctness of the original certificates against the underlying information; reviewing the collection status of accounts receivable in the subsequent period to assess the collectability of accounts receivable; analyzing the changes in the long-term trend of credit losses and the turnover rate of accounts receivable, and confirming whether any impairment occurred at the end of the period. We also considered the appropriateness of the disclosure of accounts receivable and related risks in Notes 5 and 6 to the individual financial statements.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the R.O.C., and for necessary 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 also responsible for assessing the ability of SINGATRON ENTERPRISE CO., LTD. and its subsidiaries 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 SINGATRON ENTERPRISE CO., LTD. and its subsidiaries 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 financial reporting process of SINGATRON ENTERPRISE CO., LTD. and its subsidiaries.

Auditor's 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. The term of "reasonable assurance" refers to high level of assurance. Nevertheless, the audit performed according to the Auditing Standards cannot guarantee the discovery of material misstatement in the consolidated financial statements. Misstatements can arise from fraud or error. Misstatements 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 the consolidated financial statements.

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

1. Identify and assess the risk of material misstatement of the consolidated financial statements due to fraud or error, design and adopt appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidence in order to be used as the basis for the 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 internal control of SINGATRON ENTERPRISE CO., LTD. and its subsidiaries.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management level.

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 ability of SINGATRON ENTERPRISE CO., LTD. and its subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause SINGATRON ENTERPRISE CO., LTD. and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including relevant notes, 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 for the financial information of individual entities of the Group and provide opinion on the consolidated financial statements. We handle the guidance, supervision and execution of the audit on the Group and are responsible for preparing the opinion for the Group.

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 the governance units with statements that we have complied with relevant matters that may reasonably be thought to bear on our independence, and we have also communicated with the governance units on all relationships and other matters (including relevant protective measures) that may be considered to affect the independence of auditors.

From the matters communicated with those charged with governance, we determine those matters that were of most significant in the audit of the 2022 consolidated financial statements of SINGATRON ENTERPRISE CO., LTD. and its subsidiaries and are therefore the key audit matters. We describe these matters in our auditor's 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.

Others

SINGATRON ENTERPRISE CO., LTD. has prepared the standalone financial statements for 2022 and 2021, to which we have also issued an independent auditor's report with unqualified opinion along with the section on other matters and provided for reference.

Ernst & Young

Approved by the competent authorities for the processing of financial statements of public companies.

Audit and attestation document number: (2002) Tai-Cai-Zheng (6) No. 144183

(1998) Tai-Cai-Zheng (6) Zi No. 65315

Chi-Ming Chang

Certified Public Accountant:

Mao-Yi Hung

March 3, 2023

Notice to Readers

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

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

SINGATRON ENTERPRISE CO., LTD. and subsidiaries

Consolidated Balance Sheets

December 31, 2022 and 2021

(Amounts are in thousands of NTD)

Assets			December 31, 2022		December 31, 2021	
Code	Accounting item	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4 and 6.1	$1,191,908	28	$770,744	19
1110	Financial assets at fair value through profit or loss	4 and 6.2	-	-	19,961	1
1136	Financial assets at amortized cost	4 and 6.4	176,377	4	-	-
1150	Notes receivable, net	4 and 6.5	21,476	-	7,247	-
1170	Accounts receivable, net	4 and 6.6	1,153,581	27	1,390,742	34
1180	Accounts receivable - related parties	4, 6.6and 7	68,262	2	39,987	1
1200	Other receivables		4,249	-	39,679	1
1220	Current income tax assets	4 and 6.24	2,588	-	564	-
130x	Net inventories	4 and 6.7	412,002	10	619,988	15
1419	Other prepaid expenses		32,551	1	44,534	1
1421	Prepayment for purchases		4,655	-	10,685	-
1470	Other current assets		40,353	1	103	-
11xx	Total current assets		3,108,002	73	2,944,234	72
	Non-current assets					
1517	Financial assets at fair value through other comprehensive income	4 and 6.3	6,410	-	6,410	-
1535	Financial assets at amortized cost	4 and 6.4	88,189	2	-	-
1600	Property, plant and equipment	4, 6.8and 8	864,719	20	912,150	23
1755	Right-of-use assets	4 and 6.20	57,744	2	73,889	2
1760	Investment properties	4, 6.9 and 8	59,447	2	63,638	2
1780	Intangible assets	4 and 6.10	15,079	-	9,670	-
1840	Deferred tax income assets	4 and 6.24	47,599	1	48,963	1
1920	Refundable deposits		5,587	-	5,532	-
15xx	Total non-current assets		1,144,774	27	1,120,252	28
1xxx	Total assets		$4,252,776	100	$4,064,486	100

(Please refer to Notes to Consolidated Financial Statements)

Chairperson: Hsin-Nan KanManagerial Officer: Peng-Huang PengAccounting Officer: Rui-Chen Hu

SINGATRON ENTERPRISE CO., LTD. and subsidiaries

Consolidated Balance Sheets (Continued)

December 31, 2022 and 2021

(Amounts are in thousands of NTD)

Liabilities and equity			December 31, 2022		December 31, 2021	
Code	Accounting item	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	6.11and 8	$587,833	14	$295,000	7
2120	Financial liabilities at fair value through profit or loss	6.12	2,576	-	-	-
2130	Contract liabilities	4 and 6.18	22,384	-	16,964	-
2150	Notes payable		-	-	75	-
2170	Accounts payable		629,229	15	774,390	19
2200	Other payables	6.14 and 9.1	378,699	9	458,107	11
2230	Current tax liabilities	4 and 6.24	26,506	1	30,383	1
2280	Lease liabilities	4 and 6.20	15,593	-	17,753	1
2300	Other current liabilities		167	-	256	-
2322	Long-term loans due within one year	4, 6.13 and 8	33,333	1	33,333	1
21xx	Total current liabilities		1,696,320	40	1,626,261	40
	Non-current liabilities					
2540	Long-term loans	4, 6.13 and 8	75,000	2	58,333	1
2570	Deferred income tax liabilities	4 and 6.24	401,353	9	336,733	8
2580	Lease liabilities	4 and 6.20	7,545	-	21,790	1
2600	Other non-current liabilities	6.15 and 6.16	23,496	1	26,340	1
25xx	Total non-current liabilities		507,394	12	443,196	11
2xxx	Total Liabilities		2,203,714	52	2,069,457	51
31xx	Equity attributable to owners of the parent company					
3100	Share capital	6.17				
3110	Common share capital		1,172,656	28	1,227,626	30
3200	Capital surplus	6.17	14,217	-	14,217	-
3300	Retained earnings	6.17				
3310	Legal reserve		85,554	2	66,651	2
3320	Special reserve		160,295	4	148,903	4
3350	Unappropriated earnings		213,354	5	250,456	6
3400	Other equity		(125,538)	(3)	(160,295)	(4)
3500	Treasury stock	6.17	-	-	-	-
36xx	Non-controlling interests	6.17 and 6.26	528,524	12	447,471	11
3xxx	Total equity		2,049,062	48	1,995,029	49
3x2x	Total liabilities and equities		$4,252,776	100	$4,064,486	100

(Please refer to Notes to Consolidated Financial Statements)

Chairperson: Hsin-Nan KanManagerial Officer: Peng-Huang PengAccounting Officer: Rui-Chen Hu

SINGATRON ENTERPRISE CO., LTD. and subsidiaries

Consolidated Statements of Comprehensive Income

January 1 to December 31, 2022

and January 1 to December 31, 2021

(Amounts in thousands of NTD, except for earnings per share)

Code	Accounting item	Notes	2022		2021	
			Amount	%	Amount	%
4000	Operating revenue	4, 6.18and 7	$3,892,540	100	$4,184,088	100
5000	Operating costs	7	(2,877,544)	(74)	(3,050,560)	(73)
5900	Operating gross profit		1,014,996	26	1,133,528	27
6000	Operating expenses					
6100	Selling expenses	7 and 9.1	(277,620)	(7)	(307,907)	(7)
6200	Administrative expenses		(255,302)	(7)	(273,058)	(7)
6300	Research and development expenses		(137,965)	(3)	(120,483)	(3)
6450	Expected credit impairment (losses) gains	4 and 6.19	(4,381)	-	192	-
	Total operating expenses		(675,268)	(17)	(701,256)	(17)
6900	Net operating profit		339,728	9	432,272	10
7000	Non-operating income and expenses					
7010	Other income	6.22	34,583	1	18,205	1
7020	Other gains or losses	6.22	36,688	1	182	-
7050	Financial costs	4 and 6.22	(9,092)	-	(5,766)	-
	Total non-operating income and expenses		62,179	2	12,621	1
7900	Net profit before tax		401,907	11	444,893	11
7950	Income tax expense	4 and 6.24	(105,952)	(3)	(115,527)	(3)
8200	Net profit for the period		295,955	8	329,366	8
8300	Other comprehensive income	6.23				
8310	Items not reclassified subsequently to profit or loss					
8311	Remeasurement of defined benefit plans		3,797	-	635	-
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translation of the financial statements of foreign operations		51,052	1	(19,386)	(1)
8399	and items that may be reclassified to profit or loss: Related income tax		(8,689)	-	2,848	-
8300	Other comprehensive income for the period (net of tax)		46,160	1	(15,903)	(1)
8500	Total comprehensive income for the period		$342,115	9	$313,463	7
8600	Net profit attributable to:					
8610	Owners of the parent company		$222,508	6	$246,754	6
8620	Non-controlling interests		73,447	2	82,612	2
			$295,955	8	$329,366	8
8700	Total comprehensive income attributable to:					
8710	Owners of the parent company		$261,062	7	$235,997	5
8720	Non-controlling interests		81,053	2	77,466	2
			$342,115	9	$313,463	7
9750	Basic earnings per share (NTD)	6.25	$1.85		$1.97	
9850	Diluted earnings per share (NTD)	6.25	$1.85		$1.97	

(Please refer to Notes to Consolidated Financial Statements)

Chairperson: Hsin-Nan KanManagerial Officer: Peng-Huang PengAccounting Officer: Rui-Chen Hu

SINGATRON ENTERPRISE CO., LTD. and subsidiaries

Consolidated Statement of Changes in Equity

January 1 to December 31, 2022

and January 1 to December 31, 2021

(Amounts are in thousands of NTD)

		Equity attributable to owners of the parent company										
				Retained earnings			Other items of equity					
Code	Item	Share capital	Capital surplus	Legal reserve	Special reserve	Undistributed earnings	Exchange differences on translation of the financial statements of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury stock	Total	-controlling inter	Total equity
		3100	3200	3310	3320	3350	3410	3420	3500	31XX	36XX	3XXX
A1	Balance as of January 31, 2021	$1,268,396	$14,552	$43,268	$162,704	$248,583	$(115,389)	$(33,514)	$-	$1,588,600	$414,092	$2,002,692
	2020 earnings appropriation and distribution											
B1	Provision of legal reserve			23,383		(23,383)				-		-
B17	Reversal of special reserve				(13,801)	13,801				-		-
B5	Cash dividends on common stock					(177,576)				(177,576)		(177,576)
D1	Net profit for 2021					246,754				246,754	82,612	329,366
D3	Other comprehensive income for 2021					635	(11,392)			(10,757)	(5,146)	(15,903)
D5	Total comprehensive income for the period	-	-	-	-	247,389	(11,392)	-	-	235,997	77,466	313,463
O1	Increase or decrease in non-controlling interests										(44,013)	(44,013)
L1	Purchase of treasury stock								(99,128)	(99,128)		(99,128)
L3	Retirement of treasury stock	(40,770)				(58,358)			99,128	-		-
M7	Change in ownership interests in subsidiaries		(335)							(335)	(74)	(409)
Z1	Balance as of December 31, 2021	1,227,626	14,217	66,651	148,903	250,456	(126,781)	(33,514)	-	1,547,558	447,471	1,995,029
	2021 earnings appropriation and distribution											
B1	Provision of legal reserve			18,903		(18,903)				-		-
B3	Provision of special reserve				11,392	(11,392)				-		-
B5	Cash dividends on common stock					(159,592)				(159,592)		(159,592)
D1	Net profit for 2022					222,508				222,508	73,447	295,955
D3	Other comprehensive income for 2022					3,797	34,757			38,554	7,606	46,160
D5	Total comprehensive income for the period	-	-	-	-	226,305	34,757	-	-	261,062	81,053	342,115
L1	Purchase of treasury stock								(128,490)	(128,490)		(128,490)
L3	Retirement of treasury stock	(54,970)				(73,520)			128,490	-		-
Z1	Balance as of December 31, 2022	$1,172,656	$14,217	$85,554	$160,295	$213,354	$(92,024)	$(33,514)	$-	$1,520,538	$528,524	$2,049,062

(Please refer to Notes to Consolidated Financial Statements)

Chairperson: Hsin-Nan KanManagerial Officer: Peng-Huang PengAccounting Officer: Rui-Chen Hu

SINGATRON ENTERPRISE CO., LTD. and subsidiaries

Consolidated Statements of Cash Flows

January 1 to December 31, 2022

and January 1 to December 31, 2021

(Amounts are in thousands of NTD)

Code	Item	2022	2021	Code	Item	2022	2021
AAA	Cash flows from operating activities			BBBB	Cash flows from investing activities:		
A10000	Income before income tax	$401,907	$444,893	B00040	Acquisition of financial assets at amortized cost	(264,566)	-
A20000	Adjustments:			B00050	Disposal of financial assets at amortized cost	-	153
A20010	Income and expenses:			B02700	Acquisition of property, plant and equipment	(134,366)	(215,160)
A20100	Depreciation expenses (including investment property and right-of-use assets)	201,199	196,429	B02800	Disposal of property, plant and equipment	1,475	1,499
A20200	Amortization expenses	4,932	6,106	B03800	Decrease (increase) in refundable deposits	(55)	(1,632)
A20300	Expected credit impairment losses (gains)	4,381	(192)	B04500	Increase in intangible assets	(9,760)	(5,810)
A20400	Financial assets at fair value through profit or loss	22,945	20,498	BBBB	Net cash inflows (outflows) from investing activities	(407,272)	(220,950)
	Valuation(gain)loss						
A20900	Interest expenses	9,092	5,766	CCCC	Cash flows from financing activities:		
A21200	Interest income	(9,589)	(4,252)	C00100	Borrowing (repayment) of short-term loans	292,833	45,000
A22500	Loss (gain) on disposal of property, plant and equipment	11,201	10,822	C01600	Borrowing of long-term loans	50,000	-
A29900	Gain on lease modification	(13)	-	C01700	Repayment of long-term loans	(33,333)	(8,334)
A30000	Changes in assets/liabilities related to operating activities:			C03100	Increase (decrease) in deposits received	1,096	(6,658)
A31130	Decrease (increase) in notes receivable	(14,229)	(4,137)	C04020	Repayment of lease principal	(19,537)	(16,488)
A31150	Decrease (increase) in accounts receivable	234,986	(16,923)	C04500	Distribution of cash dividends	(159,592)	(221,589)
A31160	Decrease (increase) in accounts receivable - related parties	(28,275)	69,894	C04900	Cost of treasury stock repurchase	(128,490)	(99,128)
A31180	Decrease (increase) in other receivables	3,840	(16,651)	CCCC	Net cash inflows (outflows) from financing activities	2,977	(307,197)
A31200	Decrease (increase) in inventories	207,986	(25,250)				
A31230	Decrease (increase) in prepayments	9,194	4,648	DDDD	Effect of exchange rate changes on cash and cash equivalents	35,736	(14,628)
A31240	Decrease (increase) in other non-current assets	(47)	1,347				
A32125	Increase (decrease) in contract liabilities	5,420	444	EEEE	Increase (decrease) in cash and cash equivalents for the period	421,164	15,211
A32130	Increase (decrease) in notes payable	(75)	-	E00100	Cash and cash equivalents at the beginning of the year	770,744	755,533
A32150	Increase (decrease) in accounts payable	(145,161)	3,513	E00200	Cash and cash equivalents at the end of the year	$1,191,908	$770,744
A32180	Increase (decrease) in other payables	(75,268)	(76,634)				
A32230	Increase (decrease) in other non-current liabilities	(89)	(1,387)				
A32240	Increase (decrease) in net defined benefit liabilities	(143)	(193)				
A33000	Cash inflows (outflows) from operating activities	844,194	618,741				
A33100	Interest received	7,469	4,237				
A33300	Interest paid	(7,187)	(4,747)				
A33500	Income tax paid	(54,753)	(60,245)				
AAAA	Net cash inflows (outflows) from operating activities	789,723	557,986				

(Please refer to Notes to Consolidated Financial Statements)

Chairperson: Hsin-Nan Kan Managerial Officer: Peng-Huang Peng Accounting Officer: Rui-Chen Hu

Appendix 2

SINGATRON ENTERPRISE CO., LTD.
Audit Committee's Review Report

The Company's Board of Directors have prepared the 2022 business report, standalone financial statements, consolidated financial statements, etc., among which the standalone financial statements and consolidated financial statements have been audited by Ernst & Young, Mao-Yi Hung and Chi-Ming Chang, Certified Public Accountants, and an audit report thereon has been issued. The above business report, financial statements and earnings distribution proposal and have been reviewed and determined to be accurate by the Audit Committee. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report for your review.

SINGATRON ENTERPRISE CO., LTD.

Convener of the Audit Committee: Hui-Chou Chen

March 3, 2023

SINGATRON ENTERPRISE CO., LTD.
Audit Committee's Review Report

The Board of Directors has prepared the 2022 earnings distribution proposal, which has been reviewed and determined to be accurate by the Audit Committee. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report for your review.

SINGATRON ENTERPRISE CO., LTD.

Convener of the Audit Committee: Hui-Chou Chen

April 26, 2023

Appendix 3

SINGATRON ENTERPRISE CO., LTD.

Comparison of the Amendments to the Rules of Procedure for Board of Directors' Meetings

Amended provisions	Current provisions	Explanation:
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 before 7 days before the meeting is convened. In emergency circumstances, however, a board meeting may be called on shorter notice. The notice to be given under the preceding paragraph may be effected in writing, by E-mail, or by fax. All matters set forth under Paragraph 1, Article 12 of these Rules shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extempore motion.	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 before 7 days before the meeting is convened. In emergency circumstances, however, a board meeting may be called on shorter notice. The notice to be given under the preceding paragraph may be effected in writing, by E-mail, or by fax. All matters set forth under Paragraph 1, Article 12 of these Rules shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extempore motion <u>except in the case of an emergency or for other legitimate reason</u>	Articles 1 to 3 were not amended. II. In view of the fact that Paragraph 1 of Article 12 is an important matter concerning the operations of the Company and should be set forth in the reasons for convening the board meeting so that the directors can have sufficient information and time to evaluate their motions before making decisions. As such the proviso under Article 4 is hereby deleted to specify that the matters set forth in Paragraph 1 of Article 12 shall be listed in the reasons for convening the board meeting and shall not be raised by an extempore motions. In addition, the Company may convene the Board of Directors at any time in accordance with the second paragraph if there is an urgent need to bring up the matter for discussion, which should not affect the normal operations of the Company's business or operations. In accordance with Article 6, the urgent board meeting shall be convened at a place and time convenient for the directors to attend, and in accordance with Article 4, the contents of the board meeting and meeting materials shall be sent to the members of the Board of Directors together with the notice of the meeting. .
Article 12 (Matters requiring discussion at a board meeting) The matters listed below as they relate to the Company shall be raised for discussion at a board meeting: I. The Company's business plan. II. Annual financial reports and, where subject to the requirement of audit and attestation by a certified public accountant, semi- annual financial reports.	Article 12 (Matters requiring discussion at a board meeting) The matters listed below as they relate to the Company shall be raised for discussion at a board meeting: I. The Company's business plan. II. Annual financial reports and, where subject to the requirement of audit and attestation by a certified public accountant, semi- annual financial reports.	In accordance with Paragraphs 1 and 2, Article 208 of the Company Act, the election of chairperson is under the authority of the Board of Directors or the Board of Managing Directors, and the procedure for dismissal of chairperson is not explicitly stated in the Company Act. However, in accordance with the Ministry of Economic Affairs' letter dated August 2, 2005, Jing-Shang-Zii No. 094

III. 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. IV. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others. V. The offering, issuance, or private placement of any equity-type securities. VI. The election or dismissal of the chairperson of the Board of Directors in the absence of any managing director in the Board of Directors VII. The appointment or dismissal of a financial, accounting, or internal auditing officer. VIII. Donations to related parties (regardless of the amount), or donations to non-related parties that reach NT$1 million or more in a single transaction or cumulatively to the same target in a year, or donations of political contributions that reach NT$0.1 million or more in a single transaction or cumulatively to the same target in the current year. However, donations for emergency relief due to a major natural disaster may be submitted to the next board meeting for ratification. IX. Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders' meeting or Board of Directors meeting, or any such significant matter as may be prescribed by the competent authority. X. If the Board of Directors does not adopt or amend the salary and remuneration for	III. 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. IV. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others. V. The offering, issuance, or private placement of any equity-type securities. VI. The appointment or dismissal of a financial, accounting, or internal auditing officer. VII. Donations to related parties (regardless of the amount), or donations to non-related parties that reach NT$1 million or more in a single transaction or cumulatively to the same target in the current year, or donations of political contributions that reach NT$0.1 million or more in a single transaction or cumulatively to the same target in the current year. However, donations for emergency relief due to a major natural disaster may be submitted to the next board meeting for ratification. VIII. Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders' meeting or Board of Directors meeting, or any such significant matter as may be prescribed by the competent authority. IX. If the Board of Directors does not adopt or amend the salary and remuneration for directors and managerial officers recommended by the	02105990, it is more reasonable for the Board of Directors or the Board of Managing Directors that elected the chairperson to resolve on the matter, unless otherwise provided in the Articles of Incorporation. . With reference to the provisions of the Company Act above and the letter from the Ministry of Economic Affairs, the Company hereby adds a new paragraph 6 to specify that if the Board of Directors does not have any managing director, the election or dismissal of the chairperson shall be submitted to the Board of Directors for discussion. The existing Paragraphs 6 through 8 are moved to Paragraphs 7 through 9. In accordance with Paragraph 2, Article 208 of the Company Act, the chairperson elected by the Board of Directors shall be subject to the same procedures and meeting rules of procedure as the Board of Directors for the election and dismissal of the chairperson so the provisions to apply mutatis mutandis to Article 18 are amended. The second paragraph is amended in accordance with the related subparagraph of the first paragraph, while the third to fifth paragraphs are not amended.

directors and managerial officers recommended by the Remuneration Committee, it shall require the consent of a majority of the directors in attendance at a meeting attended by two-thirds or more of the entire board, which in its resolution shall explain the consideration it has given to the matter, and shall specifically explain whether the remuneration passed by it exceeds in any way the recommendation of the remuneration committee. The term "related party" in Paragraph 8 refers to a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The one year referred to in the preceding paragraph is based on the date of the current Board meeting, and is retroactively projected to one year, and the donations already approved by the Board of Directors are not counted again. At least one of the independent directors shall attend the board meeting in person; In the case of a meeting concerning any of the above- listed matters required to be submitted for a resolution by the Board of Directors, each independent director shall attend in person. If an independent director is unable to attend in person, he or she shall appoint another independent director to attend as his or her proxy. If an independent director has objections or reservations, they should be stated in the minutes of the board meeting. If the independent director cannot attend the board meeting in person to voice his or her dissenting or qualified opinion,	Remuneration Committee, it shall require the consent of a majority of the directors in attendance at a meeting attended by two-thirds or more of the entire board, which in its resolution shall explain the consideration it has given to the matter, and shall specifically explain whether the remuneration passed by it exceeds in any way the recommendation of the remuneration committee. The term "related party" in Paragraph ¨ refers to a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "significant donation to an unrelated party" refers to a donation amounting to at least NT$100 million per donation or an accumulation of donations to the same party within one year, or a donation amounting to at least 1% of the net operating revenues or 5% of the paid-in capital of the most recent annual financial statements attested by CPA. The one year referred to in the preceding paragraph is based on the date of the current Board meeting, and is retroactively projected to one year, and the donations already approved by the Board of Directors are not counted again. At least one of the independent directors shall attend the board meeting in person; In the case of a meeting concerning any of the above- listed matters required to be submitted for a resolution by the Board of Directors, each independent director shall attend in person. If an independent director is unable to attend in person, he or she shall appoint another independent director to attend as his or her proxy. If an independent director has objections or reservations, they should be stated in the minutes of the board meeting. If the independent director cannot attend the board meeting in	

he or she should provide a written opinion beforehand unless there are justified reasons not to do so. The written opinion furthermore shall be noted in the minutes of the Board of Directors' meeting.	person to voice his or her dissenting or qualified opinion, he or she should provide a written opinion beforehand unless there are justified reasons not to do so. The written opinion furthermore shall be noted in the minutes of the Board of Directors' meeting.	
Article 18 (Board of Managing Directors) If the Company has a Board of Managing Directors, the provisions of Article 2, Paragraph 2 of Article 3, Articles 4 to 6, Article 9 and Articles 11 to the preceding Article shall apply mutatis mutandis; the provisions of Paragraph 4, Article shall apply mutatis mutandis to the election or dismissal of the chairperson. However, the managing directors shall be notified within two days if the Board of Managing Directors regularly meets within seven days.	Article 18 (Board of Managing Directors) If the Company has a Board of Managing Directors, the provisions of Article 2, Paragraph 2 of Article 3, Articles 4 to 6, Article 9 to Articles 18 shall apply mutatis mutandis However, the managing directors shall be notified within two days if the Board of Managing Directors regularly meets within seven days.	It is added that if the Company has any managing director, the criteria for the election or dismissal of the chairperson shall be the same as those described in Explanations 1 and 2 of Article 12, .
Article 19 (Supplementary provisions) The formulation and amendments of the Rules of Procedures should be approved by the Board of Directors and reported to the shareholders' meeting.	Article 19 (Supplementary provisions) The formulation and amendments of the Rules of Procedures should be approved by the Board of Directors and reported to the shareholders' meeting. This amendment is made in accordance with the Financial Supervisory Commission's Order Jin-Guan-Zheng-Fa-Zi No. 10703452331 dated December 19, 2018 with the establishment of the Audit Committee and simultaneously abolishment of supervisor system, which will be applicable after the re-election at the Company's 2022 shareholders' meeting.	Explanation for the amendment of 2022.01.13 is deleted.

SINGATRON ENTERPRISE CO., LTD.

Rules of Procedure for the Board of Directors' Meetings

2022.01.13 Edition

Article 1 (Basis for establishing the Rules of Procedure)

To establish a strong governance system and sound supervisory capabilities for the Company'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" for compliance

Article 2 (Scope of these Rules)

With respect to the Board of Directors meetings ("board meetings") of the Company, the main agenda items, working procedures, required content of meeting minutes, public announcements, and other compliance requirements 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 before 7 days before the meeting is convened. In emergency circumstances, however, a board meeting may be called on shorter notice.

The notice to be given under the preceding paragraph may be effected in writing, by E-mail, or by fax.

All matters set forth under Paragraph 1, Article 12 of these Rules shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion except in the case of an emergency or for other legitimate reason.

Article 4 (Meeting notification and meeting materials)

The designated unit responsible for the board meetings of the Company shall be the Board of Directors' secretarial office.

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. A director who is of the opinion that the information on the meeting's motions provided is 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, which shall be made available for future reference.

Directors shall attend board meetings in person. A director unable to attend in person may appoint another director to attend the meeting in his or her place in accordance with the Company's Articles of Incorporation. Attendance by videoconference will be deemed attendance in person.

In case a director appoints another director to attend a meeting of the Board of Directors in his/her behalf, he/she shall, in each time, issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting.

A director may accept the appointment to act as the proxy referred to in Paragraph 2 of one other director only.

Article 6 (Principles for determining the place and time of a board meeting)

A board meeting shall be held at the premises and during the business hours of the Company, or at a place and time convenient for all directors to attend and suitable for holding board meetings.

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.

In accordance with Paragraph 4, Article 203 or Paragraph 3, Article 203-1 of the Company Act, if a board meeting is convened by a majority of the directors, the directors shall elect one of them to be the chair from among themselves.

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, the management (or the designated unit responsible for the board meetings) shall furnish the attending directors with relevant materials for ready reference.

As merited by the content of a proposal to be put forward at a board meeting, personnel from a relevant department or a subsidiary may be notified to attend the meeting as non-voting participants.

When necessary, certified public accountants, attorneys, or other professionals retained by the Company may also be invited to attend the meeting as non-voting participants and to make explanatory statements, 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, 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 Paragraph 2 of Article 3.

The number of "all directors," as used in the preceding paragraph and in Subparagraph 2, Paragraph 2 of Article 16 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 the Company

Article 10 (Agenda items)

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

I. Report Items
   (I). Minutes of the last meeting and action taken.
   (II). Important financial and business matters.
   (III). Internal audit activities.
   (IV). Other important matters to be reported
II. Discussion
   (I). Items for continued discussion from the last meeting.
   (II). Items for discussion at this meeting.
III. Extempore 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.

For the preceding agenda and extempore motions, The chair shall not adjourn the meeting without the consent of a majority of the directors present.

While a board meeting is in progress, if less than a majority of the directors present at a board meeting are present, the chair shall, upon the proposal of the directors present, suspend the meeting and apply the provisions of Paragraph 5 of Article 8 mutatis mutandis

Article 12 (Matters requiring discussion at a board meeting)

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

I. The Company’s business plan.
II. Annual financial reports and, where subject to the requirement of audit and attestation

by a certified public accountant, semi- annual financial reports.

III. 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.

IV. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.

V. The offering, issuance, or private placement of any equity-type securities.

VI. The appointment or dismissal of a financial, accounting, or internal auditing officer.

VII. Donations to related parties (regardless of the amount), or donations to non-related parties that reach NT$1 million or more in a single transaction or cumulatively to the same target in the current year, or donations of political contributions that reach NT$0.1 million or more in a single transaction or cumulatively to the same target in the current year. However, donations for emergency relief due to a major natural disaster may be submitted to the next board meeting for ratification.

VIII. Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders' meeting or Board of Directors meeting, or any such significant matter as may be prescribed by the competent authority.

IX. If the Board of Directors does not adopt or amend the salary and remuneration for directors and managerial officers recommended by the Remuneration Committee, it shall require the consent of a majority of the directors in attendance at a meeting attended by two-thirds or more of the entire board, which in its resolution shall explain the consideration it has given to the matter, and shall specifically explain whether the remuneration passed by it exceeds in any way the recommendation of the remuneration committee.

The term "related party" in Paragraph ¨ refers to a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "significant donation to an unrelated party" refers to a donation amounting to at least NT$100 million per donation or an accumulation of donations to the same party within one year, or a donation amounting to at least 1% of the net operating revenues or 5% of the paid-in capital of the most recent annual financial statements attested by CPA.

The one year referred to in the preceding paragraph is based on the date of the current Board meeting, and is retroactively projected to one year, and the donations already approved by the Board of Directors are not counted again.

At least one of the independent directors shall attend the board meeting in person; In the case of a meeting concerning any of the above- listed matters required to be submitted for a resolution by the Board of Directors, each independent director shall attend in person. If an independent director is unable to attend in person, he or she shall appoint another independent director to attend as his or her proxy. If an independent director has objections or reservations, they should be stated in the minutes of the board meeting. If the independent director cannot attend the board meeting in person to voice his or her dissenting or qualified opinion, he or she should provide a written opinion beforehand unless there are justified reasons not to do so. The written opinion furthermore shall be noted in the minutes of the Board of Directors' meeting.

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:

I. A show of hands or a vote by voting machine.

II. A roll call vote.

III. A vote by ballot.

IV. A vote by a method selected at the Company's discretion.

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

Article 14 (Voting-II and methods for vote monitoring and counting)

Unless otherwise provided for in the Securities and Exchange Act and the Company Act, resolutions of the proposals at a board meeting shall be adopted by a majority of the directors at a meeting attended by a majority of the directors.

When there is an amendment or an alternative to a motion, the chair of the meeting shall present the amended or alternative motion together with the original motion and decide the order in which they will be put to voting. However, when any one among them is approved, the other motions will then be deemed rejected, and no further voting 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. The outcome of a vote at the audit committee meeting shall be reported on the spot and be recorded accordingly.

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 Company, 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 the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting, such director shall be deemed to have a personal interest in the matter.

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 Paragraph 2, Article 180 of the Company Act apply mutatis mutandis in accordance with Paragraph 3, Article 206 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:

I. The meeting session (or year) and the time and place of the meeting.
II. The name of the chair.
III. The directors' attendance at the meeting, including the names and the number of directors in attendance, excused, and absent.
IV. The names and titles of those attending the meeting as non-voting participants.
V. The name of the minute taker.
VI. Report Items.
VII. Discussion: the method of resolution and the result for each proposal; a summary of the comments made by directors, 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 Paragraph 2 of Article 12.
VIII. Extempore motions: The name of the mover, the method of resolution and the result, a summary of the comments of any director, 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.
IX. 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:

I. Any objection or expression of reservations by an independent director expresses of which there is a record or written statement.
II. A resolution is adopted with the approval of two-thirds or more of all directors, without having been passed by the audit committee of the Company.
III. The remuneration approved by the Board of Directors is superior to that recommended by the Remmuneration Committee.

The Board of Directors' sign-in book shall be part of the minutes and shall be kept for the duration of the Company's existence.
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 within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of the Company.
The preparation and distribution of the minutes of shareholders' meeting as required in Paragraph 1 may be effected by means of electronic transmission.

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 Paragraph 1 of Article 12, when the Board of Directors appoints a party to exercise the powers of the board in accordance with applicable laws and regulations or the Company's Articles of Incorporation, the content or delegation is as follows:

I. In accordance with the Company's approval authority table.
II. In accordance with the Company's management rules, systems and regulations.
III. Investees and the designation of supervisors
IV. Approval of the base date for capital increase or deduction and the base date for cash dividends.
V. Adjustment or non-adjustment of the conversion price of the convertible bonds (except for special reset).

Article 18 (Board of Managing Directors)
If the Company has a Board of Managing Directors, the provisions of Article 2, Paragraph 2 of Article 3, Articles 4 to 6, Article 9 to Articles 18 shall apply mutatis mutandis However, the managing directors shall be notified within two days if the Board of Managing Directors regularly meets within seven days.

Article 19 (Supplementary provisions)
The formulation and amendments of the Rules of Procedures should be approved by the Board of Directors and reported to the shareholders' meeting.
This amendment is made in accordance with the Financial Supervisory Commission's Order Jin-Guan-Zheng-Fa-Zi No. 10703452331 dated December 19, 2018 with the establishment of the Audit Committee and simultaneously abolishment of supervisor system, which will be applicable after the re-election at the Company's 2022 shareholders' meeting.

Appendix 4

SINGATRON ENTERPRISE CO., LTD.

Comparison of the Amendments to the Corporate Governance Best Practice Principles

Amended provisions	Current provisions	Remarks
Article 3 The Company shall have an adequate number of corporate governance personnel with appropriate qualifications based on the size of the Company, business situations and management needs, and shall appoint in accordance with the requirements of the competent authorities, TWSE or TPEx a chief corporate governance officer as the most senior officer to be in charge of corporate governance affairs. Said officer shall be a qualified, practice-eligible lawyer or accountant or have been in a managerial position for at least three years in a securities, financial, or futures related institution or a public company in handling legal affairs, legal compliance, internal audit, financial affairs, stock affairs, or corporate governance affairs. The corporate governance affairs mentioned in the preceding paragraph shall cover, at a minimum, the following: I. Handling matters relating to board meetings and shareholders meetings according to laws II. Preparation of minutes of the Board of Directors meetings and shareholders meetings; III. Assistance in onboarding and continuing education of the directors IV. Provision of information required for performance of duties by the directors V. Assistance in the directors' compliance of law VI. Report to the Board of Directors on the results of its review of the compliance of the qualifications of independent directors with the relevant laws and regulations at the time of their nomination, election and during their term of office.	Article 3 The Company shall have an adequate number of corporate governance personnel with appropriate qualifications based on the size of the Company, business situations and management needs, and shall appoint in accordance with the requirements of the competent authorities, TWSE or TPEx a chief corporate governance officer as the most senior officer to be in charge of corporate governance affairs. Said officer shall be a qualified, practice-eligible lawyer or accountant or have been in a managerial position for at least three years in a securities, financial, or futures related institution or a public company in handling legal affairs, legal compliance, internal audit, financial affairs, stock affairs, or corporate governance affairs. The corporate governance affairs mentioned in the preceding paragraph shall cover, at a minimum, the following: I. Handling matters relating to board meetings and shareholders meetings according to laws II. Preparation of minutes of the Board of Directors meetings and shareholders meetings; III. Assistance in onboarding and continuing education of the directors IV. Provision of information required for performance of duties by the directors V. Assistance in the directors' compliance of law VI. Other matters described	In accordance with the Corporate Governance 3.0 - Sustainable Development Blueprint, and as a result of the consultation with external parties, the legal compliance of the qualifications of independent directors (including independent director candidates and incumbent independent directors) is incorporated into the Corporate Governance Officer's function. In addition, in order to strengthen the functions of Corporate Governance Officer, the handling of changes in directors (including but not limited to the matters that Corporate Governance Officer shall handle in accordance with the regulations when he/she is notified of the resignation or reassignment of directors under Paragraph 3 , Article 27 of the Company Act) is included in the functions of Corporate Governance Officer. The Company hereby adds Paragraphs 6 and 7 respectively.

VII. Handling matters related to the change of directors. VIII. Other matters described or established in the Articles of Incorporation or under contract.	or established in the Articles of Incorporation or under contract.	
Article 6 I. The Board of Directors of the Company shall properly arrange the agenda and procedures of the shareholders' meeting. II. The Board of Directors shall establish the principles and procedures for shareholders' nomination of directors and proposals for shareholders' meetings, and shall handle appropriately the motions proposed by shareholders in accordance with the law. III. Arrangements shall be made to hold shareholders meetings at a convenient location, advisably with videoconferencing available and sufficient time allowed and sufficient number of suitable personnel assigned to handle attendance registrations. IV. No arbitrary requirements shall be imposed on shareholders to provide additional evidentiary documents beyond those showing eligibility to attend. e statements. V. Shareholders shall be granted reasonable time to deliberate each proposal and an appropriate opportunity to make statements. VI. The chairperson of the Board shall preside in person at the shareholders' meeting convened by the Board of Directors, and a majority of the Board of Directors (including at least one independent director) and the convener of the audit committee shall be present in person, and at least one member of other functional committees shall be present, and the attendance shall be recorded in the minutes of the shareholders' meeting.	Article 6 I. The Board of Directors of the Company shall properly arrange the agenda and procedures of the shareholders' meeting. II. The Board of Directors shall establish the principles and procedures for shareholders' nomination of directors and proposals for shareholders' meetings, and shall handle appropriately the motions proposed by shareholders in accordance with the law. III. Arrangements shall be made to hold shareholders meetings at a convenient location, with sufficient time allowed and sufficient number of suitable personnel assigned to handle attendance registrations. IV. No arbitrary requirements shall be imposed on shareholders to provide additional evidentiary documents beyond those showing eligibility to attend. e statements. V. Shareholders shall be granted reasonable time to deliberate each proposal and an appropriate opportunity to make statements. VI. The chairperson of the Board shall preside in person at the shareholders' meeting convened by the Board of Directors, and a majority of the Board of Directors (including at least one independent director) and the convener of the audit committee shall be present in person, and at least one member of other functional committees shall be present, and the attendance shall be recorded in the minutes of the shareholders' meeting.	Addition is made in accordance with the fact that the competent authority allows shareholders' meetings to be held by video means
Article 11 I. The Company's	Article 11 I. The Company's	I. In view of the fact that listed companies with

acquisition or disposal of assets, lending of funds and endorsement and guarantee and other major financial and business activities shall be handled in accordance with relevant laws and regulations, and relevant operating procedures shall be formulated and submitted to the shareholders' meeting for approval to protect shareholders' rights and interests. II. When the Company is involved in a merger, acquisition or public tender offer, in addition to proceeding in accordance with the applicable laws and/or regulations, it shall not only pay attention to the fairness, rationality, etc. of the plan and transaction of the merger, acquisition or public tender offer, , but information disclosure and the soundness of the Company's financial structure thereafter. III. If the management or majority shareholders of the Company participate in a merger or acquisition, the members of the audit committee examining the preceding merger or acquisition shall comply with the provisions of Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall not be related to or have an interest in the counterparty to the merger or acquisition transaction to the extent that the independence of the Company is affected, Whether the design and execution of the relevant procedures are in compliance with the relevant laws and regulations and whether the information is adequately disclosed in accordance with the relevant laws and regulations, a legal opinion should be issued by an independent attorney. IV. The qualifications of the	acquisition or disposal of assets, lending of funds and endorsement and guarantee and other major financial and business activities shall be handled in accordance with relevant laws and regulations, and relevant operating procedures shall be formulated and submitted to the shareholders' meeting for approval to protect shareholders' rights and interests. II. When the Company is involved in a merger, acquisition or public tender offer, in addition to proceeding in accordance with the applicable laws and/or regulations, it shall not only pay attention to the fairness, rationality, etc. of the plan and transaction of the merger, acquisition or public tender offer, , but information disclosure and the soundness of the Company's financial structure thereafter. The Company's personnel who handle the preceding matters should be aware of conflicts of interest and recusal.	management or majority shareholders participating in mergers and acquisitions involve a higher degree of structural conflicts of interest and information asymmetries, and that it is necessary for professional and objective third parties to participate in the entire process of merger and acquisition consideration to ensure the fairness of the merger and acquisition through control procedures, the Company hereby adds an amendment to Article 3 to stipulate that a company whose management or majority shareholders are involved in a merger or acquisition shall appoint a lawyer to determine whether the members of the audit committee that examines the merger or acquisition comply with the requirements of Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and shall not be related to or interested in the counterparty to the merger and acquisition transaction in such a way as to affect the independence, independence and independence of the audit committee and have a legal opinion issued on whether the design and execution of the relevant procedures are in compliance with the relevant laws and regulations, such as the measures taken by the Audit Committee and the Board of Directors on the review process and whether the information is adequately disclosed in accordance with the relevant laws and regulations, so that the results of the review by the Audit Committee and the Board of Directors can be more reliable and can be restrained through the implementation of proper legal procedures. II. With reference to Paragraph 2, Article 4 of the Regulations Governing the Establishment and Related

aforementioned attorney shall be in compliance with the provisions of Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall not be related to or have an interest in the counterparty to the merger or acquisition transaction to the extent that the independence of the Company is affected, The Company's personnel who handle matters related to mergers and acquisitions or public acquisitions should be aware of conflicts of interest and recusal.		Matters of Special Committees of Public Companies for Merger/Consolidation and Acquisition, which stipulates that the qualifications of the members of the special committee shall be in accordance with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, the criteria for the independence of attorneys are added to the amended Paragraph 4 of the Article. . III. In accordance with the addition of Paragraphs 3 and 4, the paragraph number of the existing Paragraph 3 of the Article is carried over with discretionary adjustments to its text. .
Section 3 Establishing a Mechanism for Interaction with Related Parties Article 12 …… V. Financial and business dealings or transactions between the Company and related parties and shareholders should be conducted in accordance with the principle of fairness and reasonableness and have written regulations for financial and business dealings with them established. The Company shall specify the price, terms and payment method for contractual matters, and shall eliminate unconventional transactions and improper transfer of benefits. VI. The foregoing written regulations shall include procedures for the management of transactions such as purchase and sale transactions, acquisition or disposal of assets, lending of funds, and endorsement and guarantee, and the relevant material transactions shall be approved by a resolution of the Board of Directors and approved or reported to the shareholders'	Section 3 Establishing a Mechanism for Interaction with Affiliates Article 12 …… V. Business dealings between the Company and affiliates should be conducted in accordance with the principle of fairness and reasonableness and have written regulations for financial and business dealings with them established. The Company shall specify the price, terms and payment method for contractual matters, and shall eliminate unconventional transactions. VI. Transactions or contracts between the Company and its related parties and shareholders shall also be conducted in accordance with the foregoing principles, and transfer of benefits is strictly prohibited.	Given that the governance relationship between the Company and its affiliates also includes the management of transactions with related parties as governed by this section, etc. the Company hereby revise the name of this section. Paragraph 5 is amended, The current provision only governs the written regulations for the transactions between the Company and its related companies should be established. In order to strengthen the Company's management of transactions with related parties, written regulations should also be established for transactions between the Company and its related parties and shareholders, and since the scope of related parties inherently includes related parties, the Company hereby mergers the existing Paragraph 6 to Paragraph 5 with discretionary amendments to its text. Paragraph 6 is added to specify that the foregoing written regulations shall include the management procedures of relevant transactions, and that

meeting.		significant transactions shall be approved by resolution of the Board of Directors and approved or reported to the shareholders' meeting.
Article 24 …… VII. The Company shall periodically (at least once a year) evaluate the independence and suitability of the CPAs engaged by the Company by referring to the Audit Quality Indicators (AQIs). ……	Article 24 …… VII. The Company shall periodically (at least once a year) evaluate the independence and suitability of the CPAs engaged by the Company. ……	To enhance the transparency of audit quality, the "Corporate Governance 3.0 - Sustainable Development Blueprint" encourages the audit committee of listed companies to refer to the AQI information provided by the CPA firm when evaluating the change of CPA firm through the promotion of audit quality indicators (AQIs).
Article 42 The Principles were established on January 30, 2015. The 1st amendment was made on March 14, 2017. The 2nd amendment was made on March 20, 2019. The 3rd amendment was made on March 10, 2020. The 4th amendment was made on January 13, 2022. The 5th amendment was made on March 3, 2023.	Article 42 The Principles were established on January 30, 2015. The 1st amendment was made on March 14, 2017. The 2nd amendment was made on March 20, 2019. The 3rd amendment was made on March 10, 2020. The 4th amendment was made on January 13, 2022. This amendment is made in accordance with the Financial Supervisory Commission's Order Jin-Guan-Zheng-Fa-Zi No. 10703452331 dated December 19, 2018 with the establishment of the Audit Committee and simultaneously abolishment of supervisor system, which will be applicable after the re-election at the Company's 2022 shareholders' meeting.	The dates of amendments are added.

SINGATRON ENTERPRISE CO., LTD.
Corporate Governance Best Practice Principles 2022.01.13 Edition

Chapter 1 General Provision

Article 1

In order to strengthen the Company's corporate governance system, the Principles are established with reference to the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” for an effective corporate governance structure for compliance and disclosed on the Market Observation Post System.

Article 2

The corporate governance of the Company shall comply with the laws and regulations and the Articles of Incorporation, and shall be based on the following principles:

I. Protect the rights and interests of shareholders.
II. Strengthen the powers of the Board of Directors.
III. Respect the rights and interests of stakeholders
IV. Enhance information transparency.

Article 3

The Company shall follow the “Criteria Governing Establishment of Internal Control Systems by Public Reporting Companies” and take into consideration the overall operational activities of itself and its subsidiaries to design and fully implement an internal control system, and shall conduct continuing reviews of the system, in order to ensure the continued effectiveness of its design and implementation in light of changes in the Company's internal and external environment.

I. The Company shall perform full self-assessments of its internal control system. Its Board of Directors and management shall review the results of the self-assessments by each department at least annually and the reports of the internal audit department on a quarterly basis. The audit committee shall also attend to and supervise these matters.
II. Directors shall periodically hold discussions with their internal auditors about reviews of internal control system deficiencies. A record of the discussions shall be kept, and the discussions shall be followed up, improvements implemented, and a report submitted to the Board of Directors. The Company shall establish channels and mechanisms of communication between their independent directors, audit committees, and chief internal auditors, and the convener of the audit committee shall report the communications between members of the audit committees and chief internal auditors at the shareholders' meeting.
III. The management of the Company shall pay special attention to the internal audit department and its personnel, fully empower them and urge them to conduct audits effectively, to evaluate problems of the internal control system and assess the efficiency of its operations to ensure that the system can operate effectively on an on-going basis, and to assist the Board of Directors and the management to perform their duties effectively so as to ensure a sound corporate governance system.
IV. Appointment, dismissal, evaluation and review, salary and compensation of internal auditors of the Company shall be reported to the Board of Directors or shall be submitted by the chief auditor to the board chairperson for approval.

Article 3

The Company shall have an adequate number of corporate governance personnel with appropriate qualifications based on the size of the Company, business situations and management needs, and shall appoint in accordance with the requirements of the competent authorities, TWSE or TPEx a chief corporate governance officer as the most senior officer to be in charge of corporate governance affairs. Said officer shall be a qualified, practice-eligible lawyer or accountant or have been in a managerial position for at least three years in a securities, financial, or futures related institution or a public company in handling legal affairs, legal compliance, internal audit, financial affairs, stock affairs, or corporate governance affairs.

The corporate governance affairs mentioned in the preceding paragraph shall cover, at a minimum, the following:

I. Handling matters relating to board meetings and shareholders meetings according to laws
II. Preparation of minutes of the Board of Directors meetings and shareholders meetings;
III. Assistance in onboarding and continuing education of the directors
IV. Provision of information required for performance of duties by the directors
V. Assistance in the directors' compliance of law
VI. Other matters described or established in the Articles of Incorporation or under contract.

Chapter 2 Protect the rights and interests of shareholders.

Section 1 Encouraging Shareholders to Participate in Corporate Governance

Article 4

The corporate governance system of the Company shall be designed to protect shareholders' rights and interests and treat all shareholders equitably.

The Company shall establish a corporate governance system which ensures shareholders' rights of being fully informed of, participating in and making decisions over important matters of the Company.

Article 5

The Company shall convene shareholders meetings in accordance with. the Company Act and relevant laws and regulations, and provide comprehensive rules for such meetings. The Company shall faithfully implement resolutions adopted by shareholders meetings in accordance with the rules for the meetings.

Resolutions adopted by shareholders meetings of the Company shall comply with laws, regulations and Articles of Incorporation.

Article 6

I. The Board of Directors of the Company shall properly arrange the agenda and procedures of the shareholders' meeting.
II. The Board of Directors shall establish the principles and procedures for shareholders' nomination of directors and proposals for shareholders' meetings, and shall handle appropriately the motions proposed by shareholders in accordance with the law.
III. Arrangements shall be made to hold shareholders meetings at a convenient location, with sufficient time allowed and sufficient number of suitable personnel assigned to handle attendance registrations.
IV. No arbitrary requirements shall be imposed on shareholders to provide additional evidentiary documents beyond those showing eligibility to attend. e statements.
V. Shareholders shall be granted reasonable time to deliberate each proposal and an appropriate opportunity to make statements.
VI. The chairperson of the Board shall preside in person at the shareholders' meeting convened by the Board of Directors, and a majority of the Board of Directors (including at least one independent director) and the convener of the audit committee shall be present in person, and at least one member of other functional committees shall be present, and the attendance shall be recorded in the minutes of the shareholders' meeting.

Article 7

The Company shall encourage its shareholders to actively participate in corporate governance. It is advisable that the Company engage a professional shareholder services agent to handle shareholders meeting matters, so that shareholders meetings can proceed on a legal, effective and secure basis.

I. The Company shall seek all ways and means, including fully exploiting technologies for information disclosure, to upload annual reports, annual financial statements, notices, agendas and supplementary information of shareholders meetings in both Chinese and English concurrently, and shall adopt electronic voting, in order to enhance shareholders' attendance rates at shareholders meetings and ensure their exercise of rights at such meetings in accordance with laws.
II. The Company is advised to avoid raising extraordinary motions and amendments to original proposals at a shareholders meeting.
III. The Company shall arrange for their shareholders to vote on each separate proposal in the shareholders meeting agenda, and following conclusion of the meeting, to enter the voting results the same day, namely the numbers of votes cast for and against and the number of abstentions, on the Market Observation Post System.

Article 8

I. The Company, in accordance with the Company Act and other applicable laws and regulations, shall record in the shareholders meeting minutes the date and place of the meeting, the name of the chairperson, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting.
II. With respect to the election of directors, the meeting minutes shall record the method of voting adopted therefore and the total number of votes for the elected directors.
III. The shareholders meeting minutes shall be properly and perpetually kept by the Company during its legal existence, and should be sufficiently disclosed on the Company's website.

Article 9

I. The chair of the shareholders meetings shall be fully familiar and comply with the rules governing the proceedings of the shareholders meetings established by the company. The chair shall ensure the proper progress of the proceedings of the meetings and may not adjourn the meetings at will.

II. In order to protect the interests of most shareholders, if the chair declares the adjournment of the meeting in a manner in violation of rules governing the proceedings of the shareholders meetings, it is advisable for the members of the Board of Directors other than the chair of the shareholders meeting to promptly assist the attending shareholders at the shareholders meeting in electing a new chair of the shareholders meeting to continue the proceedings of the meeting, by a resolution to be adopted by a majority of the votes represented by the shareholders attending the said meeting in accordance with the legal procedures.

Article 10

I. The Company shall place high importance on the shareholder right to know, and shall faithfully comply with applicable regulations regarding information disclosure in order to provide shareholders with regular and timely information on company financial conditions and operations, insider shareholdings, and corporate governance status through the MOPS or the website established by the Company.

II. To treat all shareholders equally, it is advisable that the company concurrently disclose the information under the preceding paragraph in English.

III. To protect its shareholders' rights and interests and ensure their equal treatment, the Company shall adopt internal rules prohibiting company insiders from trading securities using information not disclosed to the market. It is advisable that the rules mentioned in the preceding paragraph include stock trading control measures from the date insiders of the company become aware of the contents of the company's financial reports or relevant results. Measures include, without limitation, those prohibiting a director from trading its shares during the closed period of 30 days prior to the publication of the annual financial reports and 15 days prior to the publication of the quarterly financial reports.

IV. The shareholders shall be entitled to profit distributions by the company. The shareholders meeting may, pursuant to Article 184 of the Company Act, examine the statements and books prepared and submitted by the Board of Directors and the reports submitted by the audit committee and may decide profit distributions and deficit off-setting plans by resolution. In order to proceed with the above examination, the shareholders meeting may appoint an inspector.

V. The shareholders may, pursuant to Article 245 of the Company Act, apply with the court to select an inspector in examining the accounting records, assets, particulars, documents and records of specific transaction of the company. The Board of Directors, audit committee, and managers of the Company shall fully cooperate in the examination conducted by the inspectors in Paragraphs 4 and 5 without any circumvention, obstruction or rejection.

VI. In order to protect the interests of the shareholders, it is advisable that the Company designate personnel exclusively dedicated to handling shareholder proposals, inquiries, and disputes.

VII. The Company shall properly deal with any legal action duly instituted by shareholders in which it is claimed that shareholder rights and interests were damaged by a resolution adopted at a shareholders meeting or a Board of Directors meeting in violation of applicable laws, regulations, or the Company's Articles of Incorporation, or that such damage was caused by a breach of applicable laws, regulations or the Company's Articles of Incorporation by any directors, or managers in performing their duties.

VIII. The Company shall adopt internal procedures for appropriate handling of matters referred to in the preceding two paragraphs, and that it keep relevant written records for future reference and incorporate the procedures in its internal control system for management purposes.

Article 10-1

The Company shall report at a general shareholder meeting the remuneration received by directors, including the remuneration policy, individual remuneration package, amount, and association with outcomes of performance reviews.

Article 11

I. The Company's acquisition or disposal of assets, lending of funds and endorsement and guarantee and other major financial and business activities shall be handled in accordance with relevant laws and regulations, and relevant operating procedures shall be formulated

and submitted to the shareholders' meeting for approval to protect shareholders' rights and interests.

II. When the Company is involved in a merger, acquisition or public tender offer, in addition to proceeding in accordance with the applicable laws and/or regulations, it shall not only pay attention to the fairness, rationality, etc. of the plan and transaction of the merger, acquisition or public tender offer, , but information disclosure and the soundness of the Company's financial structure thereafter.

The Company's personnel who handle the preceding matters should be aware of conflicts of interest and recusal.

Section 2 Establishing a Mechanism for Interaction with Shareholders

Article 11-1

The Board of Directors of the Company is responsible for establishing a mechanism for interaction with shareholders to enhance mutual understanding of the development of company's objectives.

Article 11-2

In addition to communicating with shareholders through shareholders meetings and encouraging shareholders to participate in such meetings, the Board of Directors of the Company together with officers and independent directors shall engage with shareholders in an efficient manner to ascertain shareholders' views and concerns, and expound company policies explicitly, in order to gain shareholders' support.

Section 3 Establishing a Mechanism for Interaction with Affiliates

Article 12

I. The Company shall clearly identify the objectives and the division of authority and responsibility between it and its affiliated enterprises with respect to management of personnel, assets, and financial matters, and shall properly carry out risk assessments and establish appropriate firewalls.

II. The managerial officers of the Company shall not serve concurrently as the managerial officers of its affiliates, except as provided by a resolution of the Board of Directors passed with a majority of the directors present and a majority of the directors present in accordance with the law.

III. 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.

IV. The Company shall establish sound objectives and systems for management of finance, operations, and accounting in accordance with applicable laws and regulations. It shall further, together with its affiliated enterprises, properly conduct an overall risk assessment of major banks they deal with and customers and suppliers, and implement the necessary control mechanisms to reduce credit risk.

V. Business dealings between the Company and affiliates should be conducted in accordance with the principle of fairness and reasonableness and have written regulations for financial and business dealings with them established. The Company shall specify the price, terms and payment method for contractual matters, and shall eliminate unconventional transactions.

VI. Transactions or contracts between the Company and its related parties and shareholders shall also be conducted in accordance with the foregoing principles, and transfer of benefits is strictly prohibited.

Article 13

A corporate shareholder having controlling power over the Company shall comply with the following provisions:

I. It shall bear a duty of good faith to other shareholders and shall not directly or indirectly cause the company to conduct any business which is contrary to normal business practice or not profitable.

II. Its representative shall follow the rules implemented by its company with respect to the exercise of rights and participation of resolution, so that at a shareholders meeting, the representative shall exercise his/her voting right in good faith and for the best interest of all shareholders and shall exercise the fiduciary duty and duty of care of a director.

III. It shall comply with relevant laws, regulations and the Articles of Incorporation of the company in nominating directors and shall not act beyond the authority granted by the shareholders meeting or board meeting.

IV. It shall not improperly intervene in corporate policy making or obstruct corporate

management activities.

V. It shall not restrict or impede the management or production of the company by methods of unfair competition such as monopolizing corporate procurement or foreclosing sales channels.

VI. The representative that is designated when a corporate shareholder has been elected as a director shall meet the company's requirements for professional qualifications. Arbitrary replacement of the corporate shareholder's representative is inappropriate.

Article 14

I. The Company shall retain at all times a register of major shareholders who own a relatively high percentage of shares and have controlling power, and of the persons with ultimate control over those major shareholders.

II. The Company shall disclose periodically important information about its shareholders holding more than 10 percent of the outstanding shares of the Company relating to the pledge, increase or decrease of share ownership, or other matters that may possibly trigger a change in the ownership of their shares.

The major shareholder indicated in the first paragraph refers to those who owns 5 percent or more of the outstanding shares of the company or the shareholding stake thereof is on the top 10 list, provided however that the company may set up a lower shareholding threshold according to the actual shareholding stake that may control the company.

Chapter 3 Strengthen the powers of the Board of Directors.

Section 一 Structure of the Board of Directors

Article 15

The Board of Directors of the Company shall direct company strategies, supervise the management, and be responsible to the Company and shareholders. The various procedures and arrangements of its corporate governance system shall ensure that, in exercising its authority, the Board of Directors complies with laws, regulations, its Articles of Incorporation, and the resolutions of its shareholders meetings.

The structure of the Board of Directors shall depend on the scale of the Company's business development and the shareholding of major shareholders, with the operational needs taken into account, and appropriate number of directors is determined in accordance with the law.

The composition of the Board of Directors shall be determined by taking diversity into consideration. It is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:

I. Basic requirements and values: Gender, age, nationality, and culture; it is advisable that the number of female directors account for at least one-third of all the directors.

II. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the Board of Directors shall possess the following abilities:

I. Ability to make operational judgments.

II. Ability to perform accounting and financial analysis.

III. Ability to conduct management administration.

IV. Ability to conduct crisis management.

V. Knowledge of the industry.

VI. An international market perspective.

VII. Ability to lead.

VIII. Ability to make policy decisions.

Article 16

I. The Company shall comply with the regulations of the competent authorities by specifying adoption of the candidate nomination system for election of directors in its Articles of Incorporation.

II. The Company should carefully review the qualifications of a nominated candidate and the existence of any other matters set forth in Article 30 of the Company Act, and act in accordance with Article 192-1 of the Company Act.

III. The Company shall, according to the principles for the protection of shareholder rights and interests and equitable treatment of shareholders, establish a fair, just, and open procedure for the election of directors, encourage shareholder participation, and adopt the cumulative

voting mechanism pursuant to the Company Act in order to fully reflect shareholders' views.

IV. Unless the competent authority otherwise grants an approval, a spousal relationship or a familial relationship within the second degree of kinship may not exist among more than half of the directors of the Company.

V. Upon the dismissal of a director for any reason, the company shall hold a director by-election at the next following shareholders meeting. When the number of directors falls short by one-third of the total number prescribed by the Articles of Incorporation, the company shall convene a special shareholders meeting within 60 days of the occurrence of that fact to hold a director by-election.

VI. The aggregate shareholding percentage of all of the directors of the Company shall comply with the laws and regulations. Restrictions on the share transfer of each director and the creation, release, or changes of any pledges over the shares held by each director shall be subject to the relevant laws and regulations, and the relevant information shall be fully disclosed.

Article 17

Clear distinctions shall be drawn between the responsibilities and duties of the chairperson of the board of the Company and those of its president. It is inappropriate for the chairperson to also act as the president or an equivalent post.

The Company with any functional committee shall clearly define the responsibilities and duties of the committee.

Section 二 Independent director system

Article 18

I. The Company shall appoint independent directors in accordance with its Articles of Incorporation. They shall be not less than two in number and advisably not less than one-third of the total number of directors. It is advisable that an independent director serve for not more than three consecutive terms.

II. Independent directors shall possess professional knowledge and there shall be restrictions on their shareholdings. Applicable laws and regulations shall be observed and, in addition, it is not advisable for an independent director to hold office concurrently as a director (including independent director) of more than five other TWSE/TPEx listed companies. Independent directors shall also maintain independence within the scope of their directorial duties, and may not have any direct or indirect interest in the Company.

III. If the Company and its group enterprises and organizations, and another company and its group enterprises and organizations nominate for each other any director, or managerial officer as a candidate for an independent director of the other, the Company shall, at the time it receives the nominations for independent directors, disclose the fact and explain the suitability of the candidate for independent director. If the candidate is elected as an independent director, the company shall disclose the number of votes cast in favor of the elected independent director.

The "group enterprises and organizations" in the preceding paragraph comprise the subsidiaries of the Company, any foundation to which the Company's cumulative direct or indirect contribution of funds exceeds 50 percent of its endowment, and other institutions or juristic persons that are effectively controlled by the Company.

IV. Change of status between independent directors and non-independent directors during their term of office is prohibited.

V. The professional qualifications, restrictions on both shareholding and concurrent positions held, determination of independence, method of nomination and other requirements with regard to the independent directors shall be set forth in accordance with the Securities and Exchange Act, the Regulations Governing Appointment of Independent Directors and Compliance Matter for Public Companies, and the rules and regulations of the Taiwan Stock Exchange or Taipei Exchange.

Article 19

I. The Company shall stipulate the scope of duties of the independent directors and empower them with manpower and physical support related to the exercise of their power. The company or other board members shall not obstruct, reject or circumvent the performance of duties by the independent directors.

II. The Company shall stipulate the remuneration of the directors according to applicable laws and regulations. The remuneration of the directors shall fully reflect the personal performance and the long-term management performance of the Company, and shall also

take the overall operational risks of the Company into consideration. The salary and remuneration of the independent directors of the Company shall be the same as those of the regular directors, and they shall participate in the distribution of the Company's earnings.

The Board of Directors is authorized to determine the remuneration to the directors, members of the Audit Committee, the Remuneration Committee and other functional committees of the Company for the performance of the Company's business, regardless of the Company's profit or loss, in accordance with the usual standards in the industry based on the value of their participation in and contribution to the Company's operations.

Section 3 Functional committees

Article 20

I. For the purpose of developing supervisory functions and strengthening management mechanisms, the Board of Directors of the Company, in consideration of the Company's scale and type of operations and the number of its board members, may set up functional committees for auditing, remuneration, nomination, risk management or any other functions, and based on concepts of corporate social responsibility and sustainable operation, may set up environmental protection, corporate social responsibility, or other committees, and expressly provide for them in the Articles of Incorporation.

II. Functional committees shall be responsible to the Board of Directors and submit their proposals to the Board of Directors for approval, However, the performance of supervisor's duties by the audit committee pursuant to Article 14-4, paragraph 4 of the Securities and Exchange Act shall be excluded.

III. A functional committee shall establish its regulations of organization, subject to approval by resolution at the Board of Directors meeting. The regulations of organization shall provide for matters including the number of the committee members, term of office, powers and authorities, rules of procedure, and resources provided by the company to facilitate its exercise of powers.

Article 21

I. The Company should establish an audit committee

II. The Audit Committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be convener, and at least one of whom shall have accounting or financial expertise.

III. The exercise of power by audit committee and independent directors and related matters shall be set forth in accordance with the Securities and Exchange Act, the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies, and the rules and regulations of the TWSE or TPEx.

Article 21-1

The Company shall establish a nomination committee and its articles of association. It is advisable that a majority of the members of said committee be independent directors and an independent director be its chairperson

Article 22

The Company shall establish a remuneration committee, and it is advisable that more than half of the committee members be independent directors. The professional qualifications for the committee members, the exercise of their powers of office, the adoption of the organizational charter, and related matters shall be handled pursuant to the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter.

Article 23

The Company is advised to establish and announce channels for internal and external whistleblowers and have whistleblower protection mechanisms in place. The unit that handles whistleblowers' reporting shall be independent, provide encrypted protection for the files furnished by whistleblowers, and appropriately restrict access to such files. It shall also formulate internal procedures and incorporate those procedures into the Company's internal control system for management purposes.

Article 24

I. To improve the quality of its financial reports, the Company shall establish the position of deputy to its principal accounting officer.

II. To enhance the professional abilities of the deputy accounting officer of the preceding paragraph, the deputy's continuing education shall proceed following the schedule of the principal accounting officer.

III. Accounting personnel handling the preparation of financial reports shall also participate in

relevant professional development courses for 6 hours or more each year. Those courses may be company internal training activities or may be professional courses offered by professional development institutions for principal accounting officers.

IV. The Company shall select as its external auditor a professional, responsible, and independent attesting CPAs, who shall perform regular reviews of the financial conditions and internal control measures of the Company.

V. With regard to any irregularity or deficiency discovered and disclosed in a timely manner by the auditor during the review, and concrete measures for improvement or prevention suggested by the auditor, the company shall faithfully implement improvement actions.

VI. It is advisable that the company establish channels and mechanisms of communication between the independent directors, or audit committee, and the attesting CPAs, and to incorporate procedures for that purpose into the company's internal control system for management purposes.

VII. The Company shall evaluate the independence and suitability of the CPA engaged by the Company regularly, and no less frequently than once annually.

VIII. In the event that the company engages the same CPAs without replacement for 7 years consecutively, or if the CPAs are subject to disciplinary action or other circumstances prejudicial to the CPAs' independence, the company shall evaluate the necessity of replacing the CPAs and submit its conclusion to the Board of Directors.

Article 25

I. It is advisable that the Company engage a professional and competent legal counsel to provide adequate legal consultation services to the Company, or to assist the directors, functional committees and the management to improve their knowledge of the law, for the purposes of preventing any infraction of laws or regulations by the Company or its staff and ensuring that corporate governance matters proceed pursuant to the relevant legal framework and the prescribed procedures.

II. When, as a result of performing their lawful duties, directors, functional committee or the management are involved in litigation or a dispute with shareholders, the company shall retain a legal counsel to provide assistance as circumstances require.

III. The audit committee or an independent director may retain the service of legal counsel, CPA, or other professionals on behalf of the company to conduct a necessary audit or provide consultation on matters in relation to the exercise of their power, at the expense of the company.

Section 4 Rules for the Proceedings and Decision-Making Procedures of Board Meetings

Article 26

I. The Board of Directors of the Company shall meet at least once every quarter, or convene at any time in case of emergency. To convene a board meeting, a meeting notice which specifies the purposes of the meeting shall be sent to each director no later than 7 days before the scheduled date. Sufficient meeting materials shall also be prepared and enclosed in the meeting notice. If the meeting materials are deemed inadequate, a director may ask the unit in charge to provide more information or request a postponement of the meeting with the consent of the Board of Directors.

II. The Company shall adopt rules of procedure for board meetings, which shall follow the Regulations Governing Procedure for Board of Directors Meetings of Public Companies with regard to the content of deliberations, procedures, matters to be recorded in the meeting minutes, public announcements, and other matters for compliance.

III. Company directors shall exercise a high degree of self-discipline. If a director or a juristic person represented by the director is an interested party with respect to any proposal for a board meeting, the director shall state the important aspects of the interested party relationship at the meeting. When the relationship is likely to prejudice the interests of the company, the director may not participate in discussion or voting on that proposal and shall enter recusal during the discussion and voting. The director also may not act as another director's proxy to exercise voting rights on that matter.
Matters requiring the voluntary recusal of a director shall be clearly set forth in the rules of procedure for board meetings.

IV. When a board meeting is convened to consider any matter submitted to it pursuant to Article 14-3 of the Securities and Exchange Act, the independent directors of the Company shall attend the board meeting in person, and may not be represented by non-independent directors via proxy. If an independent director has objections or reservations, they should be stated in the minutes of the board meeting. If the independent director cannot attend the

board meeting in person to voice his or her dissenting or qualified opinion, he or she should provide a written opinion beforehand unless there are justified reasons not to do so. The written opinion furthermore shall be noted in the minutes of the Board of Directors' meeting.

V. In any of the following circumstances, decisions made by the Board of Directors shall be noted in the meeting minutes, and in addition, publicly announced and filed on the MOPS two hours before the beginning of trading hours on the first business day after the date of the board meeting:
   1. Any objection or expression of reservations by an independent director expresses of which there is a record or written statement.
   2. The matter was not approved by the audit committee (if the company has set up an audit committee), but had the consent of more than two-thirds of all directors.

VI. During a board meeting, managers from relevant departments who are not directors may, in view of the meeting agenda, sit in at the meetings, make reports on the current business conditions of the company and respond to inquiries raised by the directors. Where necessary, a CPA, legal counsel, or other professional may be invited to sit in at the meetings to assist the directors in understanding the conditions of the company for the purpose of adopting an appropriate resolution, provided that they shall leave the meeting when deliberation or voting takes place.

Article 27

I. Staff personnel of the Company attending board meetings shall collect and correctly record the meeting minutes in detail, as well as a summary, the method of resolution, and voting results of all the proposals submitted to the board meeting in accordance with relevant regulations.

II. The minutes of the Board of Directors meetings shall be signed by the chair and recorder of the meeting and sent to each director within 20 days after the meeting. The director attendance records shall be made part of the meeting minutes, treated as important corporate records, and kept safe permanently during the life of the company.

III. Meeting minutes may be produced, distributed, and preserved by electronic means

IV. The company shall record on audio or video tape the entire proceedings of a Board of Directors meeting and preserve the recordings for at least 5 years, in electronic form or otherwise.

V. If before the end of the preservation period referred to in the preceding paragraph a lawsuit arises with respect to a resolution of a Board of Directors meeting, the relevant audio or video recordings shall be preserved for a further period, in which case the preceding paragraph does not apply.

VI. Where a Board of Directors meeting is held via teleconference or video conference, the audio or video recordings of the meeting form a part of the meeting minutes and shall be preserved permanently.

VII. When a resolution of the Board of Directors violates laws, regulations, the Articles of Incorporation, or resolutions adopted in the shareholders meeting, and thus causes an injury to the company, dissenting directors whose dissent can be proven by minutes or written statements will not be liable for damages.

Article 28

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

I. Corporate business plan.

II. Annual and semi-annual financial reports, with the exception of semi-annual financial reports which, under relevant laws and regulations, are not subject to the audit and attestation of CPAs.

III. Adoption or amendment to an internal control system pursuant to Article 14-1 of the Securities and Exchange Act, and evaluation of effectiveness of an internal control system.

IV. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, to the handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.

V. The offering, issuance, or private placement of any equity-type securities.

VI. The appointment or dismissal of a financial, accounting, or internal auditing officer.

VII. The performance assessment and the standard of remuneration of the managerial officers.

VIII. The structure and system of director's remuneration.

IX. A donation to a related party or a major donation to a non-related party However, donations for emergency relief due to a major natural disaster may be submitted to the next board meeting for ratification.

X. Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders meeting or to be approved by resolution at a meeting of the Board of Directors, or any such significant matter as may be prescribed by the competent authority.

Except for matters that must be submitted to the Board of Directors for discussion under the preceding paragraph, when the Board of Directors is in recess, it may delegate the exercise of its power to others in accordance with law, regulations, or its Articles of Incorporation. However, the level of delegation or the content or matters to be delegated shall be clearly specified, and general authorization is not permitted.

Article 29

The Company shall ask the appropriate corporate department or personnel to execute matters pursuant to Board of Directors' resolutions in a manner consistent with the planned schedule and objectives. It shall also follow up on those matters and faithfully review their implementation. The Board of Directors shall remain informed of the progress of implementation and receive reports in subsequent meetings to ensure the actual implementation of the board's management decisions.

Section 5 Fiduciary Duty, Duty of Care and Responsibility of Directors

Article 30

I. Members of the Board of Directors shall faithfully conduct corporate affairs and perform the duty of care of a good administrator. In conducting the affairs of the company, they shall exercise their powers with a high level of self-discipline and prudence. Unless matters are otherwise reserved by law or in the Articles of Incorporation for approval in shareholders meetings, they shall ensure that all matters are handled according to the resolutions of Board of Directors.

II. It is advisable that the Company formulate rules and procedures for Board of Directors performance assessments. Each year, in respect of the Board of Directors and individual directors, it shall conduct regularly scheduled performance assessments through self-assessments or peer-to-peer assessments, and may also do so through outside professional institutions or in any other appropriate manner. A performance assessment of the Board of Directors shall include the following aspects, and appropriate assessment indicators shall be developed in consideration of the Company's needs:
    1. The degree of participation in the company's operations.
    2. Improvement in the quality of decision making by the Board of Directors.
    3. The composition and structure of the Board of Directors.
    4. The election of the directors and their continuing professional education.
    5. Internal control

    Performance evaluation of the board members (on themselves or peers) should cover the following aspects and is subject to appropriate adjustments with the company's needs being taken into consideration:

    1. Alignment of the goals and mission of the company
    2. Awareness of the duties of a director
    3. Their degree of participation in the company's operations.
    4. Management of internal relationship and communication
    5. Election and continuing education of the directors
    6. Internal control

III. It is advisable that the Company conduct performance assessments of a functional committee, covering the following aspects, with appropriate adjustments made on the basis of the Company's needs:
    1. Their degree of participation in the Company’s operations
    2. Awareness of the duties of the functional committee
    3. Improvement of the quality of the functional committee's decision making
    4. Composition and member selection of functional committees
    5. Internal control

The Company is advised to submit the results of performance assessments to the Board of Directors and use them as reference in determining compensation for individual directors, their nomination and additional office term.

Article 31

It is advisable for the Company to establish a succession plan for the management. The development and implementation of such plan shall be periodically evaluated by the Board of Directors to ensure sustainable operation.

Article 31-1

The Board of Directors is advised to evaluate and monitor the following aspects of the Company's direction of operation and performance in connection with intellectual properties, to ensure the Company develops an intellectual property regulatory system in accordance with the Plan-Do-Check-Act cycle:

1. Formulate intellectual property regulatory policies, objectives and systems that are slightly associated with the operational strategies.
2. Develop, implement and maintain on the basis of scale and form its regulatory systems governing the procurement, protection, maintenance and utilization of intellectual properties.
3. Identify and provide the necessary resources sufficient to ensure effective implementation and maintenance of the intellectual property regulatory system.
4. Observe internally and externally the risks and opportunities that intellectual property regulation may present and adopt corresponding measures.
5. Plan for and implement a continuous improvement mechanism to ensure the operation and effects of the intellectual property regulatory regime meet the company's expectations.

Article 32

If a resolution of the Board of Directors violates law, regulations or the company's Articles of Incorporation, then at the request of shareholders holding shares continuously for a year or at the notice of an independent director to discontinue the implementation of the resolution, members of the board shall take appropriate measures or discontinue the implementation of such resolution as soon as possible.

Upon discovering a likelihood that the company would suffer material injury, members of the Board of Directors shall immediately report to the audit committee or an independent director member of the audit committee in accordance with the foregoing paragraph

Article 33

The Company shall take out directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of occupancy so as to reduce and spread the risk of material harm to the Company and shareholders arising from the wrongdoings or negligence of a director.

The Company shall report the insured amount, coverage, premium rate, and other major contents of the liability insurance it has taken out or renewed for directors, at the next board meeting.

Article 34

Members of the Board of Directors are advised to participate in training courses on finance, risk management, business, commerce, accounting, law or corporate social responsibility offered by institutions designated in the Rules Governing Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEx Listed Companies, which cover subjects relating to corporate governance upon becoming directors and throughout their terms of occupancy. They shall also ensure that company employees at all levels will enhance their professionalism and knowledge of the law.

Chapter 4 Respect the rights and interests of stakeholders

Article 35

I. The Company shall maintain channels of communication with its banks, other creditors, employees, consumers, suppliers, community, or other stakeholders of the Company, respect and safeguard their legal rights and interests, and designate a stakeholders section on its website.
II. When any of a stakeholder's legal rights or interests is harmed, the company shall handle the matter in a proper manner and in good faith.
III. The company shall provide sufficient information to banks and its other creditors to facilitate their evaluation of the operational and financial conditions of the company and its decision-making process. When any of their legal rights or interest is harmed, the company shall respond with a responsible attitude and assist creditors in obtaining compensation through proper means.
IV. The Company shall establish channels of communication with employees and encourage employees to communicate directly with the management, or directors so as to reflect employees' opinions about the management, financial conditions, and material decisions of the Company concerning employee welfare.

Article 36

In developing its normal business and maximizing the shareholders' interest, the Company shall pay attention to consumers' interests, environmental protection of the community, and public interest issues, and shall give serious regard to the Company's social responsibility.

Chapter 5 Improving Information Transparency

Section 1 Enhancing Information Disclosure

Article 37

I. Disclosure of information is a major responsibility of the Company. The Company shall perform its obligations faithfully in accordance with the relevant laws and the related TWSE and TPEx rules.

The Company shall publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline.

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II. The Company shall establish an Internet-based reporting system for public information, appoint personnel responsible for gathering and disclosing the information,

III. and establish a spokesperson system so as to ensure the proper and timely disclosure of information about policies that might affect the decisions of shareholders and stakeholders.

IV. In order to keep shareholders and stakeholders fully informed, the Company shall utilize the convenience of the Internet and set up a website containing the information regarding the Company's finances, operations, and corporate governance. It is also advisable for the Company to furnish the financial, corporate governance, and other relevant information in English.

V. To avoid misleading information, the aforesaid website shall be maintained by specified personnel, and the recorded information shall be accurate, detailed and updated on a timely basis.

VI. The Company shall hold an investor conference in compliance with the regulations of the TWSE and TPEx, and shall keep an audio or video record of the meeting. The financial and business information disclosed in the investor conference shall be disclosed on the Market Observation Post System and provided for inquiry through the website established by the company, or through other channels, in accordance with the TWSE or TPEx rules.

Article 38

I. In order to enhance the accuracy and timeliness of the material information disclosed, the Company shall appoint a spokesperson and acting spokesperson(s) who understand thoroughly the Company's financial and business conditions and who are capable of coordinating among departments for gathering relevant information and representing the Company in making statements independently.

II. The Company shall appoint one or more acting spokespersons who shall represent the Company, when the spokesperson cannot perform his/her duties, in making statements independently, provided that the order of authority is established to avoid any confusion.

III. In order to implement the spokesperson system, the Company shall unify the process of making external statements. It shall require the management and employees to maintain the confidentiality of financial and operational secrets and prohibit their disclosure of any such information at will.

IV. The company shall disclose the relevant information immediately whenever there is any change to the position of a spokesperson or acting spokesperson.

Section 2 Corporate governance information disclosure

Article 39

The Company shall dedicate a space on its website to disclose and update from time to time the following information regarding corporate governance:

I. Board of directors: such as resumes and authorities and responsibilities of board members, board member diversification policy and the implementation thereof.

II. Functional committees: such as resumes and authorities and responsibilities of members of each functional committee.

III. Corporate governance bylaws: such as Articles of Incorporation, procedure of Board of Directors meetings, charter of each functional committee, and other relevant corporate governance related regulations.

IV. Important corporate governance information: such as information of establishment of corporate governance executive officers.

Article 40

The Company shall at all times monitor domestic and international developments in corporate governance as a basis for review and improvement of the Company's own corporate governance mechanisms, so as to enhance their effectiveness

Article 41

The formulation and amendments of the Principles should be approved by the Board of Directors and reported to the shareholders' meeting.

Article 42

The Principles were established on January 30, 2015.

The 1st amendment was made on March 14, 2017.

The 2nd amendment was made on March 20, 2019.

The 3rd amendment was made on March 10, 2020.

The 4th amendment was made on January 13, 2022.

This amendment is made in accordance with the Financial Supervisory Commission's Order Jin-Guan-Zheng-Fa-Zi No. 10703452331 dated December 19, 2018 with the establishment of the Audit Committee and simultaneously abolishment of supervisor system, which will be applicable after the re-election at the Company's 2022 shareholders' meeting.

Appendix 5

Information on Investment in Mainland China:

1. Information on investees in Mainland China, showing the name, principal business activities, paid-in capital, investment method, inward and outward remittance of funds, shareholding percentage, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the Mainland China area.

Unit: Thousand NTD

Name of investee in Mainland China	Main businesses	Paid-in capital	Investment method	Accumulated investment amount remitted from Taiwan at the beginning of the period	Amount of investment remitted or recovered during the period		Accumulated investment amount remitted from Taiwan at the end of the period	Net profit or loss of the Investee for the period	Shareholding percentage of direct or indirect investment by the Company	Investment income or loss recognized for the period	Carrying amount of investment at the end of the period	Investment income repatriated as of the end of the period
					Outward remittance	Repatriation						
Chung Shan Lung Tais Hing Electroplating Co., Ltd.	Manufacturing and sale of hardware parts and surface plating products	$- (Note 9	Note 1	$93,610 (Note 2 and Note 9)	$-	$-	$93,610 (Note 2 and Note 9	$- (Note 9)	100%	$- (Note 9)	$- (Note 9)	$-
Singatron Electronic (Zhongshan) Co., Ltd.	Manufacturing and sale of connectors	$92,130 (Note 2)	Note 1	$76,775 (Note 2 and Note 5)	$-	$-	$76,775 (Note 2 and Note 5	$43,128 (Note 2 and Note	81.8868% (Note 10 and Note 11)	$35,316 (Note 2, Note 3 and Note 12)	$365,987 (Note 2 and Note 12)	$30,823
SINGATRON Electronics (China) Co. Ltd.	Manufacturing and sale of connectors	$465,257 (Note 2)	Note 1	$241,074 (Note 2 and Note 4)	$-	$-	$241,074 (Note 2 and Note 4	$243,493 (Note 2 and Note	81.8868% (Note 11)	$199,389 (Note 2, Note 3 and Note 12)	$2,035,505 (Note 2 and Note 12)	$853,057
Suzhou Singatron Connector Co., Ltd.	Manufacturing and sale of connectors	$83,779 (Note 2)	Note 6	$-	$-	$-	$-	$2,535 (Note 2 and Note	81.8868% (Note 11)	$2,076 (Note 2, Note 3 and Note 12)	$114,488 (Note 2 and Note 12)	$-
Zhongshan Singatron Connector Co., Ltd.	Manufacturing and sale of connectors	$26,457 (Note 2)	Note 7	$-	$-	$-	$-	$(2,541) (Note 2 and Note 3)	81.8868% (Note 10 and Note 11)	$(2,080) (Note 2, Note 3 and Note 12)	$(7,786) (Note 2 and Note 12)	$-
Suzhou Singatron Auto Co., Ltd.	Manufacturing and sale of connectors	$39,685 (Note 2)	Note 8	$-	$-	$-	$-	$118,873 (Note 2 and Note	81.8868% (Note 11)	$97,341 (Note 2, Note 3 and Note 12)	$219,258 (Note 2 and Note 12)	$-

Accumulated investment amount remitted from Taiwan to Mainland China at the end of the period	Investment amount approved by Investment Commission, MOEA	Investment limitation for Mainland China regulated by the Investment Commission, MOEA
$411,459	$411,459	$912,323

Note 1: As of December 31, 2022, the Company invested US$13,505 thousand in SINGATRON (B.V.I.), a holding company in a third region. Through this holding company in a 3rd region, the Company invested in SINGATRON (HONG KONG) INTERNATIONAL HOLDING LIMITED and then indirectly invested in SINGATRON Electronics (China) Co., Ltd. and Singatron Electronic (Zhongshan) Co., Ltd. in Mainland China.

Note 2: Foreign currency amounts were translated into NTD based on the exchange rate at the balance sheet date.

Note 3: The investment income or loss recognized in the financial statements of the same period audited by CPAs.

Note 4: The difference between the accumulated investment amount remitted from Taiwan and the paid-in capital was mainly due to the capital increase from earnings of SINGATRON Electronics (China) Co., Ltd. and the capital increase by US$2,000 thousand in cash of SINGATRON (HONG KONG) INTERNATIONAL HOLDING LIMITED with its own funds.

Note 5: The difference between the accumulated investment amount remitted from Taiwan and the paid-in capital is mainly due to the fact that Singatron Electronic (Zhongshan) Co., Ltd. distributed its earnings to SINGATRON (B.V.I.) ENTERPRISE CO. (B.V.I.), LTD. and then SINGATRON (B.V.I.) ENTERPRISE CO., LTD. increased the capital of SINYIN ELECTRONICS (ZHONGSHAN) CO. . .

Note 6: SINGATRON Electronics (China) Co., Ltd. increased capital by RMB 19,000 thousand in cash with its own funds.

Note 7: Singatron Electronic (Zhongshan) Co., Ltd. increased capital by RMB 6,000 thousand in cash with its own funds.

Note 8: SINGATRON Electronics (China) Co., Ltd. increased capital by RMB 9,000 thousand in cash with its own funds.

Note 9: The Company's sub-subsidiary, SINGATRON (HONG KONG) INTERNATIONAL HOLDING LIMITED, sold 100% of its indirect investment in Chung Shan Lung Tais Hing Electroplating Co., Ltd. in November 2014.

Note 10: The Company's sub-subsidiary, SINGATRON (HONG KONG) INTERNATIONAL HOLDING LIMITED, adjusted its investment structure in September 2020 by transferring its indirect investment in 25% equity of Singatron Electronic (Zhongshan) Co., Ltd. in Mainland China to SINGATRON Electronics (China) Co., Ltd. so that SINGATRON Electronics (China) Co., Ltd. increased its shareholding in Singatron Electronic (Zhongshan) Co., Ltd. from the original 75% to 100%.

Note 11: The Company's sub-sub-subsidiary, SINGATRON Electronics (China) Co., Ltd., increased capital by cash in August 2020, and the Company's sub-subsidiary SINGATRON(HONG KONG) INTERNATIONAL HOLDING LIMITED relinquished its pre-emptive subscription rights, resulting in a decrease in the shareholding in SINGATRON Electronics (China) Co., Ltd. to 81.8868%.

Note 12: Eliminated in the consolidated financial statements.

Appendix 6

SINGATRON ENTERPRISE CO., LTD.
2022 earnings distribution table

Unit: NTD $

Item	Amount
Undistributed earnings at the beginning of the period	60,569,504
Less: Write-down of retained earnings by retirement of treasury stock	-73,520,239
Add: Other comprehensive income (remeasurement of defined benefit plans)	3,796,644
Add: Net profit after tax for 2022	222,507,969
Less: Legal reserve (10%)	-15,278,437
Add: Reversal of special reserve (deduction of shareholders' equity)	34,757,426
Total distributable earnings for the period	232,832,867
Distribution items:	
Cash dividend (NT$1.2 per share)	-140,718,704
Cash dividend (NT$0.00 per share)	92,114,163

Note 1: Based on the number of outstanding shares as of 2022/12/31, 117,265,587 shares
Note 2: The cash dividend is calculated to NT$ on the basis of the distribution percentage, and the amount below NT$ is rounded off, and the sum of the fractional amounts of distribution less than NT$1 is posted in other income of the Company.

Chairperson: Hsin-Nan Kan President: Peng-Huang Peng Accounting officer: Rui-Chen Hu

Appendix 7

SINGATRON ENTERPRISE CO., LTD.

Comparison of the Amendments to the Company's Articles of Incorporation

Amended provisions	Current provisions	Remarks
Article 5 The total capital of the Company shall be set at NT$2,000,000,000 divided into 200,000,000 shares at NT$10 per share. The Board of Directors is authorized to issue the shares in installments, some of which may be preferred. Within the total capital of the preceding paragraph, $60 million, divided into 6 million shares of NT$10 each, shall be reserved for use in the issuance of stock warrants for the exercise of stock options, including employee stock options and corporate bonds with stock options, and may be issued by the Board of Directors in installments. New shares may be issued at a premium over par value at capital increase.	Article 5 The total capital of the Company shall be set at NT$2,000,000,000 divided into 200,000,000 shares at NT$10 per share. The Board of Directors is authorized to issue the shares in installments. Within the total capital of the preceding paragraph, $60 million, divided into 6 million shares of NT$10 each, shall be reserved for use in the issuance of stock warrants for the exercise of stock options, including employee stock options and corporate bonds with stock options, and may be issued by the Board of Directors in installments. New shares may be issued at a premium over par value at capital increase.	In accordance with the company's future operation plan, the Company hereby adds the methods for capital raising
Article 5-3 The Company may issue Class A preferred shares with the following rights and obligations and other important terms of issuance: I. It the Company has surplus earnings as concluded by the annual accounting close, in addition to making up for past losses, and paying taxes in accordance with the law, the Company shall first set aside a legal reserve in accordance with the Articles of Incorporation, and then set aside a special reserve or reverse the special reserve in accordance with the law or the regulations of the competent authorities, Afterwards, if there are still earnings left, the remaining earnings can be distributed on preferred shares dividends for the year. II. Dividends on the preferred shares shall be paid once a year in cash at a maximum rate of 8% per annum, based on the issue price per share, and shall be paid on the base date set by the Board of Directors or by the	Addition	The Article is newly added. To specify the rights and obligations of Class A preferred shares and other important terms of issuance.

chairperson as authorized by resolution of the Board of Directors for the previous year. Dividend payments for the year of issuance and the year of redemption are calculated based on the actual number of days of issuance in that year. III. The Company has the discretion to distribute dividends on the preferred shares. If the Company has no or insufficient earnings to distribute dividends on the preferred shares in the annual accounts or other necessary considerations, the Board of Directors may resolve not to distribute dividends on the preferred shares, which shall not constitute a cause of default. The preferred shares are non-cumulative, and the resolution not to distribute or to distribute insufficient dividends shall not be cumulative and deferred in future years. IV. Except for the dividends mentioned in Subparagraph 2, the holders of the preferred shares shall not participate in the distribution of common shares in respect of cash and capitalization as equity from earnings and capital surplus. V. The Special Shares are not convertible into common shares. VI. The preferred shareholders shall have priority over common shareholders in the distribution of the Company's remaining properties and shall be paid in the same order as the shareholders of each class of preferred share issued by the Company, all subordinate to general creditors, to the extent that it does not exceed the amount of the issued and outstanding preferred shares at the time of the distribution, based on the issue price. VII. The preferred shareholders shall not have the right to vote at the common shareholders' meeting, but shall have the right to vote at the preferred shareholders' meeting		

or at the shareholders' meeting concerning the preferred shareholders' rights and obligations. VIII. The preferred shares have no expiration date and the preferred shareholders may not request the Company to redeem the rights of the preferred shares held by them. However, the Company may redeem all or a portion of the preferred shares at the actual issue price at any time from the day after the second year of the issuance. The preferred shares not redeemed shall continue to be subject to the rights and obligations of the terms of issuance set forth in each paragraph of this Article. In the year in which the preferred shares are redeemed, if the Company resolves to pay dividends, the dividends payable as of the redeemed date shall be calculated based on the actual number of days of issuance in that year. IX. The capital surplus from the issuance of the preferred shares at a premium may not be capitalized as equity during the issuance period of the preferred shares, except to make up for losses. The name, issuance date and specific terms of issuance of the preferred shares are authorized to be determined by the Board of Directors in accordance with the Company's Articles of Incorporation and relevant laws and regulations, depending on the capital market conditions and investors' willingness to subscribe.		
Article 5-4 The Company may issue Class B preferred shares with the following rights and obligations and other important terms of issuance: I. It the Company has surplus earnings as concluded by the annual accounting close, in addition to making up for past losses, and paying taxes in accordance with the law, the Company shall first set aside a	Addition	The Article is newly added. To specify the rights and obligations of Class B preferred shares and other important terms of issuance.

legal reserve in accordance with the Articles of Incorporation, and then set aside a special reserve or reverse the special reserve in accordance with the law or the regulations of the competent authorities, Afterwards, if there are still earnings left, the remaining earnings can be distributed on preferred shares dividends for the year. II. Dividends on the preferred shares shall be paid once a year in cash at a maximum rate of 8% per annum, based on the issue price per share, and shall be paid on the base date set by the Board of Directors or by the chairperson as authorized by resolution of the Board of Directors for the previous year. Dividend payments for the year of issuance and the year of redemption are calculated based on the actual number of days of issuance in that year. III. The Company has the discretion to distribute dividends on the preferred shares. If the Company has no or insufficient earnings to distribute dividends on the preferred shares in the annual accounts or other necessary considerations, the Board of Directors may resolve not to distribute dividends on the preferred shares, which shall not constitute a cause of default. The preferred shares are non-cumulative, and the resolution not to distribute or to distribute insufficient dividends shall not be cumulative and deferred in future years. IV. Except for the dividends mentioned in Subparagraph 2, the holders of the preferred shares shall not participate in the distribution of common shares in respect of cash and capitalization as equity from earnings and capital surplus. V. The preferred shares are not convertible within three years from the date of issuance. The period during which the shares may be converted is		

authorized to be set by the Board of Directors in the actual terms of issuance. The shareholders of the convertible preferred shares may apply for conversion of some or all of the preferred shares held by them in accordance with the conditions of issue in the ratio of one preferred share to one common share (conversion ratio of 1:1). Upon conversion of the convertible preferred shares into common shares, the rights and obligations are the same as those of the common shares. If the preferred shares have been converted to common shares before the ex-dividend date of the year of conversion, they will participate in the distribution of earnings and capital surplus of common shares in that year, and will not participate in the dividend distribution of preferred shares in that year. If the preferred shares are converted into common shares after the ex-dividend date of the year of conversion, the preferred shares shall participate in the dividend distribution for the year and shall not participate in the distribution of common shares and capital surplus for the year. Dividends on preferred shares and dividends on common shares in the same year are not to be distributed repeatedly. VI. The preferred shareholders shall have priority over common shareholders in the distribution of the Company's remaining properties and shall be paid in the same order as the shareholders of each class of preferred share issued by the Company, all subordinate to general creditors, to the extent that it does not exceed the amount of the issued and outstanding preferred shares at the time of the distribution, based on the issue price. VII. The holders of the preferred shares shall have the same voting and election rights		

as the holders of common shares at the meeting of common shareholders. VIII. The preferred shares have no expiration date and the preferred shareholders may not request the Company to redeem the rights of the preferred shares held by them. However, the Company may redeem all or a portion of the preferred shares at the actual issue price at any time from the day after the second year of the issuance. The preferred shares not redeemed shall continue to be subject to the rights and obligations of the terms of issuance set forth in each paragraph of this Article. In the year in which the preferred shares are redeemed, if the Company resolves to pay dividends, the dividends payable as of the redeemed date shall be calculated based on the actual number of days of issuance in that year. IX. The capital surplus from the issuance of the preferred shares at a premium may not be capitalized as equity during the issuance period of the preferred shares, except to make up for losses. The name, issuance date and specific terms of issuance of the preferred shares are authorized to be determined by the Board of Directors in accordance with the Company's Articles of Incorporation and relevant laws and regulations, depending on the capital market conditions and investors' willingness to subscribe.		
Article 9 There shall be two types of shareholders' meetings, regular and extraordinary. The regular shareholders' meeting shall be held once a year, within six months after the end of each fiscal year and shareholders shall be notified 30 days in advance. The extraordinary meetings shall be convened when necessary in accordance with the law and shareholders	Article 9 There shall be two types of shareholders' meetings, regular and extraordinary. The regular shareholders' meeting shall be held once a year, within six months after the end of each fiscal year and shareholders shall be notified 30 days in advance. The extraordinary meetings shall be convened when necessary in accordance with the law and shareholders	Explanatory text for convening the preferred shareholders' meeting is added.

shall be notified 15 days in advance. The aforementioned notice shall specify the date and location and the causes and subjects for the meeting. A shareholders' meeting shall, unless otherwise provided for in the Company Act, be convened by the Board of Directors. When necessary, a meeting of preferred shareholders may be held in accordance with the relevant laws and regulations.	shall be notified 15 days in advance. The aforementioned notice shall specify the date and location and the causes and subjects for the meeting. A shareholders' meeting shall, unless otherwise provided for in the Company Act, be convened by the Board of Directors.	
Article 12 Resolutions at a shareholders' meeting shall, unless otherwise provided for in the relevant laws and regulations, be made with the consent of a majority of the shareholders present in person or by proxy, who represent more than one-half of the total number of voting rights.	Article 12 Resolutions at a shareholders' meeting shall, unless otherwise provided for in the relevant laws and regulations, be made with the consent of a majority of the shareholders present in person or by proxy, who represent more than one-half of the total number of voting rights. However, in the cases listed below, the voting rights shall be exercised by the consent of a majority of the shareholders present either in person or by proxy, who represent more than two-thirds of the total number of issued shares. 1. Merger and acquisition of other domestic or foreign enterprises. 2. Dissolution or liquidation or division.	Some provisions are deleted and the relevant procedures are handled in accordance with the Company Act, the Business Mergers and Acquisitions Act and other relevant regulations.
Article 20 If the Company makes a profit in a year, it shall make an appropriation of not less than one-thousandth of the profit as profit-sharing remuneration for employees and not more than three percent as profit-sharing remuneration for directors However, if the Company has accumulated losses, it shall reserve in advance an amount to make up for them. The aforementioned remuneration for employees may be in the form of stock or cash and may be distributed to employees of the holding company or the subordinate companies who meet certain criteria, as otherwise	Article 20 If the Company makes a profit in a year, it shall make an appropriation of not less than one-thousandth of the profit as profit-sharing remuneration for employees and not more than three percent as profit sharing remuneration for directors and supervisors. However, if the Company has accumulated losses, it shall reserve in advance an amount to make up for them. The aforementioned remuneration for employees may be in the form of stock or cash and may be distributed to employees of the holding company or the subordinate companies who meet certain	After the re-election of the shareholders' meeting in 2022, the appointment of supervisors was abolished, and after the payment of profit-sharing remuneration for supervisors in 2023, the content related to profit-sharing remuneration for supervisors will be deleted.

determined by the Board of Directors.	criteria, as otherwise determined by the Board of Directors.	
Article 22 The Articles of Incorporate were established on July 23, 1976.The 1st amendments were made on November 25, 1977.The 2nd amendments were made on January 13, 1980.The 3rd amendments were made on December 17, 1980.The 4th amendments were made on June 25, 1984.The 5th amendments were made on August 16, 1984.The 6th amendments were made on September 11, 1984.The 7th amendments were made on November 20, 1986.The 8th amendments were made on November 15, 1995.The 9th amendments were made on November 28, 1995.The 10th amendments were made on October 31, 1998.The 11th amendments were made on January 19, 1999.The 12th amendments were made on August 27, 1999.The 13th amendments were made on May 27, 2000.The 14th amendments were made on May 12, 2001.The 15th amendments were made on May 20, 2002.The 16th amendments were made on May 20, 2002.The 17th amendments were made on May 17, 2003.The 18th amendments were made on May 18, 2004.The 19th amendments were made on June 9, 2006.The 20th amendments were made on June 13, 2007.The 21st amendments were made on June 10, 2009.The 22nd amendments were made on June 17, 2010.The 23rd amendments were made on June 9, 2011.The 24th amendments were made on June 13, 2012.The 25th amendments were made on June 14, 2016.The 26th amendments were made on June 14, 2017. The 27th amendments were made on June 12, 2019.The 28th	Article 22 The Articles of Incorporate were established on July 23, 1976.The 1st amendments were made on November 25, 1977.The 2nd amendments were made on January 13, 1980.The 3rd amendments were made on December 17, 1980.The 4th amendments were made on June 25, 1984.The 5th amendments were made on August 16, 1984.The 6th amendments were made on September 11, 1984.The 7th amendments were made on November 20, 1986.The 8th amendments were made on November 15, 1995.The 9th amendments were made on November 28, 1995.The 10th amendments were made on October 31, 1998.The 11th amendments were made on January 19, 1999.The 12th amendments were made on August 27, 1999.The 13th amendments were made on May 27, 2000.The 14th amendments were made on May 12, 2001.The 15th amendments were made on May 20, 2002.The 16th amendments were made on May 20, 2002.The 17th amendments were made on May 17, 2003.The 18th amendments were made on May 18, 2004.The 19th amendments were made on June 9, 2006.The 20th amendments were made on June 13, 2007.The 21st amendments were made on June 10, 2009.The 22nd amendments were made on June 17, 2010.The 23rd amendments were made on June 9, 2011.The 24th amendments were made on June 13, 2012.The 25th amendments were made on June 14, 2016.The 26th amendments were made on June 14, 2017. The 27th amendments were made on June 12, 2019.The 28th	The dates of amendments are added.

amendments were made on June 15, 2020.The 29th amendments were made on July 16, 2021. The 30th amendment was made on June 16, 2022.The 31st amendments were made on June 13, 2023.	amendments were made on June 15, 2020.The 29th amendments were made on July 16, 2021. The 30th amendment was made on June 16, 2022.	

SINGATRON ENTERPRISE CO., LTD.

The Articles of Incorporation of the Company.

2022.06.16 Edition

Chapter 1 General Provisions

Article 1 The Company shall be organized under the provisions of the Company Act and shall be named SINGATRON ENTERPRISE CO., LTD.

Article 2 The businesses of the Company are as follows:

1. CC01080 Electronics Components Manufacturing
2. CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing
3. CC01110 Computer and Peripheral Equipment Manufacturing
4. CA01990 Other Non-ferrous Metal Basic Industries
5. CQ01010 Mold and Die Manufacturing
6. CH01040 Toys Manufacturing
7. F106010 Wholesale of Hardware
8. F106030 Wholesale of Molds
9. F119010 Wholesale of Electronic Materials
10. F401010 International Trade
11. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2-1 The Company may provide guarantees externally.

Article 2-2 The Company may be a limited liability shareholder of other companies, and the total amount of investments in other companies shall not be subject to the restrictions under the provisions of Article 13 of the Company Act.

Article 3 The Company shall establish its head office in Hsinchu County and, if necessary, may establish branch offices in or outside of the country by resolution of the Board of Directors.

Article 4 Deleted

Chapter 2 Shares

Article 5 The total capital of the Company shall be set at NT$2,000,000,000 divided into 200,000,000 shares at NT$10 per share. The Board of Directors is authorized to issue the shares in installments. Within the total capital of the preceding paragraph, $60 million, divided into 6 million shares of NT$10 each, shall be reserved for use in the issuance of stock warrants for the exercise of stock options, including employee stock options and corporate bonds with stock options, and may be issued by the Board of Directors in installments. New shares may be issued at a premium over par value at capital increase.

Article 5-1 The transfer of shares to employees at a price lower than the average price of the shares actually repurchased shall be approved by at least two-thirds of the shareholders present at the latest shareholders' meeting representing a majority of the issued shares before the transfer.

Article 5-2 The transfer of treasury stock repurchased by the Company shall be made to employees of the holding company or the subordinate companies who meet certain criteria.

The Company's employee stock options shall be granted to employees of the holding company or the subordinate companies who meet certain criteria.

When the Company issues new shares, the employees who can subscribe the new shares including employees of the holding company or the subordinate companies who meet certain criteria.

The Company can issue employee restricted stock to employees of the holding company or the subordinate companies who meet certain criteria.

The Board of Directors is authorized to set the criteria.

Article 6 Deleted

Article 7 The shares of the Company shall be in registered form and numbered, signed or sealed by the directors on behalf of the Company, and shall be issued after a certification is obtained from a bank permitted by law for issuance and certification of shares and issued after obtaining a certification from a bank permitted by law for issuance and certification of stocks.

The shares of the Company may be issued without the printing of share certificates and shall be registered with the centralized securities depository institution.

Article 8 The registration of transfer of shares shall not be made within 60 days prior to a regular shareholders' meeting, within 30 days prior to an extraordinary shareholders' meeting or within 5 days prior to the date on which the Company decides to distribute dividends and bonuses or other benefits.

Article 8-1 Except as otherwise provided by laws and securities regulations, the shareholders of the

Company shall comply with the "Regulations Governing the Administration of Shareholder Services of Public Companies" promulgated by the competent authorities when handling stock affairs such as transferring shares, setting up pledges of rights, reporting loss, inheritance, giving shares as gift, changing the seal due to loss or changing the address, and exercising all their rights.

Chapter 3 Shareholders' meetings

Article 9 There shall be two types of shareholders' meetings, regular and extraordinary. The regular shareholders' meeting shall be held once a year, within six months after the end of each fiscal year and shareholders shall be notified 30 days in advance. The extraordinary meetings shall be convened when necessary in accordance with the law and shareholders shall be notified 15 days in advance.
The aforementioned notice shall specify the date and location and the causes and subjects for the meeting.
A shareholders' meeting shall, unless otherwise provided for in the Company Act, be convened by the Board of Directors.

Article 10 If a shareholder is unable to attend the shareholders' meeting for any reason, he/she may appoint a proxy to attend the meeting with his/her signature or seal in a proxy form issued by the Company, stating the scope of authorization. However, when a person who acts as the proxy for two or more shareholders, the number of voting power represented by him/her shall not exceed 3% of the total number of voting shares of the company, otherwise, the portion of excessive voting power shall not be counted.
Matters for proxy attendance appointed by shareholders shall be handled in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies" promulgated by the competent authorities, unless otherwise specified by the Company Act.

Article 11 Shareholders of the Company shall have one voting right per share, except for the cases specified in Articles 179 and 197-1 of the Company Act, in which case the shareholders shall not have voting rights.
The voting rights of the Company may be exercised by electronic means when the Company convenes a shareholders' meeting, and the manner of such exercise shall be in accordance with the Company Act and the regulations of the competent authorities.

Article 12 Resolutions at a shareholders' meeting shall, unless otherwise provided for in the relevant laws and regulations, be made with the consent of a majority of the shareholders present in person or by proxy, who represent more than one-half of the total number of voting rights. However, in the cases listed below, the voting rights shall be exercised by the consent of a majority of the shareholders present either in person or by proxy, who represent more than two-thirds of the total number of issued shares.
1. Merger and acquisition of other domestic or foreign enterprises.
2. Dissolution or liquidation or division.

Article 12-1 Unless otherwise provided in the Company Act, a shareholders' meeting shall be convened by the Board of Directors, with the Chairperson of the Board as the Chair of the meeting. If the Chairperson of the Board is absent or is unable to exercise his or her authorities for any reason, the Vice Chairperson of the Board shall act as proxy. If both the Chairperson and Vice Chairperson are absent, the Chairperson shall designate a director to act as proxy; if no such designation is made, the directors shall elect a proxy from among themselves; if a meeting is called by a person with the convening rights other than the Board of Directors, the Chair of the meeting shall be the person with the convening rights, and if there are more than two persons with the convening rights, they shall elect a person from among themselves to act as proxy; shareholders' meetings shall be conducted in accordance with the Company's Rules of Procedure for Shareholders' Meetings.

Article 12-2 Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chair of the shareholders' meeting and shall be distributed to all shareholders of the company within twenty (20) days after the close of the meeting. The minutes of shareholders' meeting may be distributed by public announcement.
The minutes of shareholders' meeting shall record the date and place of the meeting, the name of the chairperson, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. The minutes shall be kept persistently throughout the life of the Company.

The attendance list bearing the signatures of shareholders present at the meeting and the powers of attorney of the proxies shall be kept by the company for a minimum period of at least one year.
However, if a lawsuit has been instituted by any shareholder in accordance with the provisions of Article 189 of the Company Act, the minutes of the shareholders' meeting involved shall be kept by the company until the legal proceedings of the foregoing lawsuit have been concluded.

Chapter 4 Directors and Audit Committee

Article 13 The Company shall have seven to fifteen directors, who shall be elected based on the candidate nomination system by the shareholders' meeting from a list of candidates for a term of three years and shall be eligible for re-election.
The total shareholding of all directors shall be in accordance with the relevant regulations of the competent securities authorities.

Article 13-1 The number of independent directors shall not be less than three and shall not be less than one-third of the total number of directors.
The professional qualifications, shareholdings, restrictions on concurrent employment, nomination and election of independent directors and other matters to be complied with shall be in accordance with the relevant regulations of the competent securities authorities.
The Company has established the Audit Committee, the Remuneration Committee, and may establish other functional committees.
The Audit Committee shall consist of all independent directors.
The exercise of the authorities of the Audit Committee and its members and related matters shall be in accordance with the relevant regulations of the competent securities authorities.

Article 13-2 The Board of Directors' meetings shall be convened by the Chairperson of the Board. .
The chairperson of the Board shall be the chair of the meeting. If the Chairperson of the Board is absent or is unable to exercise his or her authorities for any reason, the Vice Chairperson of the Board shall act as proxy. If both the Chairperson and Vice Chairperson are absent, the Chairperson shall designate a director to act as proxy; if no such designation is made, the directors shall elect a proxy from among themselves
If a Board of Directors' meeting is conducted by video means, a director who participates in the meeting by such video means is deemed to attend the meeting in person.
If a director is unable to attend the meeting for any reason, he/she may appoint another director to attend the meeting as his/her proxy by issuing a proxy form specifying the scope of authorization.
The Company may convene the Board of Directors' meeting at any time in case of emergency, and the directors may be notified in writing, by e-mail or by facsimile.

Article 13-3 Unless otherwise provided for in the Company Act, resolutions of the Board of Directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors.

Article 13-4 Deleted

Article 13-5 The Company shall purchase liability insurance for directors during their term of office, and the Board of Directors is authorized to handle matters such as insurance coverage and insurance amount.

Article 14 The Board of Directors shall be organized by directors, with the presence of at least two-thirds of directors, and the consent of a majority of the directors present to elect from among themselves a Chairperson and a Vice Chairperson, who shall represent the Company externally.

Article 15 When the Chairperson of the Board is absent or unable to exercise his or her authorities for any reason, his or her proxy shall be governed by Article 208 of the Company Act.

Article 16 The Board of Directors is authorized to determine the remuneration to the directors, members of the Audit Committee, the Remuneration Committee and other functional committees for the performance of the Company's business, regardless of the Company's profit or loss, in accordance with the usual standards in the industry based on the value of their participation in and contribution to the Company's operations.

Article 16-1 Deleted

Chapter 5 Managerial officers

Article 17 The Company may have several presidents and managerial officers whose appointment, dismissal and remuneration shall be in accordance with Article 29 of the Company Act.

Chapter 6 Accounting

Article 18 At the end of each fiscal year, the Board of Directors shall prepare the reports listed on the left-hand side and submit them to the shareholders' meeting for adoption in accordance with the statutory procedures.

1. Business report
2. Financial statements
3. Earnings distribution or losses make-up proposal

Article 19 Deleted

Article 20 If the Company makes a profit in a year, it shall make an appropriation of not less than one-thousandth of the profit as profit-sharing remuneration for employees and not more than three percent as profit-sharing remuneration for directors and supervisors. However, if the Company has accumulated losses, it shall reserve in advance an amount to make up for them. The aforementioned remuneration for employees may be in the form of stock or cash and may be distributed to employees of the holding company or the subordinate companies who meet certain criteria, as otherwise determined by the Board of Directors.

Article 20-1 If the Company makes has net profit in a year as concluded by the annual final accounting close, it shall first make up for past losses and then set aside 10% of the profit as legal reserve and provide or reverse the special reserve in accordance with the law. If there is still surplus in the profit, the Board of Directors shall prepare an earnings distribution proposal with the surplus plus the undistributed earnings of the previous year. In accordance with Paragraph 5, Article 240 of the Company Act, "When the Company distributes dividends and bonuses in whole or in part in cash, the Board of Directors is authorized to approve the distribution by a resolution of a majority of the directors present, with at least two-thirds of the directors present, and to report the distribution to the shareholders' meeting." In addition, if the Company distributes all or part of the dividends and bonuses by issuance of new shares, the dividends shall be resolved by the shareholders' meeting.

The Company's dividend policy is formulated to support business expansion, based on operating strategies, investment plans, capital budget and changes in internal and external environment. The Company shall set aside at least 20% of the accumulated distributable earnings as dividends to shareholders, of which no less than 10% of the total dividends shall be in cash.

Cash dividends less than $0.1 per share calculated in accordance with the above dividend policy shall not be distributed. .

The Company shall not pay dividends or bonuses, if there is no surplus in earnings.

Article 21 All matters not covered by the Articles of Incorporation shall be governed by the provisions of the Company Act.

Article 22 The Articles of Incorporate were established on July 23, 1976.The 1st amendments were made on November 25, 1977.The 2nd amendments were made on January 13, 1980.The 3rd amendments were made on December 17, 1980.The 4th amendments were made on June 25, 1984.The 5th amendments were made on August 16, 1984.The 6th amendments were made on September 11, 1984.The 7th amendments were made on November 20, 1986.The 8th amendments were made on November 15, 1995.The 9th amendments were made on November 28, 1995.The 10th amendments were made on October 31, 1998.The 11th amendments were made on January 19, 1999.The 12th amendments were made on August 27, 1999.The 13th amendments were made on May 27, 2000.The 14th amendments were made on May 12, 2001.The 15th amendments were made on May 20, 2002.The 16th amendments were made on May 20, 2002.The 17th amendments were made on May 17, 2003.The 18th amendments were made on May 18, 2004.The 19th amendments were made on June 9, 2006.The 20th amendments were made on June 13, 2007.The 21st amendments were made on June 10, 2009.The 22nd amendments were made on June 17, 2010.The 23rd amendments were made on June 9, 2011.The 24th amendments were made on June 13, 2012.The 25th amendments were made on June 14, 2016.The 26th amendments were made on June 14, 2017. The 27th amendments were made on June 12, 2019.The 28th amendments were made on June 15, 2020.The 29th amendments were made on July 16, 2021.The 30th amendments were made on June 16, 2022.

SINGATRON ENTERPRISE CO., LTD.

Chairperson: Hsin-Nan Kan

Appendix 8

SINGATRON ENTERPRISE CO., LTD.

Comparison of the Amendments to the "Procedures for Acquisition and Disposal of Assets"

Amended provisions	Current provisions	Remarks
Article 2: Legal basis The Procedures are formulated based on Article 36-1 of the Securities and Exchange Act (hereinafter referred to as the "Act") and the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies". However, if there are other provisions in the financial related laws and regulations, such provisions shall govern.	Article 2: Legal basis The Procedures are formulated based on Article 36-1 of the Securities and Exchange Act (hereinafter referred to as the "Act"), the Securities and Futures Institute, Ministry of Finance's letter Tai-Cai-Zheng No. 09100610 dated December 10, 2002, and the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies". However, if there are other provisions in the financial related laws and regulations, such provisions shall govern.	Text about the letter is deleted.
Article 5: Limit to investment in immovable property not for business use and right-to-use assets thereof or marketable securities quota The limit of the above-mentioned assets acquired by the Company and each subsidiary is determined as follows: I. The Company's investment limit: (I) The total amount of investment in real estate not for business use and right-to-use assets thereof shall not exceed 30% of the net worth on the Company's financial statements for the most recent period. (II) The total amount of investment in marketable securities shall not exceed 120% of the net worth on the Company's financial statements for the most recent period. (III) The amount of investment in individual marketable securities shall not exceed 80% of the net worth on the Company's financial statements for the most recent period. II. Subsidiary's investment limit: (I) The total amount of investment in real estate not for	Article 5: Limit to investment in immovable property not for business use and right-to-use assets thereof or marketable securities quota The limit of the above-mentioned assets acquired by the Company and each subsidiary is determined as follows: (I). The total amount of real estate not for business use shall not exceed 30% of the net worth. (II). The total amount of the right-to-use assets of real estate shall not exceed 20% of the net worth (III). The total amount of investment in long-term and short-term securities shall not exceed 30% of the net worth. (IV). The amount of investment in individual marketable securities shall not exceed 10% of the net worth.	The limits are adjusted in accordance with the Company's future operation and development plan

business use and right-to-use assets thereof shall not exceed 30% of the net worth on the subsidiary's financial statements for the most recent period. (II) The total amount of investment in marketable securities shall not exceed 60% of the net worth on the subsidiary's financial statements for the most recent period. (III) The amount of investment in individual marketable securities shall not exceed 40% of the net worth on the subsidiary's financial statements for the most recent period. The amount of marketable securities referred to in Paragraphs 1 and 2 is determined by the original investment amount. Net worth refers to the equity attributable to the owners of the parent company on the balance sheet of each company. The equity of subsidiaries established or invested in directly or indirectly by the Company and each subsidiary is not subject to the limits to the investment in marketable securities under Paragraphs 1 and 2.		
Article 9: Procedures for Acquisition or Disposal of Marketable Securities Investments …… IV. Obtaining expert opinions: The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT$300 million or more, the Company shall additionally engage a certified public	Article 9: Procedures for Acquisition or Disposal of Marketable Securities Investments …… IV. Obtaining CPA's opinion The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of	The provisions of Article 10 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" describing different requirements by the Financial Supervisory Commission are elaborated.

accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. Except for the marketable securities that are publicly quoted in an active market or meet the following requirements: (1). Securities acquired through cash contribution in an incorporation by promotion or by public offering in accordance with the Company Act, with the further requirement that the rights represented by the acquired securities be commensurate with the proportion of capital contributed. (2). Participation in subscription to an issue of securities issued at face value by an issuing company (3). Participation in subscription to securities issued by a 100 percent owned subsidiary that is carrying out a cash capital increase. (4). Securities listed and traded on the Taiwan Stock Exchange or the Taipei Exchange or emerging stocks. (5). Government bonds, or bonds under repurchase or reverse purchase agreements. (6). Publicly offered funds. (7). TWSE or TPEx listed stocks acquired or disposed of in accordance with the TWSE or TPEx rules governing the purchase of listed securities by reverse auction or rules governing the auction of listed securities. (8). Participation in subscription to shares issued by a public company for a cash capital increase or domestic subscription to corporate bonds (including financial debentures), with the further requirement that the securities acquired are not privately placed securities. (9). Subscription to a domestic privately placed fund before the establishment of the fund in accordance with Article 11,	occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).	

paragraph 1 of the Securities Investment Trust and Consulting Act, or subscription to or redemption of a domestic privately placed fund, provided that the trust agreement for the fund specifies an investment strategy in which, aside from securities margin transactions and open positions held in securities-related products, the investment scope of the remaining portion is the same as that of a publicly offered fund. The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Article 12, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained in accordance with the provisions of these Procedures need not be counted toward the transaction amount.		
Article 15: Procedures for merger, demerger, acquisition, or transfer of shares. …… II. Other matters that should be noted: (I). Date of the Board of Directors' meeting: A company participating in a merger, demerger, or acquisition shall convene a Board of Directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the competent authority is notified in advance of extraordinary circumstances and grants consent. A company participating in a transfer of shares shall call a Board of Directors meeting on the day of the transaction, unless another act provides otherwise or the competent authority is notified in advance of extraordinary circumstances and grants	Article 15: Procedures for merger, demerger, acquisition, or transfer of shares. …… II. Other matters that should be noted: (I). Date of the Board of Directors' meeting: A company participating in a merger, demerger, or acquisition shall convene the Board of Directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent. A company participating in a transfer of shares shall call the Board of Directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.	Text adjustment

consent. …… 2. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a Board of Directors meeting. . …… When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days counting inclusively from the date of passage of a resolution by the Board of Directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the competent authority for recordation. …… (IV) Contents that should be contained in the contract: In addition to the provisions of Article 317-1 of the Company Act and Article 22 of the Business Mergers and Acquisitions Act, the contract of merger, demerger, acquisition, or transfer of shares shall also contain the following information:	…… 2. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a Board of Directors meeting. …… When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days counting inclusively from the date of passage of a resolution by the Board of Directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation. …… (IV) Contents that should be contained in the contract: In addition to the provisions of Article 317-1 of the Company Act and Article 22 of the Business Mergers and Acquisitions Act, the contract of merger, demerger, acquisition, or transfer of shares shall also contain the following information:	
Article 19: Implementation and Amendments (1). The Procedures shall be submitted to the Audit Committee of the Company for review and to the Board of Directors for approval and then to the shareholders' meeting for consent, and the same shall apply to amendments. If a director expresses an objection with a record or written statement on file, the Company shall send the information of the director's objection to the Audit Committee (2). In accordance with the provisions of (1), when the	Article 19: Implementation and Amendments After the Company establishes an audit committee in accordance with the provisions of the Act, when the procedures for the acquisition and disposal of assets are adopted or amended they shall be approved by one-half or more of all audit committee members and submitted to the Board of Directors for a resolution. If the approval of one-half or more of all Audit Committee members as required in the preceding paragraph is not	Adjusted by reference to the " Regulations Governing the Acquisition and Disposal of Assets by Public Companies"

procedures for acquisition or disposal of assets are submitted to the Board of Directors for discussion, the opinions of each independent director shall be fully considered. If the independent director has had any objection or reservation, it shall be stated in the board meeting minutes. (3) When establishing or amending the Procedures, at least one-half of all members of the Audit Committee shall agree and the resolution of the Board of Directors is required. (4) If the approval of one-half or more of all Audit Committee members as required in the preceding paragraph is not obtained, the Operational Procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting. (5). The members of the Audit Committee mentioned in (3) and the board directors mentioned in the preceding paragraph are counted by the actual incumbent.	obtained, the Operational Procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting. If a director expresses dissent with a record or written statement, the dissent should be reported to the shareholders' meeting for discussion. The term “all audit committee members” and “all directors” as used in the preceding 2 paragraphs shall mean the actual number of persons currently holding those positions. The Procedures shall be implemented after approved by the Board of Directors and submitted to the shareholders' meeting for consent, and the same shall apply to amendments.	
Article 21: Effective Date The Procedures were established on May 17, 2003. The 1st amendment was made on June 13, 2007. The 2nd amendment was made on June 13, 2012. The 3rd amendment was made on July 17, 2012. The 4th amendment was made on June 20, 2013. The 5th amendment was made on June 23, 2014. The 6th amendment was made on June 14, 2017. The 7th amendment was made on June 12, 2019. The 8th amendment was made on June 15, 2020. The 9th amendment was made on June 16, 2022. The 10th amendment was made on June 13, 2023.	Article 21: Effective Date The Procedures were established on May 17, 2003. The 1st amendment was made on June 13, 2007. The 2nd amendment was made on June 13, 2012. The 3rd amendment was made on July 17, 2012. The 4th amendment was made on June 20, 2013. The 5th amendment was made on June 23, 2014. The 6th amendment was made on June 14, 2017. The 7th amendment was made on June 12, 2019. The 8th amendment was made on June 15, 2020. The 9th amendment was made on June 16, 2022.	The effective dates are revised

Article 1: Purpose

In order to protect the assets and implement information disclosure, the Procedures are hereby established.

Article 2: Legal basis

The Procedures are formulated based on Article 36-1 of the Securities and Exchange Act (hereinafter referred to as the "Act"), the Securities and Futures Institute, Ministry of Finance's letter Tai-Cai-Zheng No. 09100610 dated December 10, 2002, and the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies".

However, if there are other provisions in the financial related laws and regulations, such provisions shall govern.

Article 3: The scope of assets.

I. Marketable securities: Including investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.

II. Real property (including land, houses and buildings, investment property, land use rights, and construction enterprise inventory) and equipment.

III. Memberships.

IV. Intangible assets: Including patents, copyrights, trademarks, franchise rights, and other intangible assets.

V. Right-of-use assets

VI. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).

VII. Derivatives.

VIII. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.

IX. Other major assets.

Article 4: Terminology

I. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.

II. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institutions Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.

III. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

IV. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.

V. Date of occurrence of the fact: The earlier of the date of contract signing, the date of payment, the date of settlement of the transaction, the date of ownership transfer, the date of resolution of the Board of Directors, or any other date that is sufficient to determine the counterparty and the amount of the transaction. However, for investors subject to the approval of the competent authority, it should be the earlier of the preceding dates or the date of receipt of approval from the competent authority.

VI. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.

VII. The latest financial statements as referred to: The financial statements of the Company that have been audited and attested or reviewed by CPAs prior to the acquisition or disposal of assets in accordance with the law.

VIII. Investment professional: Refers to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, securities firms operating proprietary trading or underwriting business, futures commission merchants operating proprietary trading business, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies, that are lawfully incorporated and are regulated by the competent financial authorities of the jurisdiction where they are

located.
IX. Securities exchange: "Domestic securities exchange" refers to the Taiwan Stock Exchange Corporation; "foreign securities exchange" refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
X. Over-the-counter venue ("OTC venue", "OTC"): "Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; "foreign OTC venue" refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.
Article 5: Limit to investment in immovable property not for business use and right-to-use assets thereof or marketable securities quota
The limit of the above-mentioned assets acquired by the Company and each subsidiary is determined as follows:
(I). The total amount of real estate not for business use shall not exceed 30% of the net worth.
(II). The total amount of the right-to-use assets of real estate shall not exceed 20% of the net worth
(III). The total amount of investment in long-term and short-term securities shall not exceed 30% of the net worth.
(IV). The amount of investment in individual marketable securities shall not exceed 10% of the net worth.
Article 6: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:
I. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
II. May not be a related party or de facto related party of any party to the transaction.
III. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.
When issuing appraisal reports or opinions, the foregoing personnel shall follow the self-regulatory rules of the respective trade association to which they belong and the following requirements.
I. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
II. When executing a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.
III. They shall undertake an item-by-item evaluation of the appropriateness and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
IV. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is appropriate and reasonable, and that they have complied with applicable laws and regulations.
Article 7: Where the company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.
Article 8: Procedures for Acquisition or Disposal of Real Estate, Equipment or Right-of-Use Assets Thereof
I. Evaluation and Operating Procedures
The Company’s acquisition or disposal of real estate, equipment or right-of-use assets thereof should be conducted in accordance with the fixed asset cycle of the Company's internal control system.
II. Procedures for determining trading terms and authorization limits
(I) When acquiring or disposing of real estate or right-of-use assets thereof, the Company shall make reference to the announced current value, the assessed value, and the actual transaction price of the adjacent real estate to decide on the transaction terms and transaction price, prepare an analysis report and submit it to the chairperson for approval. If the transaction amount is less than NT$100,000,000, the transaction should be approved by the chairperson and reported to the Audit Committee and the Board of Directors at the latest meeting afterwards; if the transaction amount exceeds NT$100,000,000, the approval of the Audit Committee and the resolution of the Board of Directors are required.
(II). The acquisition or disposal of assets other than those listed in (1) above shall be carried out by one of

the means of price quotation, comparison, bargaining or tender, if the transaction amount is less than NT$100 million (inclusive), and shall be approved along the hierarchy in accordance with the authorization method; if the transaction amount exceeds NT$100 million, it shall be submitted to the chairperson for approval, and then consented by the Audit Committee and submitted to the Board of Directors for resolution. However, the above provisions do not apply to assets in the category of scrapped equipment.
(III). The procedures for acquisition and disposal of assets and other regulations should be approved by one-half or more of all audit committee members and submitted to the Board of Directors for a resolution. If the approval of one-half or more of all Audit Committee members is not obtained, the Operational Procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.
The term “all audit committee members” and “all directors” as used in the preceding paragraph shall mean the actual number of persons currently holding those positions.
III. Executive unit
When the Company acquires or disposes of real estate, equipment or right-of-use assets thereof, the Company shall obtain the approval in accordance with the aforementioned approval authority, and then the user department and the general affairs department shall be responsible for execution.
IV. Appraisal report of real estate, equipment or right-of-use assets thereof
In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:
(I). Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
(II). Where the transaction amount is NT$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
(III). Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
1. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
(IV). The date of the professional appraiser's report is issued shall not be more than three months from the date of establishment of the contract. However, if the announced current value of the same period is applicable and is less than six months old, an opinion letter issued by the original professional appraiser shall suffice.
Article 9: Procedures for Acquisition or Disposal of Marketable Securities Investments
I. Evaluation and Operating Procedures
The purchase and sale of the Company's long-term and short-term securities are conducted in accordance with the investment cycle of the Company's internal control system.
II. Procedures for determining trading terms and authorization limits
(I). Marketable securities traded on the centralized trading market or at business premises of securities firms shall be determined by the responsible unit based on market conditions, if the amount is less than NT$50 million (inclusive), should be approved by the chairperson and reported to the Audit Committee meeting and the Board of Directors at the most recent meeting afterwards, and an analysis of unrealized gain or loss on long-term and short-term marketable securities should be submitted. If the amount exceeds NT$50 million, the transaction must be approved by the Audit Committee and the Board of Directors before proceeding.
(II). For marketable securities not traded on the centralized trading market or at business premises of securities firms, the most recent financial statements of the target company that have been audited or reviewed by CPAs should be obtained as a reference for evaluating the transaction price, taking into account the net worth per share, profitability and future development potential of the target company; if the amount is less than NT$30 million (inclusive), the transaction should be approved by the chairperson and reported to the Audit Committee meeting and the Board of Directors at the most recent meeting afterwards, and an

analysis of unrealized gain or loss on long-term and short-term marketable securities should be submitted. If the amount exceeds NT$30 million, the transaction must be approved by the Audit Committee and the Board of Directors before proceeding.

III. Executive unit

The Company's investments in long-term and short-term securities shall be approved in accordance with the aforementioned approval authority and shall be executed by the finance and accounting department.

IV. Obtaining CPA's opinion

The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).

Article 10: Procedures for acquiring real estate or right-of-use assets thereof from related parties

I. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised in accordance with the Procedures for Acquisition or Disposal of Real Estate, Equipment or Right-of-Use Assets Thereof required by Article 8, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the preceding 2 articles.

The calculation of the transaction referred to in the preceding paragraph shall be made in accordance with Article 12 herein.

In addition, when judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

II. Evaluation and Operating Procedures

For the acquisition and disposal of property or use-of-right assets with the related party, or the acquisition and disposal of assets other than the property or right-of-right assets for an amount exceeding 20% of the Company's paid-in capital, 10% of the total assets, or NT$300 million, except for the trade of domestic bonds, R/P and R/S bonds, subscription, or R/P of monetary fund issued by domestic securities investment trusts industry, the following information should be submitted to the Audit Committee and the Board of Directors for approval before having the trade contract signed and payment made.

(I). The purpose, necessity, and expected benefits for the acquisition and disposal of assets;

(II). The reason for having the related party selected as the counterparty;

(III). The relevant information used to assess the reasonableness of the trade conditions related to the acquisition and disposal of property and use-of-right assets with the related party according to the provisions of Subparagraphs 1 and 4, Paragraph 3 of the Article.

(IV). The original acquisition date and price of the related party, the counterparty, and its relationship with the company and the related party;

(V). The monthly cash receipts and payments forecast in the coming year starting from the contracting month, and assessing the necessity of the transaction and the rationality of the use of funds;

(VI). The appraisal report issued by the professional appraiser or accountant's opinion obtained in accordance with the provisions stated in the Article;

(VII). The restrictions and other important agreed matters of this transaction;

With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's Board of Directors may pursuant to Article 8, paragraph 2, subparagraph 2 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next meetings of the Audit Committee and the Board of Directors.

I. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.

II. Acquisition or disposal of real property right-of-use assets held for business use.

If an audit committee has been established in accordance with the provisions of the Article 218 of the Company Act, the matters shall first be approved by one-half or more of all audit committee members and then submitted to the Board of Directors for a resolution, and shall be subject to mutatis mutandis application of Subparagraph 5, Paragraph 3 of this Article.

In the event that the Company or its non-domestic public subsidiaries have any transaction of the first paragraph, and the transaction amount reaches 10% or more of the total assets of the Company, the Company shall submit the information listed in the first paragraph to the shareholders' meeting for approval

before signing the transaction contract and making payment. However, this does not apply to the transaction the Company enters into with its parent company, its subsidiaries, or between its subsidiaries.
The calculation of the transaction amount of the first and preceding paragraphs shall be made in accordance with Article 17, Paragraph 1, Subparagraph 8 and the reference to within one year shall be based on the date of occurrence of the transaction and shall be retroactive to one year, and the part of the transaction that has been submitted to the shareholders' meeting, the Board of Directors for approval and the Audit Committee for ratification in accordance with the provisions of the Procedures shall be exempt.
III. Evaluation of the reasonableness of transaction costs
(I). The Company that acquires real property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means:
1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.
(II). Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.
(III) The Company that acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the first two subparagraphs of Paragraph3 of this Article shall also engage a CPA to check the appraisal and render a specific opinion.
(IV). If the Company acquires real estate or right-of-use assets thereof from a related party and the appraisal result is lower than the transaction price in accordance with the provisions of first two subparagraphs of Paragraph3 of this Article, the Company shall comply with the provisions of Subparagraph 5, Paragraph 3 of this Article. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:
1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
(1). Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
(2). Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
Completed transactions involving neighboring or closely valued parcels of land mentioned above in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the aforementioned preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.
(V). Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with the first two subparagraphs of Paragraph3 of this Article are uniformly lower than the transaction price, the following steps shall be taken:
1. For the difference between the transaction price and assessed cost of the property and its use-of-right assets, the Company should set aside a special reserve in accordance with Paragraph 1 of Article 41 of the Securities and Exchange Act, and it shall not be distributed or capitalized with stock shares distributed. Where a public company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.

2. If an audit committee has been established in accordance with the provisions of the Act, the provisions of Article 28 of the Company Act should be followed. The preceding paragraph of this paragraph shall apply mutatis mutandis to the independent directors of the Audit Committee.
3. The handling of the situation under Points 1 and 2 of Subparagraph 5, Paragraph 3 of this Article should be reported in the shareholders' meeting and the details of the transaction should be disclosed in the annual report and the prospectus.
And the Company and public companies whose investments in the Company are accounted for using the equity method that has set aside a special reserve mentioned above may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.
(VI) If the Company acquires real estate or right-of-use assets thereof from a related party under any of the following circumstances, the Company shall comply with the provisions of Paragraphs 1 and 2 of this Article with respect to the evaluation and operating procedures, and the provisions of the first to third paragraphs of Article 3 shall not apply:
1. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.
3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.
4. The real estate right-of-use assets for business use are acquired by the Company from its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.
(VII) When the Company obtains real property or right-of-use assets thereof from a related party, it shall also comply with Subparagraph 5, Paragraph 3 of this Article if there is other evidence indicating that the acquisition was not an arms length transaction.
Article 11: Procedures for Acquisition or Disposal of Memberships or Intangible Assets or Right-of-Use Assets Thereof
I. Evaluation and Operating Procedures
The Company’s acquisition or disposal of memberships, intangible assets or right-of-use assets thereof should be conducted in accordance with the fixed asset cycle of the Company's internal control system.
II. Procedures for determining trading terms and authorization limits
(I) When acquiring or disposing of memberships or intangible assets or right-of-use assets thereof, the Company shall make reference to the market current value, the assessment or appraised amount, and recent actual transaction price of the adjacent real estate to decide on the transaction terms and transaction price, prepare an analysis report and submit it to the chairperson for approval. If the transaction amount is less than NT$100,000,000, the transaction should be approved by the chairperson and reported to the Board of Directors at the latest meeting afterwards; if the transaction amount exceeds NT$100,000,000, the approval of the Audit Committee and the resolution of the Board of Directors are required before proceeding
(II). The procedures for acquisition and disposal of assets and other regulations should be approved by one-half or more of all audit committee members and submitted to the Board of Directors for a resolution. If the approval of one-half or more of all Audit Committee members as required in the preceding paragraph is not obtained, the Operational Procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting. If a director expresses dissent with a record or written statement, the dissent should be reported to the shareholders' meeting for discussion.
The term “all audit committee members” and “all directors” as used in the preceding paragraph shall mean the actual number of persons currently holding those positions.
III. Executive unit
When the Company acquires or disposes of memberships, intangible assets or right-of-use assets thereof, the Company shall obtain the approval in accordance with the aforementioned approval authority, and then the user department and the finance or administration department shall be responsible for execution.
V. Expert appraisal report on memberships or intangible assets or right-of-use assets thereof
Where the Company acquires or disposes of memberships or intangible assets or right-of-use assets thereof and the transaction amount reaches 20 percent or more of paid-in capital or NT$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price;

Article 12: The calculation of the transaction amounts referred to in Articles 8, 9 and 11 shall be done in accordance with Article 10, Paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

Article 11: Procedures for Acquisition or Disposal of Creditor's Rights of Financial Institutions

In principle, the Company does not engage in transactions to acquire or dispose of creditor's rights of financial institutions. If the Company wishes to engage in transactions to acquire or dispose of creditor's rights of financial institutions in the future, the Company will submit the transaction to the Audit Committee and the Board of Directors for approval and then establish relevant evaluation and operating procedures.

Article 11: Procedures for Acquisition or Disposal of Derivative Instruments

I. Trading Principles and Guidelines

(I). Transaction types

1. The derivative financial instruments the Company engages are the trading contracts (such as forward contracts, options, futures, interest rates or exchange rates, swaps, and compound contracts resulting from a combination of the above) whose values are derived from assets, interest rates, exchange rates, indices, or other benefits.

2. Matters related to transactions of security deposits for bonds shall be handled in accordance with the relevant provisions of these Procedures.

The provisions of these Procedures shall not apply to bond transactions with repurchase agreements.

(II), Operating (hedging) strategy

The Company shall engage in derivative transactions primarily for the purpose of hedging, and shall select the instruments to be used to hedge the risks arising from the Company's business operations, and shall hold currencies that are consistent with the Company's actual foreign currency requirements for import and export transactions. In the case of foreign currency hedge, the natural offsetting balance between the same foreign currency assets and foreign currency liabilities within an individual company takes precedence over the natural offsetting balance of the same foreign currency, and derivative financial instruments of hedging nature may be operated in a timely manner to hedge the company's foreign exchange risk after assessment by the finance department.

Other transactions for specific purposes must be carefully evaluated and submitted to the Audit Committee and Board of Directors for approval before proceeding.

(III). Division of Authority and Responsibility

1. Finance Department

(1). Trading personnel

A. Responsible for the strategy development of the entire company's financial instruments trading.

B. The trading personnel shall regularly calculate parts every two weeks, collect market information, make trend judgment and risk assessment, and prepare operating strategies, which shall be approved by the approval authority and used as the basis for engaging in trading.

C. Execute transactions in accordance with the authorized authority and the established strategies.

D. When there is a significant change in the financial market and the trading personnel judge that it is no longer applicable, they will submit an evaluation report at any time and redraft the strategy, which will be approved by the responsible leader as the basis for engaging in trading.

(2) Accounting personnel

A. Confirm the executed transaction

B. Review whether the transactions are conducted in accordance with the authorized authority and the established strategy.

C. Conduct monthly evaluation and submit the evaluation report to the responsible leader for approval

D. Accounting process

E. Conduct reporting and announcement in accordance with the regulations of the Securities and Futures Institute

(3). Settlement personnel: Perform delivery tasks.

(4). Approval authority for derivative instruments

A. Approval authority for hedging transactions (only for forward exchange transactions)

Authorized leader to approve	Net accumulated position trading authority
Finance and accounting officer of subsidiary	50% of the overall net exposure of the hedging company
Finance and accounting officer of the Group's parent company	65% of the overall net exposure of the hedging company
Chairperson of the Group	75% of the overall net exposure of the hedging company

The chairperson of the Group has approved the hedging operation can be carried out first with subsequent reporting to the next meetings of the Audit Committee and the Board of Directors.	90% of the overall net exposure of the hedging company

B. Other specific purpose transactions and derivatives that are not part of the above hedge forward transactions are subject to the approval of the Board of Directors.
C. The procedures for acquisition and disposal of assets and other regulations should be approved by one-half or more of all audit committee members and submitted to the Board of Directors for a resolution.
If the approval of one-half or more of all Audit Committee members as required in the preceding paragraph is not obtained, the Operational Procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting. If a director expresses dissent with a record or written statement, the dissent should be reported to the shareholders' meeting for discussion.
The term “all audit committee members” and “all directors” as used in the preceding 2 paragraphs shall mean the actual number of persons currently holding those positions.
2. Audit Department
Responsible for understanding the appropriateness of the internal control over derivative transactions and checking the compliance of the trading department with the operating procedures, analyzing the transaction cycle, preparing audit reports, and reporting to the Audit Committee and Board of Directors in case of significant deficiencies.
3. Performance evaluation
(1). Hedging Transactions
A. The basis for assessing the effectiveness of the exchange rate cost between the company's books and the gains or losses resulting from engaging in derivative financial transactions.
B. In order to fully grasp and express the valuation risk of the transactions, the Company uses the monthly valuation method to evaluate the profit and loss.
C. The Finance Department shall provide the evaluation of foreign exchange positions and the trend of foreign exchange market and market analysis to the management for management reference and instruction.
(2). Specific Purpose Transactions
Performance is evaluated on the basis of the actual profit or loss generated, and the accounting staff is required to prepare regular reports on the parts for the management's reference.
4. Determination of total contract amount and loss limit
(1) Total contract amount
A. Hedging transaction limit
The Finance Department should keep track of the overall position of the company in order to hedge the transaction risk. In normal operation, the amount of hedging transactions should not exceed 75% of the overall net exposure of the hedging company.
In case of emergency and special circumstances such as global economic instability or high volatility of foreign currency exchange rates, if the finance department assesses that it is necessary to expand the operation of derivative financial instruments of hedging nature, it may do so first after reporting to the chairperson for approval, and the amount of hedging transactions shall not exceed 90% of the hedging company's overall net exposure, and shall be reported to the next meetings of the Audit Committee and the Board of Directors afterwards.
The above is limited to financial instruments used for forward exchange transactions.
B. Specific Purpose Transactions
For hedging forward transactions that do not fall under A above, or for hedging forward transactions that exceed the transaction limits specified in A above, or for other specific purposes that are not hedging in nature, the Finance Department may prepare strategies as necessary and submit them to the Audit Committee and the Board of Directors for approval before proceeding. The amount of individual contracts for the Company's non-specific transactions is limited to US$1 million and the total amount of contracts for the Company's net cumulative positions is limited to US$5 million.
(2). Determination of loss limit
A. Hedging transactions
a. Individual contracts: Up to 10% of the contract amount
b. All contracts: Up to 10% of the total contract amount.
B. Specific Purpose Transactions
a. Individual contracts: Up to 10% of the contract amount
b. All contracts: Up to 10% of the total contract amount.
C. The overall loss limit: Up to 10% of the total contract amount of the hedging transactions and the specific purpose transactions.

If the amount of loss exceeds the aforementioned limit, the loss must be reported to the management immediately and reported to the Audit Committee and the Board of Directors for consideration of countermeasures.

II. 2. Risk management measures.

(I). Credit risk management

Since the market is subject to changes in various factors that may result in operational risk of derivative financial instruments, market risk management is conducted in accordance with the following principles:

1. Trading partners: Mainly domestic and foreign famous financial institutions.

2. Trading instruments: Only instruments provided by well-known domestic and foreign financial institutions.

3. Transaction amount: The unhedged transaction amount of the same trading partner shall not exceed 10% of the total authorized amount, except for those approved by the president.

(II). Market risk management

Mainly the open foreign exchange market provided by banks, and the futures market is not considered for the time being.

(III). Liquidity risk management

In order to ensure the liquidity of the market, the selection of financial products is based on high liquidity (i.e., readily available in the market for rolling over), and the financial institutions entrusted with trading must have sufficient information and the ability to trade in any market at any time.

(IV). Cash flow risk management

To ensure the stability of the Company's operating capital cycle, the Company's sources of funds for derivative transactions are limited to its own funds, and its operating amounts should be determined by taking into account the funding requirements of cash flow projections for the next three months.

(V). Operational risk management

1. The Company shall follow the authorized amount, operating procedures and internal audits to avoid operational risks.

2. Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.

3. Risk measurement, monitoring, and control personnel shall be assigned to a different department that the personnel in the preceding subparagraph and shall report to the Board of Directors or senior management personnel with no responsibility for trading or position decision-making.

4. Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the Board of Directors.

(VI). Instrument risk management

The internal trading personnel should have complete and correct professional knowledge of financial instruments, and the Bank is required to fully disclose the risks to avoid misuse of financial instrument risks.

(VII). Legal risk management

Documents signed with financial institutions should be examined by specialized personnel of foreign exchange and legal affairs or legal counsel before they are formally signed to avoid legal risks.

III. Internal audit system.

(I). The company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading and analyze transaction cycle, and prepare an audit report. If any material violation is discovered, the Audit Committee shall be notified in writing.

Where an audit committee has been established in accordance with the provisions of the Act, the provisions of Article 218 of the Company Act shall apply mutatis mutandis to the audit committee.

(II). The internal auditors shall report the audit report together with the annual audit of internal audit operations to the SEC by the end of February of the following year, and report the improvement of irregularities to the SEC for examination by the end of May of the following year at the latest.

IV. Periodical evaluation method

(I). The Board of Directors shall authorize its senior management to regularly monitor and evaluate whether derivative transactions are conducted in accordance with the Company's trading procedures and whether the risks assumed are within the allowable range of commitments. The Company shall report to the Audit Committee and the Board of Directors immediately if there is any abnormality in the market valuation report (e.g., if the position exceeds the loss limit) and take appropriate countermeasures.

(II). Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be

submitted to senior management personnel authorized by the Board of Directors.
V. The Board of Directors' supervisory and management principles when the Company engages in derivative transactions
(I) The Board of Directors shall designate senior management personnel to pay continuous attention to monitoring and controlling derivatives trading risk with the following management principles:
1. Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these Regulations and the procedures for engaging in derivatives trading formulated by the company.
2. Monitor the transactions and profit or loss, and take necessary countermeasures when irregularities are detected and report to the Audit Committee and the Board of Directors immediately.
(II). Periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the company's permitted scope of tolerance.
(III). The Company shall report to the soonest meetings of the Audit Committee and the Board of Directors after it authorizes the relevant personnel to handle derivates trading in accordance with its Procedures for Engaging in Derivatives Trading.
(IV). The Company engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, the Audit Committee's and the Board of Directors' approval dates, and the matters required to be carefully evaluated under Subparagraphs 1 and 2, Paragraph 4 of this Article shall be recorded in detail in the log book.
Article 15: Procedures for merger, demerger, acquisition, or transfer of shares.
I. Evaluation and Operating Procedures
(I). In the event the Company is engaged in a merger, demerger, acquisition or transfer of shares, the Company shall appoint an attorney, a CPA and a securities underwriter to jointly discuss the estimated timetable for the statutory procedures and organize a dedicated project team to carry out the deal in accordance with the statutory procedures. Prior to convening the Audit Committee and board meetings to resolve on the matter, the Company shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the Audit Committee and the Board of Directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by the Company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the public company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.
(II). The Company shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in Subparagraph 1, Paragraph 1 of this Article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition.
Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply. In addition, where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.
II. Other matters that should be noted:
(I). Date of the Board of Directors' meeting: A company participating in a merger, demerger, or acquisition shall convene a Board of Directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent. A company participating in a transfer of shares shall call a Board of Directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.
When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference:
1. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.

2. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a Board of Directors meeting.
3. Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of Board of Directors meetings.
When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days counting inclusively from the date of passage of a resolution by the Board of Directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.
Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of the preceding two paragraphs.
(II). Prior non-disclosure commitment: Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.
(III). Principles for determining and changing the share exchange ratio or acquisition price: A company that conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board meetings of both companies to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the shareholders' meeting. In principle, the share exchange ratio or acquisition price shall not be changed arbitrarily, except when the conditions for such change have been set forth in the contract and have been publicly disclosed.
The conditions under which the share exchange ratio or the acquisition price may be changed are as follows:
1. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
2. An action, such as a disposal of major assets, that affects the company's financial operations.
3. An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
4. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
5. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
6. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.
(IV). Contents that should be contained in the contract: In addition to the provisions of Article 317-1 of the Company Act and Article 22 of the Business Mergers and Acquisitions Act, the contract of merger, demerger, acquisition, or transfer of shares shall also contain the following information:
1. Handling of breach of contract.
2. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
3. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
4. The manner of handling changes in the number of participating entities or companies.
5. Preliminary progress schedule for plan execution, and anticipated completion date.
6. Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.
(V). In the event of a change in the number of companies involved in a merger, demerger, acquisition or transfer of shares: After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the Board of Directors to alter the limits of

authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.
(VI). Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company and shall comply with the provisions of Subparagraph 1, Paragraph 2 of this Article regarding the date of the Board of Directors meeting, Subparagraph 2 regarding the prior non-disclosure commitment, and Subparagraph 5 regarding the change in the number of companies participating in the merger, demerger, acquisition or transfer of shares..
Article 16: Procedures for Public Disclosure of Information
I. The items and criteria for announcement and reporting
(I). Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
(II). Merger, demerger, acquisition, or transfer of shares.
(III). Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.
(IV). The acquisition or disposal of equipment or assets for business use, where the counterparty is not a related party, and the transaction amount reaches the following limits: for public companies with paid-in capital of less than NT$10 billion, the transaction amount reaches NT$500 million or more.
(V). Acquisition or disposal by a public company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT$500 million; among such cases, if the Company has paid-in capital of NT$10 billion or more, and it is disposing of real property from a completed construction project that it constructed itself, and furthermore the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT$1 billion or more.
(VI). Where land is acquired under an arrangement on engaging others to build on the company's own land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT$500 million.
(VII). Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution reaches 20 percent or more of paid-in capital or NT$300 million. However, this does not apply to the following circumstances:
1. Purchase and sale of domestic government bonds or foreign government bonds with credit ratings not lower than the sovereign rating of Taiwan
2. Professional investors buy or sell marketable securities on the stock exchange or on the business premises of a securities firm, or subscribe for foreign government bonds or ordinary corporate bonds and general financial bonds not involving equity interests (excluding subordinated debentures) in the primary market, or subscribe for or buy back securities investment trust funds or futures trust funds, or subscribe for or sell back index investment securities, or securities firms subscribe for the marketable securities in accordance with the TPEx regulations.for the purpose of underwriting business to act as an advisor for emerging companies.
3. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
(VIII). The calculation of the transaction amounts in the preceding seven sub paragraphs is as follows, where "within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with the regulations need not be counted toward the transaction amount.
1. The amount of any individual transaction.
2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.
3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.
4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.
II. Time limit for making announcement and reporting:
Under any of the aforementioned circumstances, the Company acquiring or disposing of assets shall

publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:
III. Announcement and reporting procedures.
(I). The Company shall report the relevant information on the website designated by the Securities and Futures Institute.
(II). The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the Company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the Securities and Futures Institute by the 10th day of each month.
(III). When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.
(IV). The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the Company, where they shall be retained for 5 years except where another act provides otherwise.
(V). Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:
1. Change, termination, or rescission of a contract signed in regard to the original transaction.
2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
3. The content of the original announcement is changed.
Article 17: The Company's subsidiaries shall be subject to the following regulations
I. The subsidiaries shall also establish and implement the "Procedures for Acquisition and Disposal of Assets" in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies".
II. If the acquisition or disposal of assets by a subsidiary that is not a public company reaches the criteria for public announcement and reporting as stipulated in "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", the Company shall perform the public announcement and reporting on behalf of the subsidiary.
III. The criterial for announcement and reporting under Paragraph 1, Article 31 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" with respect to the amount of paid-in capital or total assets, and the amount of paid-in capital or total assets applicable to subsidiaries should be based on the Company's paid-in capital or total assets.
For the calculation of 10 percent of total assets, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.
In the case of a company whose shares have no par value or a par value other than NT$10—for the calculation of transaction amounts of 20 percent of paid-in capital, 10 percent of equity attributable to owners of the parent shall be substituted; for calculations under the provisions of these Procedures regarding transaction amounts relative to paid-in capital of NT$10 billion, NT$20 billion of equity attributable to owners of the parent shall be substituted.
Article 18: Penalties
Any employee of the Company who undertakes to acquire or dispose of assets in violation of these Procedures shall be subject to periodic evaluation in accordance with the Company's Personnel Management Regulations and Employee Handbook, and shall be punished according to the severity of the case.
Article 19: Implementation and Amendments
After the Company establishes an audit committee in accordance with the provisions of the Act, when the procedures for the acquisition and disposal of assets are adopted or amended they shall be approved by one-half or more of all audit committee members and submitted to the Board of Directors for a resolution.
If the approval of one-half or more of all Audit Committee members as required in the preceding paragraph is not obtained, the Operational Procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting. If a director expresses dissent with a record or written statement, the dissent should be reported to the shareholders' meeting for discussion.
The term “all audit committee members” and “all directors” as used in the preceding 2 paragraphs shall

mean the actual number of persons currently holding those positions.
The Procedures shall be implemented after approved by the Board of Directors and submitted to the shareholders' meeting for consent, and the same shall apply to amendments.
Article 20: Supplementary Provisions
Matters not covered by these Procedures shall be handled in accordance with the relevant laws and regulations.
Article 21: Effective Date
The Procedures were established on May 17, 2003.
The 1st amendment was made on June 13, 2007.
The 2nd amendment was made on June 13, 2012.
The 3rd amendment was made on July 17, 2012.
The 4th amendment was made on June 20, 2013.
The 5th amendment was made on June 23, 2014.
The 6th amendment was made on June 14, 2017.
The 7th amendment was made on June 12, 2019.
The 8th amendment was made on June 15, 2020.
The 9th amendment was made on June 16, 2022.

Appendix 9

SINGATRON ENTERPRISE CO., LTD.

Rules of Procedure for Shareholders' Meetings

2022.06.16 Edition

Article 1

Shareholders' meetings of SINGATRON ENTERPRISE CO., LTD. (hereinafter referred to as the Company) shall be governed by the Rules unless otherwise provided by law or the Articles of Incorporation.

Article 2

The Company's shareholders' meetings shall, unless otherwise provided for in the Company Act, be convened by the Board of Directors.

The Company shall transmit the notice of shareholders' meeting, the proxy form, and the subjects and explanatory information of each motion for adoption, discussion, and election or dismissal of directors to the Market Observation Post System (MOPS) 30 days prior to a regular shareholders' meeting or 15 days prior to an extraordinary shareholders' meeting. The Company shall also transmit an electronic file of the shareholders' meeting handbook and supplementary information to the MOPS no later than 21 days before a regular shareholders' meeting or 15 days before an extraordinary shareholders' meeting. 15 days prior to the shareholders' meeting, the shareholders' meeting handbook and supplementary information shall be made available to the shareholders at any time and shall be exhibited at the Company and the professional stock affairs agency appointed by the Company, and shall be distributed at the shareholders' meeting. The causes or subjects for the shareholders' meeting shall be indicated in the individual notice to be given to shareholders or publicly announced; and the notice may, as an alternative, be given by means of electronic transmission, after obtaining a prior consent from the recipient(s) thereof.

Matters pertaining to election or discharge of directors, alteration of the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, spin-off, or any matters as set forth in Paragraph 1, Article 185 of the Company Act, Article 26-1, Article 43-6 of the Securities and Exchange Act, Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, shall be described in the causes and subjects for the meeting and shall not be proposed by way of an extempore motion.

If the general re-election of directors is set forth in the causes and subjects for the shareholders' meeting and the date of their assumption of office is also stated, after the completion of such re-election at the shareholders' meeting, the date of their assumption of office shall not be changed by way of an extempore motion or other means at the same meeting.

Shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company may propose to the Company a proposal for discussion at a regular shareholders' meeting, provided that only one matter shall be allowed in each single proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda. In addition, the Board of Directors may not include a motion submitted by a shareholder under any of the circumstances set forth in Paragraph 4, Article 172-1 of the Company Act. A shareholder may make a proposal to urge the Company to promote the public interest or to fulfill its social responsibility, which shall be limited to one proposal in accordance with Article 172-1 of the Company Act.

Prior to the date on which share transfer registration is suspended before the convention of a regular shareholders' meeting, the company shall give a public notice announcing acceptance of proposal in writing or by way of electronic transmission, the place and the period for shareholders to submit proposals to be discussed at the meeting; and the period for accepting such proposals shall not be less than ten (10) days.

The number of words of a proposal to be submitted by a shareholder shall be limited to not more than three hundred (300) words, and any proposal containing more than 300 words shall not be included in the agenda of the shareholders' meeting. The shareholder who has submitted a proposal shall attend, in person or by a proxy, the regular shareholders' meeting whereat his proposal is to be discussed and shall take part in the discussion of such proposal.

The Company shall, prior to preparing and delivering the shareholders' meeting notice, inform, by a notice, all the proposal submitting shareholders of the proposal screening results, and shall list in the shareholders' meeting notice the proposals conforming to the requirements set out in this Article. With regard to the proposals submitted by shareholders but not included in the agenda of the meeting, the cause of exclusion of such proposals and explanation shall be made by the Board of Directors at the shareholders' meeting to be convened.

Article 3

A shareholder may issue a proxy form issued by the Company to attend a shareholders' meeting in

his/her/its behalf by executing a power of attorney stating therein the scope of power authorized to the proxy.

A shareholder may only execute one power of attorney and appoint one proxy only, and shall serve such written proxy form to the Company no later than 5 days prior to the meeting date of the shareholders' meeting. In case two or more proxy forms are received from one shareholder, the first one received by the Company shall prevail, unless an explicit statement to revoke the previous written proxy is made in the proxy which comes later.

After the service of the power of attorney of a proxy form to the Company, in case the shareholder issuing the said proxy intends to attend the shareholders' meeting in person or to exercise his/her/its voting power in writing or by way of electronic transmission, a proxy rescission notice shall be filed with the Company two days prior to the date of the shareholders' meeting as scheduled in the shareholders' meeting notice so as to rescind the proxy at issue, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

Article 4

A shareholders' meeting shall be held on the premises of the Company or at a place convenient for shareholders to attend and suitable for the shareholders' meeting, and the meeting shall commence no earlier than 9:00 a.m. and no later than 3:00 p.m.

Article 5

The Company shall specify in the notice of the meeting the time and place for the shareholders to report for the meeting, and other matters to note.

The aforementioned time for accepting shareholders' reporting for the meeting shall be at least 30 minutes prior to the commencement of the meeting; the place to report for the meeting shall be clearly marked, and adequate and appropriate personnel shall be assigned to handle the affairs.

Shareholders themselves or their proxies shall attend the shareholders' meeting with their sign-in cards, signature cards or other attendance certificates. The Company shall not arbitrarily require any other documents to be provided as proof of the shareholders' attendance; solicitors of proxy forms shall bring along their identification documents for verification.

The Company shall furnish a signature book for attending shareholders in person or by proxy (hereinafter referred to as shareholders), or the attending shareholders may submit their sign-in cards instead.

The Company shall deliver to the shareholders present at the shareholders' meeting the meeting handbook, annual report, attendance cards, speaker slips, voting ballots and other meeting materials; in the case of election of directors, additional election ballots shall be delivered as well.

When the government or a legal entity is a shareholder, there shall be no more than one representative attending the shareholders' meeting for the shareholder. A legal entity entrusted to attend a shareholders' meeting may appoint only one representative to attend the meeting.

Article 6

If the shareholders' meeting is convened by the Board of Directors, the chair of the meeting shall be the chairperson of the Board. In case the chairperson of the Board is on leave or absent or cannot exercise his power and authority for any cause, the vice chairperson shall act on his behalf. In case there is no vice chairperson, or the vice chairperson is also on leave or absent or unable to exercise his power and authority for any cause, the chairperson of the Board shall designate one of the directors. In the absence of such a designation, the managing directors or the directors shall elect from among themselves an acting chairperson of the Board.

If the chair of the meeting is acted by a director, the chair of the meeting shall be someone who has been in office for at least six months and understands the financial and business conditions of the Company. The same applies if the chair of the meeting is the representative of a legal entity director.

The chairperson of the Board shall preside in person at the shareholders' meeting convened by the Board of Directors, and a majority of the Board of Directors and the convener of the audit committee shall be present in person, and at least one member of other functional committees shall be present, and the attendance shall be recorded in the minutes of the shareholders' meeting.

If a shareholders' meeting is convened by any other person having the convening right, he/she shall act as the chair of that meeting provided, however, that if there are two or more persons having the convening right, the chair of the meeting shall be elected from among themselves.

The Company may appoint attorneys, CPAs or related personnel to sit in the shareholders' meeting.

Article 7

The Company should make an uninterrupted audio and video recording of the shareholders' reporting for the meeting, the proceedings of the shareholders' meeting, and the voting and vote counting processes.

The recorded materials of the preceding paragraph should be kept for at least one year. However, if a lawsuit has been instituted by any shareholder in accordance with the provisions of Article 189 of the

Company Act, the minutes of the shareholders' meeting involved shall be kept by the company until the legal proceedings of the foregoing lawsuit have been concluded.

Article 8

Attendance at shareholders' meetings shall be calculated on the basis of shares. The number of shares present shall be calculated based on the signature book or the sign-in card submitted plus the number of shares exercising voting rights by written or electronic means.

The chair of the meeting should call the meeting to order at the scheduled meeting time, and at the same time announce relevant information such as the number of shares with no voting rights and the number of shares present.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair of the meeting may announce a postponement. No more than two such postponements may be made for a combined total of no more than one hour. When there are still insufficiently attending shareholders representing more than one-third of the total issued shares after two postponements, the chair of the meeting shall announce the meeting to be aborted.

If there are not enough attending shareholders representing at least one-third of the total number of issued shares after two postponements, a tentative resolution may be made in accordance with Paragraph 1, Article 175 of the Company Act . A notice of such tentative resolution shall be given to each of the shareholders to reconvene the shareholders' meeting within one month.

If, before the end of the meeting, the number of shares represented by the attending shareholders reaches more than half of the total number of issued shares, the chair of the meeting may re-submit the tentative resolution to the shareholders' meeting for a vote in accordance with Article 174 of the Company Act.

Article 9

If a shareholders' meeting is convened by the Board of Directors, the agenda shall be set by the Board of Directors. The relevant motions (including extempore motions and amendments to original motions) shall be voted on a motion-by-motion basis, and the meeting shall proceed in accordance with the scheduled agenda, which may not be changed without a resolution of the shareholders' meeting.

If a shareholders' meeting is convened by a person other than the Board of Directors with the convening right, the preceding provisions shall apply mutatis mutandis

The chair of the meeting may not adjourn the meeting without a resolution before the end of the meeting (including extempore motions) in the agenda as set forth in the preceding two paragraphs. If the chair of the meeting violates the rules of procedure for the meeting and adjourns the meeting, the other members of the Board of Directors shall promptly assist the shareholders present in accordance with the legal procedures and elect a chair of the meeting by a majority of the voting rights of the shareholders present to continue the meeting.

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

Article 10

Before speaking, an attending shareholder must specify the subject of the speech on a speaker slip, his or her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair of the meeting.

An attending shareholder who has submitted a speaker 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 slip, the spoken content shall prevail.

Except with the consent of the chair of the meeting, a shareholder may not speak more than twice on the same motion, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the topic, the chair of the meeting may terminate the speech.

When an attending shareholder is speaking, other shareholders must not speak or interrupt unless they have sought and obtained the consent of the chair of the meeting and the speaking shareholder; the chair of the meeting should stop any violation.

When a legal entity shareholder appoints two or more representatives to attend a shareholders' meeting, only one person may speak on the same motion.

After an attending shareholder has spoken, the chair of the meeting may respond in person or direct relevant personnel to respond.

Article 11

Voting at shareholders' meetings shall be calculated on the basis of shares.

The shares held by shareholders having no voting right shall not be counted in the total number of

issued shares while adopting a resolution at a meeting of shareholders.

A shareholder who has a personal interest in the matter under discussion at a meeting, which may impair the interest of the Company, shall not vote nor exercise the voting right on behalf of another shareholder.

The number of shares for which voting rights are not allowed to be exercised in the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

Except for trust enterprises or stock agencies approved by the competent authority, when a person who acts as the proxy for two or more shareholders, the number of voting power represented by him/her shall not exceed 3% of the total number of voting shares of the company, otherwise, the portion of excessive voting power shall not be counted.

Article 12

A shareholder shall have one voting right per share, except when the shares are restricted shares or have no voting rights under Paragraph 2, Article 179 of the Company Act.

When the Company holds a shareholders' meeting, it shall allow exercise of voting rights by electronic means or by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise should be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means shall be deemed to have attended the meeting in person. However, his or her rights shall be considered abstained with respect to the extempore motions and amendments to original motions of that meeting, so the Company should avoid submitting extempore motions and amendments to original motions.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph should deliver a written declaration of intent to the Company 2 days before the shareholders' meeting. In the event of duplicate declarations of intent, 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, if the shareholder intends to attend the shareholders' meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph should be made to the Company, by the same means by which the voting rights were exercised, 2 days before 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 by correspondence or electronic means and also appointed a proxy to attend the shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Unless otherwise required by the Company Act and by the Company's Article of Incorporation, the approval of a motion shall require an affirmative vote of a majority of the voting rights of the attending shareholders. At the time of voting, the chair of the meeting or the person designated by the chair of the meeting should first announce the total number of voting rights of the attending shareholders for each motion, then the shareholders shall vote on each motion. On the same day after the meeting, the results of shareholders' approvals, disapprovals and abstentions, shall be entered into the Market Observation Post System.

When there is an amendment or an alternative to a motion, the chair of the meeting shall present the amended or alternative motion together with the original motion and decide the order in which they will be put to voting. When any one among them is approved, the other motions will then be deemed rejected, and no further voting shall be required.

Monitoring and counting personnel for voting on a motion shall be appointed by the chair of the meeting, but all monitoring personnel should be shareholders.

Vote counting for shareholders' meeting motions or elections should be conducted in a public place in the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistics of the number of rights, shall be announced on the spot in the meeting, and recorded.

Article 13

In the event of an election of directors in a shareholders' meeting, the election results, including the list of elected directors and the number of their elected rights, should be announced on the spot in accordance with the relevant election regulations established by the Company.

The election ballots for the aforementioned election shall be sealed and signed by the monitoring personnel and kept in a safe place for at least one year. However, if a lawsuit has been instituted by any shareholder in accordance with the provisions of Article 189 of the Company Act, the minutes of the shareholders' meeting involved shall be kept by the company until the legal proceedings of the foregoing lawsuit have been concluded.

Article 14

Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chair of the meeting and shall be distributed to all

shareholders of the company within twenty (20) days after the close of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by a public announcement through the Market Observation Post System.

The meeting minutes should accurately record the year, month, day, and place of the meeting, the name of the chair of the meeting, the methods of resolution, and a summary of the discussions and voting results (including statistics of voting rights), and the number of voting rights won by each candidate in the event of an election of directors shall be disclosed. The meeting minutes should be kept for the duration of the existence of the Company.

Article 15

On the day of a shareholders' meeting, the Company should compile in the prescribed format a statistical statement of the number of shares obtained by solicitors and the number of shares represented by proxies, and shall make an express disclosure in the shareholders' meeting.

If a resolution in a shareholders' meeting constitute material information as required by relevant laws or regulations or by Taiwan Stock Exchange, the Company should transmit the content of such resolution to the Market Observation Post System within the prescribed time period.

Article 16

The personnel administering the shareholders' meeting should wear identification cards or armbands.

The chair of the meeting may direct proctors or security personnel to help maintain order in the meeting place. Proctors or security personnel, when helping maintain order at the scene, should wear armbands or identification cards with the word "Proctor."

If the meeting place is equipped with sound amplifying equipment, the chair of the meeting may stop any shareholders from speaking unless they are using the equipment set up by the Company.

When a shareholder violates the rules of procedure, disobeys the chair's correction, or obstructs the proceedings and refuses to follow the call to stop, the chair of the meeting may direct proctors or security personnel to escort the shareholder out the meeting.

Article 17

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

If the meeting place cannot be further used and not all of the items (including extempore motions) on the meeting agenda have been addressed, the shareholders' meeting may make a resolution to resume the meeting at another place.

The shareholders' meeting may, in accordance with the provisions of Article 182 of the Company Act, be resolved to be postponed or resumed within five days.

Article 18

The Rules will be implemented after approved by the shareholders' meeting, and the same applies to amendments.

Appendix 10

Information on shareholdings of directors

I. In accordance with Article 26 of the "Securities and Exchange Act" and Article 2 of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies," The minimum number and percentage of shares that should be held by all directors of the Company were as follows: (as of April 15, 2023)
Number of shares of common stock issued by the Company: 117,265,587 shares
The minimum statutory percentage of shares to be held by all directors: 7.5%
The minimum statutory number of shares to be held by all directors: 8,000,000 shares

II. The number of shares held by each and all directors as of the date for suspension of share transfer for 2023 regular shareholders' meeting [4/15/2023] is as follows

Position	Name	Number of shares held	Percentage of shares held
Chairperson	Representative of KAN SHI INVESTMENT CO., LTD.: Hsin-Nan Kan	7,764,829	6.62%
Vice Chairperson	Representative of Dong Yi Enterprise Management Co., Ltd.: Peng-Huang Peng	1,200,000	1.02%
Director	Representative of ZHEN CHUN INVESTMENT CO., LTD.: Chien-Nian Chi	3,243,458	2.77%
Director	Representative of KAN SHI INVESTMENT CO., LTD.: Chih-Chiang Chu	7,764,829	6.62%
Independent director	Chien-Liang Chen	0	0.00%
Independent director	Hui-Chou Chen	0	0.00%
Independent director	Kung-Chien Huang	0	0.00%
Number and percentage of shares held by all directors		12,208,287	10.41%

Note: The shareholding percentage in this table is based on the number of outstanding shares of the Company (117,265,587 shares) as of the date for suspension of share transfer for the regular shareholders' meeting.