SINGATRON ENTERPRISE CO., LTD.
2023 Regular Shareholders' Meeting Minutes

Meeting time: June 13, 2023 (Tuesday) 9:00 a.m.
The way the regular shareholders' meeting is convened: Physical shareholders' meeting
Meeting location: 3rd floor (the Company's employee cafeteria) No. 209, Section 2, Zhongzheng Road, Hukou Township, Hsinchu County
Total number of attending shares: The total number of shares represented by shareholders and proxies in attendance was 86,333,704 shares (including 3,360,423 shares with voting rights exercised by electronic means) and (3,174,585 shares with no voting rights or restricted voting rights as stipulated in Article 197-1 of the Company Act), representing 73.62% of the total number of issued shares of the Company

Meeting chair: Chairperson Hsin-Nan Kan Recorded by: Shu-Hui Lin
Attending directors: Peng-Huang Peng, Chih-Chiang Chu
Attending independent directors: Chien-Liang Chen (Convener of the Remuneration Committee), Hui-Chou Chen (Convener of the Audit Committee), Kung-Chien Huang
Participants with no voting rights: CPAs Chi-Ming Chang and Cheng-Wei Lin from Ernst and Young
Attorney Kuo-Hua Fan from Zoomlaw Attorneys-at-Law

I. Chair Remarks (Omitted)

II. Report Items
No. 1
Subject: The Company's 2022 business report is hereby presented for your review.
Explanation: Please refer to the attachment for the 2022 Business Report.
No questions from shareholders on this 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 the attachment for the Audit Committee's Review Report.
No questions from shareholders on this 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 questions from shareholders on this report.

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 the Shareholders’ Meeting Handbook for the Comparison of the Amendments to the Company’s “Rules of Procedure for the Board of Directors’ Meetings”.

No questions from shareholders on this report.

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 the Shareholders’ Meeting Handbook for the Comparison of the Amendments to the “Corporate Governance Best Practice Principles” of the Company.

No questions from shareholders on this report.

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 questions from shareholders on this report.

No. 7

Subject: The Company’s investments in Mainland China is hereby presented for your review.

Explanation:

Please refer to the Shareholders’ Meeting Handbook for information on the Company’s investments in Mainland China as of December 31, 2022.

No questions from shareholders on this report.

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 Technology (HongKong) Co., Ltd.	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 questions from shareholders on this report.

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 questions from shareholders on this report.

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 Electronics (China) Co. Ltd. issued the following letters of commitment:
   "Letter of Commitment for Assurance of Non-Impact and Non-Disruption of Audit."

No questions from shareholders on this report.

III. 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 the attachments.
2. Refer to the attachments 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: This motion was passed by voting as proposed, and the results are as shown in the following table:

Total voting rights of attending shareholders: 83,159,119 (including 3,360,423 voting rights exercised by electronic means)	
Voting results	As a percentage of voting rights of attending shareholders
Number of voting rights in favor: 81,637,751 (Including 1,839,055 voting rights exercised by electronic means)	98.17%
Number of voting rights not in favor: 25,290 (Including 25,290 voting rights exercised by electronic means)	0.03%
Number of abstained/uncast voting rights: 1,496,078 (Including 1,496,078 voting rights exercised by electronic means)	1.80%
Number of invalid voting rights: 0 (Including 0 voting rights exercised by electronic means)	0.00%

No questions from shareholders on this adoption.

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. The statement of 2022 earning distribution, please refer to the attachments.
3. For your adoption.

Resolution: This motion was passed by voting as proposed, and the results are as shown in the following table:

Total voting rights of attending shareholders: 83,159,119 (including 3,360,423 voting rights exercised by electronic means)	
Voting results	As a percentage of voting rights of attending shareholders
Number of voting rights in favor: 81,670,785 (Including 1,872,089 voting rights exercised by electronic means)	98.21%
Number of voting rights not in favor: 25,287 (Including 25,287 voting rights exercised by electronic means)	0.03%
Number of abstained/uncast voting rights: 1,463,047 (Including 1,463,047 voting rights exercised by electronic means)	1.76%
Number of invalid voting rights: 0 (Including 0 voting rights exercised by electronic means)	0.00%

No questions from shareholders on this adoption.

IV. 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 the attachment for the comparison of the amendments to the Company's Articles of Incorporation.

3. For your resolution.

Resolution: This motion was passed by voting as proposed, and the results are as shown in the following table:

Total voting rights of attending shareholders: 83,159,119 (including 3,360,423 voting rights exercised by electronic means)	
Voting results	As a percentage of voting rights of attending shareholders
Number of voting rights in favor: 81,670,629 (Including 1,871,933 voting rights exercised by electronic means)	98.21%
Number of voting rights not in favor: 25,356 (Including 25,356 voting rights exercised by electronic means)	0.03%
Number of abstained/uncast voting rights: 1,463,134 (Including 1,463,134 voting rights exercised by electronic means)	1.76%
Number of invalid voting rights: 0 (Including 0 voting rights exercised by electronic means)	0.00%

No questions from shareholders on this discussion.

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 the attachment for the Comparison of the Amendments to the Company's "Procedures for Acquisition or Disposal of Assets".

3、 For your resolution.

Resolution: This motion was passed by voting as proposed, and the results are as shown in the following table:

Total voting rights of attending shareholders: 83,159,119 (including 3,360,423 voting rights exercised by electronic means)	
Voting results	As a percentage of voting rights of attending shareholders
Number of voting rights in favor: 81,148,725 (Including 1,350,029 voting rights exercised by electronic means)	97.58%
Number of voting rights not in favor: 545,357 (Including 545,357 voting rights exercised by electronic means)	0.66%
Number of abstained/uncast voting rights: 1,465,037 (Including 1,465,037 voting rights exercised by electronic means)	1.76%
Number of invalid voting rights: 0 (Including 0 voting rights exercised by electronic means)	0.00%

No questions from shareholders on this discussion.

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: This motion was passed by voting as proposed, and the results are as shown in the following table:

Total voting rights of attending shareholders: 83,159,119 (including 3,360,423 voting rights exercised by electronic means)	
Voting results	As a percentage of voting rights of attending shareholders
Number of voting rights in favor: 81,149,590 (Including 1,350,894 voting rights exercised by electronic means)	97.58%
Number of voting rights not in favor: 546,507 (Including 546,507 voting rights exercised by electronic means)	0.66%
Number of abstained/uncast voting rights: 1,463,022 (Including 1,463,022 voting rights exercised by electronic means)	1.76%
Number of invalid voting rights: 0 (Including 0 voting rights exercised by electronic means)	0.00%

No questions from shareholders on this discussion.

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: This motion was passed by voting as proposed, and the results are as shown in the following table:

Total voting rights of attending shareholders: 83,159,119 (including 3,360,423 voting rights exercised by electronic means)	
Voting results	As a percentage of voting rights of attending shareholders
Number of voting rights in favor: 81,659,299 (Including 1,860,603 voting rights exercised by electronic means)	98.20%
Number of voting rights not in favor: 35,919 (Including 35,919 voting rights exercised by electronic means)	0.04%
Number of abstained/uncast voting rights: 1,463,901 (Including 1,463,901 voting rights exercised by electronic means)	1.76%
Number of invalid voting rights: 0 (Including 0 voting rights exercised by electronic means)	0.00%

No questions from shareholders on this discussion.

V. Extempore Motions：None.

VI. Adjournment: At 9:32 a.m., the meeting procedures were completed, and the meeting chair announced the adjournment of the meeting.

Annex 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 Parent Company Only 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 Parent Company Only Financial Statements)

Chairperson: Hsin-Nan Kan Managerial 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	and 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 Parent Company Only Financial Statements)

Chairperson: Hsin-Nan Kan Managerial Officer: Peng-Huang Peng Accounting 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	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 Parent Company Only Financial Statements)

Chairperson: Hsin-Nan Kan Managerial Officer: Peng-Huang Peng Accounting 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				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 Parent Company Only 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 Kan Managerial Officer: Peng-Huang Peng Accounting 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 Kan Managerial Officer: Peng-Huang Peng Accounting 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	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 Kan Managerial Officer: Peng-Huang Peng Accounting 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 inte	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	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	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 Kan Managerial Officer: Peng-Huang Peng Accounting 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

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

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

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.

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	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

investment in real estate not for 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	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	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.

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. 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	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).	

accordance with Article 11, 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	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	Text adjustment

circumstances and grants 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:	and grants 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 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	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	Adjusted by reference to the " Regulations Governing the Acquisition and Disposal of Assets by Public Companies"

provisions of (1), when the 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.	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 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