

Stock Code: 1582



Syncmold Enterprise Corp.

Syncmold Enterprise Corp.

General Shareholders' Meeting 2023

Meeting Handbook

June 16, 2023

Location: 6F, No. 75, Shuangfeng Road, Xinzhuang District, New Taipei City (Mu Dan
Xin Civic Activity Center)

Meeting Manner: Physical shareholders' meeting

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Syncmold Enterprise Corp.
General Shareholders' Meeting 2023

Time and Date: 9:00 a.m., Friday, June 16, 2023

Location: 6F, No. 75, Shuangfeng Road, Xinzhuang District, New Taipei City (Mu Dan Xin Civic Activity Center)

Agenda:

- I. Call the Meeting to Order
- II. Chairperson Remarks
- III. Report Items
 - (I) 2022 Business Overview
 - (II) Audit Committee's Review Report on the 2022 Financial Statements
 - (III) Report on the Distribution of 2022 Remuneration to Employees and Directors
- IV. Proposals
 - (I) 2022 Financial Statements
 - (II) 2022 Earnings Distribution Statement
- V. Election

Election of Board Directors
- VI. Discussions
 - (I) Proposal to Remove the Non-compete Clause for New Directors of the 16th Board of Directors
- VII. Questions and Motions
- VIII. Adjournment

Report Items

Proposal 1

Proposal: The 2022 Business Overview is submitted for review and approval.

Description: Refer to Attachment I (Pages 5 through 7).

Proposal 2

Proposal: Audit Committee's Review Report on the 2022 Financial Statements is submitted for review and approval.

Description: Refer to Attachment II (Page 8).

Proposal 3

Proposal: Report on the Distribution of 2022 Remuneration to Employees and Directors is submitted for review and approval.

Description: Refer to Attachment III (page 14).

Ratifications

Proposal 1

Proposal: The 2022 Financial Statements are submitted for ratification (proposed by the Board of Directors)

Description:

- I. The Company's 2022 Financial Statements and Consolidated Financial Statements were audited by CPA Chen, Chih-Yuan and CPA Huang, Yao-Lin of Deloitte Taiwan, by whom this Audit Report with an unqualified opinion plus the Other Matters paragraph was issued.
- II. Refer to Attachment I (pages 5 to 7), Attachment IV (pages 22 to 31), and Attachment V (pages 32 to 41) for the Company's 2022 Business Report, Financial Statements, and Consolidated Financial Statements.
- III. This proposal is submitted for ratification.

Resolution:

Proposal 2

Proposal: The 2022 Earnings Distribution Statement is submitted for ratification (proposed by the Board of Directors)

Description:

- I. The 2022 Earnings Distribution Statement is prepared in compliance with Article 20 of the Company's Articles of Incorporation.
- II. The Company's undistributed earnings in the prior year was NTD 376,676,725. The re-measurement of the defined benefit plan and the disposal of equity instruments at fair value through other comprehensive income were recognized in retained earnings in the amounts of NTD 4,738,296 and NTD 412,234, respectively, and the undistributed earnings after adjustment are NTD 381,827,255. The Company's 2022 after-tax net income was NTD 371,276,930. The legal reserve and special reserve, amounting to NTD 37,642,746 and NTD 168,394,799, were provided. The combined distributable earnings totaled NTD 883,856,238. It is proposed to pay out cash dividends of NTD 3 per share, totaling NTD 371,172,513. After the above distribution, remaining earnings yet to be distributed at the end of 2022 totaled NTD 512,683,725. For the Earnings Distribution Statement, refer to Attachment VI (Page 42).

- III. The cash dividends intended to be distributed this time were calculated by the shareholding ratio of shareholders listed in the shareholder roster as of the dividend payout base date. Cash dividends were calculated to the nearest integer (rounded down). The sum of odd lots was included as part of other income of the Company. The ex-dividend date, payment date, and related matters shall be determined by the Chairman in accordance with the authorization granted by the Board of Directors.
- IV. For the distribution of earnings in the preceding paragraph, if there are changes in the number of outstanding shares of the company, resulting in a change in the dividend rate, it shall be handled by the Chairman in accordance with the authorization granted by the Board of Directors.
- V. This proposal is submitted for ratification

Resolution:

Election

Proposal: An election of all of the Company's directors (made by the Board of Directors)

Description:

- I. The term of office of the directors of the Company's 15th Board of Directors will end on June 17, 2023. In accordance with Article 199-1 of the Company Act, if new directors are elected before the term of office of the existing directors ends, the latter will be certainly dismissed early after the end of the term if no resolution that directors shall be dismissed upon the end of the term of office is adopted.
- II. In accordance with Article 13 of the Articles of Incorporation, seven directors (including four independent directors) shall be elected at this time, with the term of office lasting three years from June 16, 2023 through June 15, 2026.
- III. In accordance with Article 13 of the Articles of Incorporation and the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, seven directors (including independent directors) shall be elected through a candidate nomination system.
- IV. The list of director candidates has been reviewed and approved by the Company's first Board meeting in 2023. The relevant information is as follows:

Type	Name	Education	Experience	Name of Juridical Person Represented	Number of Shares Held	Whether the Individual has Served as an Independent Director for Three Consecutive Terms/Reason
Director	Chen, Chiu-Lang	Yangtze High School	Chairman and President, Syncmold Enterprise Corp.	-		N/A
Director	Chuang, Shu-Yen	Guogou Junior High School	Chairman, Taixin Investment Co., Ltd. and Chairman, Jiakuan Investment Co., Ltd.	-		N/A
Director	Chen, Chien-Yuan	Master of Human Resource	Directors, Fu Yan Investment	Fu Yan Investment Corporation		N/A

Type	Name	Education	Experience	Name of Juridical Person Represented	Number of Shares Held	Whether the Individual has Served as an Independent Director for Three Consecutive Terms/Reason
		Management, Griffith University	Corporation			
Independent Director	Tsai, Yong-Lu	Bachelor of Business Administration, National Chiao Tung University MBA, University of Missouri	Independent Director, ApexBio Taiwan	-		Yes Mr. Tsai, Yong-Lu used to be a senior manager at a securities company and is familiar with the electronic industry and applicable laws and regulations. He can provide management suggestions and supervise opinions at Board meetings for the Company. Therefore, Mr. Tsai is still listed as an independent director candidate.
Independent Director	Tsai, Shi-Kuang	Master of Accounting, National Taiwan University	CPA, T.K. Tsai & Co., CPAs	-		No
Independent Director	Yen, Ta-He	Master of Laws, Southern Methodist University	Prosecutor-General, Supreme Prosecutors Office	-		No
Independent Director	Chiu, Hui-Qin	Master of Industrial Engineering and Management, National Taipei University of Technology	Executive Director/CSO, Ju Teng International Holdings Ltd.	-		No

V. Refer to Appendix IV for the Company's Rules of Election of Directors (pages 58–60).

VI. Please vote.

Election Results:

Discussions

Proposal: Proposal to remove the non-compete clause for new directors of the 16th Board of Directors (made by the Board of Directors)

Description:

- I. According to Article 209 of the Company Act, “A director who does anything for himself or on behalf of another person that is within the scope of the Company's business, shall explain during the shareholders’ meeting the essential contents of such behavior and secure its approval.”
- II. If the new directors of the Company’s 16th Board of Directors invest in or operate other companies with the same or similar business scope to that of the Company and serve as a director or manager at such companies, it is proposed to this shareholders meeting to approve the removal of the non-compete clause for the new directors and their representatives. Refer to Attachment VIII for the positions concurrently held by director candidates at other companies (page 52).
- III. Please proceed to discuss.

Resolution:

Questions and Motions:

Adjournment:

Syncmold Enterprise Corp.

Business Report 2022

We hereby report the Company's business performance in 2022 as follows:

Due to the multiple challenges of rapid interest rate hikes, high inflation, and the energy crisis caused by the Russo-Ukrainian War during 2022, the global economic performance declined significantly, and the global display panel market experienced turbulent fluctuations. Various brand clients' inventories continued to remain at a high level, causing them to take destocking measures, and the market demand has plummeted. Facing the headwind in this industry, the Company, on the one hand, enhanced the control over raw material procurement and personnel costs; on the other, we were committed to product diversification and industrial transformation and proactively developing new products. With the foreign exchange income, our revenue and profit for 2022 both increased compared with the prior year.

Looking ahead to 2023, market demand is still impacted by negative factors of high inflation and inventory adjustments. According to the latest survey by TrendForce, global LCD monitor shipments in 2022 were 134.8 million units, an annual decrease of 7%; the estimated shipments in 2023 are about 127.1 million units, an annual decrease of 5.8%. Facing the decrease in the liquid crystal display (LCD) shipments, we will enhance cost control, speed up the operation of factories in Southeast Asia to diversify our production sites, reinforce the security and resilience of our supply chain, and continue to integrate group-wide resources to increase product development efficiency and expand the scope of product applications, thereby improving our business momentum and strengthening the financial structure to ensure sustainable and steady growth.

I. Business Performance for 2022:

1. Business Plan and Implementation Results

The Company rendered a consolidated operating revenue of 2022 worth NTD 9,809,443 thousand, a decrease of 3.78% from NTD 10,194,799 thousand in 2021. The sales gross profit of 2022 was 16.55%, an increase of 0.84% from 15.71% in 2021. The Company's 2022 earnings per share were NTD 3.

2. Financial Revenue and Expenditures and Profitability:

Unit: NT\$ thousand; %

Analysis Item		2021	2022
Revenue and Expenditures	Interest Income	26,245	35,184
	Interest Expenditures	40,963	51,773
Profitability	Return on Assets (%)	2.26	3.53

	Return on Equity (%)		3.94	6.31
	As a Percentage of Paid-in Capital (%)	Operating Income	31.86	27.79
		Net Income Before Tax	31.09	49.10
	Net Profit Ratio (%)		2.36	3.85
	Earnings per Share (weighted average)		2.03	3.00

3. Research and Development:

The Company continued to increase its expenditure on research and development and constantly expanded its development of new technologies in 2022, with more than a hundred invention and utility model patents acquired. Most of them had to do with the sockets of LCD monitors, which clearly shows the leading position of the Company in monitor bearings and sockets. The Company's research and development are focused primarily on LCD monitor sockets, e-sports monitor sockets, AIO sockets, and TV sockets.

In addition to continuing with the research and development of monitors, AIO, and TV sockets, the Company is committed to the R&D of other products and introduction of new technologies. We tap into the synergy from the acquisition of Gatetech Technology Inc. and Leohab Enterprise Co., Ltd. to improve our manufacturing and assembly capabilities for magnesium alloy die-casting, small precision bearings, and stamped mechanical components, which may be applied to wearable devices, automotive markets, bearings of various electronic products, and foldable displays.

II. Outline of the 2023 Business Plan:

Business Policy

- (1) Establish a group-level strategic procurement center to effectively control the cost structure.
- (2) Set up new overseas R&D centers to improve product development efficiency, thereby increasing revenue growth momentum.

(3) Strengthen the risk management mechanism and coping strategies.

(4) Continue to integrate the Group's resources to improve operational efficiency.

3. Future Development Strategy:

The Company's main source of revenue is display hinges and sockets. Although our market share is high, as the global LCD market is saturated, the raw material price increased last year, and client demand declined, the momentum for profit growth is weak. Therefore, in addition to maintaining the existing display socket market share in the future, we will proactively integrate Leohab Enterprise Co., Ltd.'s technical advantages in small precision bearings and precision metal components and strive to develop small precision bearings for foldable mobile phones, to step into more high-value-added niche markets and create another profit source.

Chairman: Chen, Chiu-Lang Manager: Chen, Chiu-Lang Accounting Manager:
Hsu, Shu-Fen

Audit Committee's Review Report

The Board of Directors prepared and submitted the 2022 Business Report, Financial Statements, Consolidated Financial Statement, and Proposal on Distribution of Earnings. The Financial Statements, in particular, were completely audited by CPA Chen, Chih-Yuan and CPA Huang, Yao-Lin of Deloitte Taiwan, by whom this Audit Report was issued.

The above-mentioned Business Report, Financial Statement, Consolidated Financial Statement, and Proposal on Distribution of Earnings have been reviewed by the Audit Committee and no discrepancy has been found. Therefore, according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, the report is prepared as above.

Your review and approval are cordially requested.

To

General Shareholders' Meeting 2023 of Syncmold Enterprise Corp.

Convener of the Audit Committee:

Tsai, Yong-Lu

March 15, 2023

Syncmold Enterprise Corp.

Report on the Distribution of 2022 Remuneration to Employees and Directors

- I. According to Article 20 Paragraph 1 of the Articles of Incorporation, “The Company shall set aside the remuneration in the event any remainder following retention of the pre-tax profit of the year prior to subtraction of the remuneration to employees and that to directors for making up accumulated losses, which may not be less than 3% to employees and no greater than 2% to directors”, as per which the Company decided the remuneration distributed to directors and employees for 2022.
- II. The self-settled before-tax profit of the Company in 2022 before subtraction of the remuneration to employees and that to directors came to NT\$492,002,856. It is proposed to distribute the remuneration of NT\$9,800,000 to directors and NT\$43,000,000 to employees.
- III. It is proposed to distribute the remuneration to employees for 2023 all in cash.

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Syncmold Enterprise Corporation

Opinion

We have audited the accompanying financial statements of Syncmold Enterprise Corporation (the "Corporation"), which comprise the balance sheets as of December 31, 2022 and 2021, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, based on our audits and the report of other auditors (refer to the other matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Corporation's financial statements for the year ended December 31, 2022 is described as follows:

Occurrence of Sales Revenue

The sales revenue of the Corporation is mainly generated from the sales of monitor hinge products. Most of the sales were highly concentrated on major customers, which revenue accounted for 57.62% of total sales revenue in 2022. Due to the high frequency and significant amounts of transactions with major customers, the occurrence of sales revenue was deemed as a key audit matter for the year ended December 31, 2022. Refer to Note 4 to the financial statements for the related revenue recognition policies.

In response to this key audit matter, our main audit procedures performed in the assessment of the recognition of sales revenue of the Corporation were as follows:

1. We understood the design and implementation of internal controls and assessed the operating effectiveness of relevant controls.
2. We performed detailed verification tests on the selected samples of sales revenue, and checked transaction vouchers and amount received or reconciliation with customers to confirm the occurrence of sales revenue.

Other Matter

We did not audit the financial statements of associates accounted for using the equity method, these were instead audited by other auditors. Our opinion, insofar as it relates to the amounts included for associates accounted for using the equity method, is based solely on the report of other auditors. As of December 31, 2022 and 2021, the amounts of investments accounted for using the equity method were NT\$168,088 thousand and NT\$172,058 thousand, respectively, which accounted for 1.86% and 1.91% of the Corporation's total assets, respectively. For the years ended December 31, 2022 and 2021, share of profit of associates accounted for using the equity method amounted to NT\$28,160 thousand and NT\$16,496 thousand, respectively, which accounted for 5.17% and 8.12% of the Corporation's total comprehensive income, respectively.

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

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

In preparing the financial statements, management is responsible for assessing the Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including supervisors, are responsible for overseeing the Corporation's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chih-Yuan Chen and Yao-Lin Huang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 15, 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 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 auditors' report and financial statements shall prevail.

SYNCMOLD ENTERPRISE CORPORATION

BALANCE SHEETS DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

ASSETS	2022		2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 1,227,685	14	\$ 516,182	6
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	86,154	1	81,383	1
Notes receivable (Note 4)	-	-	268	-
Trade receivables, net (Notes 4 and 8)	207,331	2	1,072,488	12
Trade receivables from related parties (Notes 4 and 25)	188,259	2	230,090	3
Other receivables from related parties (Notes 4 and 25)	8,936	-	24,503	-
Inventories (Notes 4 and 9)	25,953	-	17,494	-
Other current assets (Note 4)	11,503	-	8,921	-
Total current assets	<u>1,755,821</u>	<u>19</u>	<u>1,951,329</u>	<u>22</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4, 7 and 16)	63,490	1	65,430	1
Investments accounted for using the equity method (Notes 4 and 10)	6,624,643	74	6,425,412	71
Property, plant and equipment (Notes 4, 11, 25 and 26)	216,650	2	231,944	2
Right-of-use assets (Notes 4, 12 and 25)	3,564	-	10,204	-
Intangible assets (Notes 4 and 13)	13,611	-	13,788	-
Goodwill (Notes 4 and 14)	324,597	4	324,597	4
Deferred tax assets (Notes 4 and 21)	2,955	-	58	-
Prepayments for equipment	6,589	-	1,250	-
Refundable deposits	1,983	-	2,008	-
Net defined benefit assets (Notes 4 and 18)	6,416	-	2,898	-
Total non-current assets	<u>7,264,498</u>	<u>81</u>	<u>7,077,589</u>	<u>78</u>
TOTAL	<u>\$ 9,020,319</u>	<u>100</u>	<u>\$ 9,028,918</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4 and 15)	\$ 755,000	8	\$ 200,000	2
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	-	-	41	-
Trade payables	12,175	-	18,739	-
Trade payables from related parties (Note 25)	770,644	9	1,299,360	15
Other payables (Note 17)	138,912	2	113,635	1
Other payables from related parties (Note 25)	397,602	4	264,804	3
Current tax liabilities (Notes 4 and 21)	52,611	1	133,333	2
Lease liabilities - current (Notes 4, 12 and 25)	2,996	-	9,957	-
Current portion of long-term borrowing (Notes 4, 15 and 26)	4,476	-	4,545	-
Other current liabilities	14,472	-	4,163	-
Total current liabilities	<u>2,148,888</u>	<u>24</u>	<u>2,048,577</u>	<u>23</u>
NON-CURRENT LIABILITIES				
Bonds payable (Notes 4 and 16)	1,178,724	13	1,166,288	13
Long-term borrowing (Notes 4, 15 and 26)	43,771	1	48,185	-
Deferred tax liabilities (Notes 4 and 21)	98,603	1	105,574	1
Lease liabilities - non-current (Notes 4, 12 and 25)	681	-	287	-
Guarantee deposits received	136	-	136	-
Other non-current liabilities (Notes 4 and 10)	3,319	-	2,787	-
Total non-current liabilities	<u>1,325,234</u>	<u>15</u>	<u>1,323,257</u>	<u>14</u>
Total liabilities	<u>3,474,122</u>	<u>39</u>	<u>3,371,834</u>	<u>37</u>
EQUITY				
Ordinary shares	1,237,242	14	1,237,242	14
Capital surplus	2,361,070	26	2,769,331	31
Retained earnings				
Legal reserve	1,026,386	11	1,001,175	11
Special reserve	687,191	8	635,615	7
Unappropriated earnings	753,104	8	700,911	8
Total retained earnings	<u>2,466,681</u>	<u>27</u>	<u>2,337,701</u>	<u>26</u>
Other equity				
Exchange differences on translating the financial statements of foreign operations	(514,593)	(6)	(698,561)	(8)
Unrealized (loss) gain of financial assets at fair value through other comprehensive income	(4,203)	-	11,371	-
Total other equity	<u>(518,796)</u>	<u>(6)</u>	<u>(687,190)</u>	<u>(8)</u>
Total equity	<u>5,546,197</u>	<u>61</u>	<u>5,657,084</u>	<u>63</u>
TOTAL	<u>\$ 9,020,319</u>	<u>100</u>	<u>\$ 9,028,918</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated March 15, 2023)

SYNCMOLD ENTERPRISE CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 25)				
Sales revenue	\$ 3,860,081	94	\$ 3,689,164	92
Other operating revenue	<u>254,777</u>	<u>6</u>	<u>330,543</u>	<u>8</u>
Total operating revenue	4,114,858	100	4,019,707	100
OPERATING COSTS (Notes 4, 9, 20 and 25)	<u>3,524,611</u>	<u>86</u>	<u>3,342,422</u>	<u>83</u>
GROSS PROFIT	<u>590,247</u>	<u>14</u>	<u>677,285</u>	<u>17</u>
OPERATING EXPENSES (Notes 20 and 25)				
Selling and marketing expenses	75,902	2	62,783	2
General and administrative expenses	198,096	5	204,838	5
Research and development expenses	146,338	3	157,429	4
Expected credit gain (Notes 4 and 8)	<u>(87)</u>	<u>-</u>	<u>(617)</u>	<u>-</u>
Total operating expenses	<u>420,249</u>	<u>10</u>	<u>424,433</u>	<u>11</u>
PROFIT FROM OPERATIONS	<u>169,998</u>	<u>4</u>	<u>252,852</u>	<u>6</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Notes 20 and 25)	32,001	1	49,968	1
Other gains and losses	8	-	759	-
Interest income (Note 25)	13,321	-	384	-
Net foreign exchange gain (Notes 4 and 28)	53,957	1	9,069	-
Net (loss) gain on financial assets at fair value through profit (Notes 4 and 7)	(7,381)	-	38,362	1
Share of profit (loss) of subsidiaries and associates (Notes 4 and 10)	215,258	5	(16,247)	-
Interest expenses (Note 25)	(18,124)	-	(10,903)	-
Impairment loss on investments accounted for using the equity method (Notes 4 and 10)	<u>(19,835)</u>	<u>-</u>	<u>(10,633)</u>	<u>-</u>
Total non-operating income and expenses	<u>269,205</u>	<u>7</u>	<u>60,759</u>	<u>2</u>
PROFIT BEFORE INCOME TAX	439,203	11	313,611	8
INCOME TAX EXPENSE (Notes 4 and 21)	<u>67,926</u>	<u>2</u>	<u>61,856</u>	<u>2</u>
NET PROFIT FOR THE YEAR	<u>371,277</u>	<u>9</u>	<u>251,755</u>	<u>6</u>

(Continued)

SYNCMOLD ENTERPRISE CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ 3,503	-	\$ 322	-
Share of other comprehensive (loss) income of subsidiaries accounted for using the equity method	(13,200)	-	10,589	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(700)	-	(64)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	<u>183,942</u>	<u>4</u>	<u>(59,427)</u>	<u>(1)</u>
Other comprehensive income (loss) for the year	<u>173,545</u>	<u>4</u>	<u>(48,580)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 544,822</u>	<u>13</u>	<u>\$ 203,175</u>	<u>5</u>
EARNINGS PER SHARE (Note 22)				
Basic	<u>\$ 3.00</u>		<u>\$ 2.03</u>	
Diluted	<u>\$ 2.67</u>		<u>\$ 2.02</u>	

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

(With Deloitte & Touche auditors' report dated March 15, 2023)

(Concluded)

SYNCMOLD ENTERPRISE CORPORATION

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

	Ordinary Shares (Note 19)	Capital Surplus (Notes 4 and 19)	Retained Earnings (Note 19)			Total	Exchange Differences on Translating of the Financial Statements of Foreign Operations	Other Equity		Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings			Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	
BALANCE AT JANUARY 1, 2021	\$ 1,237,242	\$ 2,592,857	\$ 904,665	\$ 634,020	\$ 1,165,528	\$ 2,704,213	\$ (639,134)	\$ 3,519	\$ (635,615)	\$ 5,898,697
Appropriation of 2020 earnings	-	-	96,510	-	(96,510)	-	-	-	-	-
Legal reserve	-	-	-	-	(96,510)	-	-	-	-	-
Special reserve	-	-	-	1,595	(1,595)	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	(618,621)	(618,621)	-	-	-	(618,621)
	-	-	96,510	1,595	(716,726)	(618,621)	-	-	-	(618,621)
Equity component of convertible bonds issued by the Corporation	-	175,396	-	-	-	-	-	-	-	175,396
Change in percentage of ownership interests in associates accounted for using the equity method	-	-	-	-	(2,641)	(2,641)	-	-	-	(2,641)
Unclaimed dividends	-	22	-	-	-	-	-	-	-	22
Net profit for the year ended December 31, 2021	-	-	-	-	251,755	251,755	-	-	-	251,755
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	1,871	1,871	(59,427)	8,976	(50,451)	(48,580)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	253,626	253,626	(59,427)	8,976	(50,451)	203,175
Actual acquisition of interests in subsidiaries	-	1,056	-	-	-	-	-	-	-	1,056
Disposal of investment in equity instrument designed as at fair value through other comprehensive income by associates	-	-	-	-	1,124	1,124	-	(1,124)	(1,124)	-
BALANCE AT DECEMBER 31, 2021	1,237,242	2,769,331	1,001,175	635,615	700,911	2,337,701	(698,561)	11,371	(687,190)	5,657,084
Appropriation of 2021 earnings	-	-	25,211	-	(25,211)	-	-	-	-	-
Legal reserve	-	-	-	-	(25,211)	-	-	-	-	-
Special reserve	-	-	-	51,576	(51,576)	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	(247,448)	(247,448)	-	-	-	(247,448)
	-	-	25,211	51,576	(324,235)	(247,448)	-	-	-	(247,448)
Cash dividends distributed by capital surplus	-	(408,290)	-	-	-	-	-	-	-	(408,290)
Unclaimed dividends	-	29	-	-	-	-	-	-	-	29
Net profit for the year ended December 31, 2022	-	-	-	-	371,277	371,277	-	-	-	371,277
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	4,739	4,739	183,968	(15,162)	168,806	173,545
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	376,016	376,016	183,968	(15,162)	168,806	544,822
Disposal of investment in equity instrument designed as at fair value through other comprehensive income by associates	-	-	-	-	412	412	-	(412)	(412)	-
BALANCE AT DECEMBER 31, 2022	\$ 1,237,242	\$ 2,361,070	\$ 1,026,386	\$ 687,191	\$ 753,104	\$ 2,466,681	\$ (514,593)	\$ (4,203)	\$ (518,796)	\$ 5,546,197

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

(With Deloitte & Touche auditors' report dated March 15, 2023)

SYNCMOLD ENTERPRISE CORPORATION

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

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 439,203	\$ 313,611
Adjustments for:		
Depreciation expenses	35,572	32,632
Amortization expenses	13,329	10,735
Expected credit gain	(87)	(617)
Net loss (gain) on financial assets at fair value through profit or loss	7,381	(38,362)
Interest expenses	18,124	10,903
Interest income	(13,321)	(384)
Dividend income	(11,703)	(23,299)
Share of profit or loss of subsidiaries and associates	(215,258)	16,247
Gain on disposal of property, plant and equipment	(8)	(759)
Impairment loss on investments accounted for using the equity method	19,835	10,633
(Reversal) write-downs of inventories	(2,305)	5,881
Net loss on unrealized foreign currency exchange	13,034	23,452
Gain on lease modification	-	(3)
Changes in operating assets and liabilities		
Notes receivable	268	(268)
Trade receivables	868,239	(305,240)
Trade receivables from related parties	41,831	17,124
Other receivables from related parties	7,033	(1,938)
Inventories	(6,155)	(7,537)
Other current assets	1,449	1,433
Net defined benefit assets	(15)	(9)
Notes payable and trade payables	(6,390)	16,229
Trade payables from related parties	(528,716)	57,322
Other payables	27,973	(52,897)
Other current liabilities	<u>10,310</u>	<u>1,229</u>
Cash generated from operations	719,623	86,118
Interest paid	(5,237)	(11,582)
Income tax paid	<u>(159,215)</u>	<u>(166,277)</u>
Net cash generated from (used in) operating activities	<u>555,171</u>	<u>(91,741)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through profit or loss	(157,149)	(87,839)
Proceeds from sale of financial assets at fair value through profit or loss	146,896	270,647
Acquisition of associates	-	(15,680)
Net cash outflow on acquisition of subsidiaries	-	(297,019)
Payment for property, plant and equipment	(7,144)	(86,064)
Proceeds from disposal of property, plant and equipment	130	4,513
Decrease in refundable deposits	26	153
Purchase of intangible assets	(13,152)	(8,930)

(Continued)

SYNCMOLD ENTERPRISE CORPORATION

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

	2022	2021
Increase in prepayments for equipment	\$ (6,589)	\$ (1,250)
Interest received	9,425	384
Dividends received	<u>179,169</u>	<u>718,900</u>
Net cash generated from investing activities	<u>151,612</u>	<u>497,815</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	555,000	-
Repayments of short-term borrowings	-	(1,016,600)
Proceeds from issuance of convertible bonds	-	1,337,453
Proceeds from long-term borrowings	-	56,000
Repayments of long-term borrowings	(4,483)	(3,270)
Increase (decrease) in financing payables to related parties	121,875	(70,491)
Refund of guarantee deposits received	-	136
Repayment of the principal portion of lease liabilities	(11,934)	(12,946)
Dividends paid	<u>(655,738)</u>	<u>(618,621)</u>
Net cash generated from (used in) financing activities	<u>4,720</u>	<u>(328,339)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	711,503	77,735
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>516,182</u>	<u>438,447</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,227,685</u>	<u>\$ 516,182</u>

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

(With Deloitte & Touche auditors' report dated March 15, 2023)

(Concluded)

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Syncmold Enterprise Corporation

Opinion

We have audited the accompanying consolidated financial statements of Syncmold Enterprise Corporation (the "Corporation") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, based on our audits and the report of other auditors (refer to the other matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Group's consolidated financial statements for the year ended December 31, 2022 is described as follows:

Occurrence of Sales Revenue

The sales revenue of the Group is mainly generated from the sales of monitor hinge products. Most of the sales were highly concentrated on major customers, which revenue accounted for 50.57% of total sales revenue in 2022. Due to the high frequency and significant amounts of transactions with major customers, the occurrence of sales revenue was deemed as a key audit matter for the year ended December 31, 2022. Refer to Note 4 to the consolidated financial statements for the related revenue recognition policies.

In response to this key audit matter, our main audit procedures performed in the assessment of the recognition of sales revenue of the Group were as follows:

1. We understood and assessed the operating effectiveness of design and implementation of the relevant internal controls.
2. We performed detailed verification tests on the selected samples of sales revenue, and checked transaction vouchers and sales returns and discounts of major customers to confirm the occurrence of sales revenue.

Other Matter

We did not audit the financial statements of associates accounted for using the equity method, these were instead audited by other auditors. Our opinion, insofar as it relates to the amounts included for associates accounted for using the equity method, is based solely on the report of other auditors. As of December 31, 2022 and 2021, the amounts of investments accounted for using the equity method were NT\$168,088 thousand and NT\$172,058 thousand, respectively, which accounted for 1.47% and 1.46% of the Group's consolidated total assets, respectively. For the years ended December 31, 2022 and 2021, share of comprehensive income of associates accounted for using the equity method amounted to NT\$28,160 thousand and NT\$16,496 thousand, respectively, which accounted for 5.03% and 8.99% of the Group's consolidated total comprehensive income, respectively.

We have also audited the parent company only financial statements of Syncmold Enterprise Corporation as of and for the years ended December 31, 2022 and 2021 on which we have issued an unmodified opinion with other matter paragraph.

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

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

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

Those charged with governance, including supervisors, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chih-Yuan Chen and Yao-Lin Huang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 15, 2023

Notice to Readers

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

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

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

ASSETS	2022		2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 3,510,365	31	\$ 2,059,537	17
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	704,121	6	146,753	1
Financial assets at amortized cost - current (Notes 4 and 8)	238,110	2	336,972	3
Notes receivable	181,328	2	357,113	3
Trade receivables, net (Notes 4 and 9)	1,969,799	17	3,416,893	29
Inventories (Notes 4 and 10)	907,985	8	1,285,141	11
Other current assets (Note 4)	<u>369,328</u>	<u>3</u>	<u>437,325</u>	<u>4</u>
Total current assets	<u>7,881,036</u>	<u>69</u>	<u>8,039,734</u>	<u>68</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4, 7 and 18)	63,490	1	65,430	1
Financial assets at amortized cost - non-current (Notes 4, 8 and 29)	3,272	-	2,208	-
Investments accounted for using the equity method (Notes 4 and 12)	168,088	1	172,058	2
Property, plant and equipment (Notes 4, 13, 28 and 29)	2,181,140	19	2,149,209	18
Right-of-use assets (Notes 4, 14 and 28)	583,556	5	744,012	6
Intangible assets (Notes 4, 15 and 28)	59,246	1	52,980	-
Goodwill (Notes 4 and 16)	324,597	3	324,597	3
Deferred tax assets (Notes 4 and 23)	107,155	1	106,378	1
Prepayments for equipment	25,317	-	90,606	1
Refundable deposits	43,812	-	41,452	-
Defined benefit assets (Notes 4 and 20)	6,416	-	2,898	-
Other non-current assets	<u>223</u>	<u>-</u>	<u>731</u>	<u>-</u>
Total non-current assets	<u>3,566,312</u>	<u>31</u>	<u>3,752,559</u>	<u>32</u>
TOTAL	<u>\$ 11,447,348</u>	<u>100</u>	<u>\$ 11,792,293</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4, 17 and 29)	\$ 1,477,363	13	\$ 895,836	8
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	-	-	41	-
Notes payable and trade payables	1,466,764	13	2,210,109	19
Other payables (Notes 19 and 28)	553,842	5	405,745	3
Current tax liabilities (Notes 4 and 23)	81,428	1	161,944	1
Lease liabilities - current (Notes 4, 14 and 28)	158,482	1	182,430	2
Current portion of long-term borrowing (Notes 4, 17 and 29)	16,476	-	16,545	-
Other current liabilities	<u>33,212</u>	<u>-</u>	<u>6,284</u>	<u>-</u>
Total current liabilities	<u>3,787,567</u>	<u>33</u>	<u>3,878,934</u>	<u>33</u>
NON-CURRENT LIABILITIES				
Bonds payable (Note 18)	1,178,724	10	1,166,288	10
Long-term borrowing (Notes 4, 17 and 29)	177,771	2	194,185	2
Deferred tax liabilities (Notes 4 and 23)	158,517	2	179,383	1
Lease liabilities - non-current (Notes 4, 14 and 28)	238,775	2	368,731	3
Net defined benefit liabilities (Notes 4 and 20)	6,998	-	11,676	-
Guarantee deposits received	933	-	1,443	-
Other non-current liabilities (Note 20)	<u>16,734</u>	<u>-</u>	<u>14,381</u>	<u>-</u>
Total non-current liabilities	<u>1,778,452</u>	<u>16</u>	<u>1,936,087</u>	<u>16</u>
Total liabilities	<u>5,566,019</u>	<u>49</u>	<u>5,815,021</u>	<u>49</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION				
Ordinary shares	<u>1,237,242</u>	<u>11</u>	<u>1,237,242</u>	<u>11</u>
Capital surplus	<u>2,361,070</u>	<u>21</u>	<u>2,769,331</u>	<u>23</u>
Retained earnings				
Legal reserve	1,026,386	9	1,001,175	9
Special reserve	687,191	6	635,615	5
Unappropriated earnings	<u>753,104</u>	<u>6</u>	<u>700,911</u>	<u>6</u>
Total retained earnings	<u>2,466,681</u>	<u>21</u>	<u>2,337,701</u>	<u>20</u>
Other equity				
Exchange differences on translating the financial statements of foreign operations	(514,593)	(5)	(698,561)	(6)
Unrealized (loss) gain of financial assets at fair value through other comprehensive income	<u>(4,203)</u>	<u>-</u>	<u>11,371</u>	<u>-</u>
Total other equity	<u>(518,796)</u>	<u>(5)</u>	<u>(687,190)</u>	<u>(6)</u>
Total equity attributable to owners of the Corporation	5,546,197	48	5,657,084	48
NON-CONTROLLING INTERESTS	<u>335,132</u>	<u>3</u>	<u>320,188</u>	<u>3</u>
Total equity	<u>5,881,329</u>	<u>51</u>	<u>5,977,272</u>	<u>51</u>
TOTAL	<u>\$ 11,447,348</u>	<u>100</u>	<u>\$ 11,792,293</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated March 15, 2023)

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Note 4)	\$ 9,809,443	100	\$ 10,194,799	100
OPERATING COSTS (Notes 4, 10, 22 and 28)	<u>8,186,253</u>	<u>83</u>	<u>8,593,294</u>	<u>84</u>
GROSS PROFIT	<u>1,623,190</u>	<u>17</u>	<u>1,601,505</u>	<u>16</u>
OPERATING EXPENSES (Notes 22 and 28)				
Selling and marketing expenses	298,169	3	319,333	3
General and administrative expenses	797,012	8	707,366	7
Research and development expenses	182,447	2	186,188	2
Expected credit loss (reversed)	<u>1,760</u>	<u>-</u>	<u>(5,568)</u>	<u>-</u>
Total operating expenses	<u>1,279,388</u>	<u>13</u>	<u>1,207,319</u>	<u>12</u>
PROFIT FROM OPERATIONS	<u>343,802</u>	<u>4</u>	<u>394,186</u>	<u>4</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Notes 4, 14 and 22)	38,822	-	55,661	1
Other gains and losses (Notes 22 and 30)	(50,958)	-	(34,999)	-
Interest income	35,184	-	26,245	-
Net foreign exchange gain (loss) (Note 31)	270,397	3	(57,791)	(1)
Net (loss) gain on financial assets at fair value through profit (Notes 4 and 7)	(551)	-	45,390	-
Share of profit of associates (Notes 4 and 12)	42,401	-	7,520	-
Interest expenses (Note 28)	(51,773)	-	(40,963)	-
Impairment loss on investments accounted for using the equity method (Notes 4 and 12)	<u>(19,835)</u>	<u>-</u>	<u>(10,633)</u>	<u>-</u>
Total non-operating income and expenses	<u>263,687</u>	<u>2</u>	<u>(9,570)</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	607,489	6	384,616	4
INCOME TAX EXPENSE (Notes 4 and 23)	<u>230,040</u>	<u>2</u>	<u>144,001</u>	<u>2</u>
NET PROFIT FOR THE YEAR	<u>377,449</u>	<u>4</u>	<u>240,615</u>	<u>2</u>

(Continued)

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ 6,213	-	\$ 376	-
Share of other comprehensive (loss) income of subsidiaries accounted for using the equity method	(15,136)	-	8,976	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(773)	-	2,180	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	<u>192,013</u>	<u>2</u>	<u>(68,618)</u>	<u>-</u>
Other comprehensive income (loss) for the year	<u>182,317</u>	<u>2</u>	<u>(57,086)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 559,766</u>	<u>6</u>	<u>\$ 183,529</u>	<u>2</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 371,277	4	\$ 251,755	2
Non-controlling interests	<u>6,172</u>	<u>-</u>	<u>(11,140)</u>	<u>-</u>
	<u>\$ 377,449</u>	<u>4</u>	<u>\$ 240,615</u>	<u>2</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 544,822	6	\$ 203,175	2
Non-controlling interests	<u>14,944</u>	<u>-</u>	<u>(19,646)</u>	<u>-</u>
	<u>\$ 559,766</u>	<u>6</u>	<u>\$ 183,529</u>	<u>2</u>
EARNINGS PER SHARE (Note 24)				
Basic	<u>\$ 3.00</u>		<u>\$ 2.03</u>	
Diluted	<u>\$ 2.67</u>		<u>\$ 2.02</u>	

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

(With Deloitte & Touche auditors' report dated March 15, 2023)

(Concluded)

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of the Corporation (Notes 4, 21 and 25)												
	Ordinary Shares	Capital Surplus	Retained Earnings			Total	Exchange Differences on Translating of the Financial Statements of Foreign Operations	Other Equity		Total Other Equity	Total	Non-controlling Interests (Notes 4, 21 and 25)	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings			Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income					
BALANCE AT JANUARY 1, 2021	\$ 1,237,242	\$ 2,592,857	\$ 904,665	\$ 634,020	\$ 1,165,528	\$ 2,704,213	\$ (639,134)	\$ 3,519	\$ (635,615)	\$ 5,898,697	\$ 343,138	\$ 6,241,835	
Appropriation of 2020 earnings													
Legal reserve	-	-	96,510	-	(96,510)	-	-	-	-	-	-	-	
Special reserve	-	-	-	1,595	(1,595)	-	-	-	-	-	-	-	
Cash dividends distributed by the Corporation	-	-	-	-	(618,621)	(618,621)	-	-	-	(618,621)	-	(618,621)	
	-	-	96,510	1,595	(716,726)	(618,621)	-	-	-	(618,621)	-	(618,621)	
Equity component of convertible bonds issued by the Corporation	-	175,396	-	-	-	-	-	-	-	175,396	-	175,396	
Change in percentage of ownership interests in associates accounted for using the equity method	-	-	-	-	(2,641)	(2,641)	-	-	-	(2,641)	-	(2,641)	
Unclaimed dividends	-	22	-	-	-	-	-	-	-	22	-	22	
Net profit (loss) for the year ended December 31, 2021	-	-	-	-	251,755	251,755	-	-	-	251,755	(11,140)	240,615	
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	1,871	1,871	(59,427)	8,976	(50,451)	(48,580)	(8,506)	(57,086)	
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	253,626	253,626	(59,427)	8,976	(50,451)	203,175	(19,646)	183,529	
Actual acquisition of interests in subsidiaries	-	1,056	-	-	-	-	-	-	-	1,056	(3,304)	(2,248)	
Disposal of investment in equity instrument designed as at fair value through other comprehensive income by associates	-	-	-	-	1,124	1,124	-	(1,124)	(1,124)	-	-	-	
BALANCE AT DECEMBER 31, 2021	1,237,242	2,769,331	1,001,175	635,615	700,911	2,337,701	(698,561)	11,371	(687,190)	5,657,084	320,188	5,977,272	
Appropriation of 2021 earnings													
Legal reserve	-	-	25,211	-	(25,211)	-	-	-	-	-	-	-	
Special reserve	-	-	-	51,576	(51,576)	-	-	-	-	-	-	-	
Cash dividends distributed by the Corporation	-	-	-	-	(247,448)	(247,448)	-	-	-	(247,448)	-	(247,448)	
	-	-	25,211	51,576	(324,235)	(247,448)	-	-	-	(247,448)	-	(247,448)	
Cash dividends distributed by capital surplus	-	(408,290)	-	-	-	-	-	-	-	(408,290)	-	(408,290)	
Unclaimed dividends	-	29	-	-	-	-	-	-	-	29	-	29	
Net profit for the year ended December 31, 2022	-	-	-	-	371,277	371,277	-	-	-	371,277	6,172	377,449	
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	4,739	4,739	183,968	(15,162)	168,806	173,545	8,772	182,317	
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	376,016	376,016	183,968	(15,162)	168,806	544,822	14,944	559,766	
Disposal of investment in equity instrument designed as at fair value through other comprehensive income by associates	-	-	-	-	412	412	-	(412)	(412)	-	-	-	
BALANCE AT DECEMBER 31, 2022	\$ 1,237,242	\$ 2,361,070	\$ 1,026,386	\$ 687,191	\$ 753,104	\$ 2,466,681	\$ (514,593)	\$ (4,203)	\$ (518,796)	\$ 5,546,197	\$ 335,132	\$ 5,881,329	

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

(With Deloitte & Touche auditors' report dated March 15, 2023)

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

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

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 607,489	\$ 384,616
Adjustments for:		
Depreciation expenses	476,700	403,834
Amortization expenses	24,725	16,482
Expected credit loss (gain)	1,760	(5,568)
Net loss (gain) on financial assets at fair value through profit or loss	551	(45,390)
Interest expenses	51,773	40,963
Interest income	(35,184)	(26,245)
Dividend income	(11,703)	(23,299)
Share of profit of associates	(42,401)	(7,520)
Loss on disposal of property, plant and equipment	20,181	2,086
Loss on disposal of intangible assets	29	1,143
Impairment loss on property, plant and equipment	-	570
Impairment loss on investments accounted for using the equity method	19,835	10,633
Write-downs of inventories	25,896	15,185
Net loss (gain) on unrealized foreign currency exchange	33,769	(41,193)
Gain on lease modification	(4,164)	(120)
Changes in operating assets and liabilities		
Notes receivable	181,012	33,751
Trade receivables	1,509,139	229,276
Inventories	379,335	(342,434)
Other current assets	74,390	(19,721)
Other non-current assets	(39)	(5,230)
Notes payable and trade payables	(768,039)	(57,212)
Other payables	127,575	1,850
Other current liabilities	32,529	(10,932)
Net defined benefit assets and liabilities	(1,983)	(9,042)
Other non-current liabilities	<u>1,287</u>	<u>(3,925)</u>
Cash generated from operations	2,704,462	542,558
Interest paid	(38,645)	(40,754)
Income tax paid	<u>(317,054)</u>	<u>(363,203)</u>
Net cash generated from operating activities	<u>2,348,763</u>	<u>138,601</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(414,425)	(334,599)
Proceeds from sale of financial assets at amortized cost	530,663	595,058
Purchase of financial assets at fair value through profit or loss	(1,482,944)	(947,066)
Proceeds from sale of financial assets at fair value through profit or loss	931,815	1,225,921
Acquisition of associates	-	(15,680)
Payment for property, plant and equipment	(179,041)	(667,373)
Proceeds from disposal of property, plant and equipment	38,491	29,048

(Continued)

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

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

	2022	2021
Increase in refundable deposits	\$ (1,645)	\$ (4,626)
Payments for intangible assets	(29,925)	(36,471)
Increase in prepayments for equipment	(60,381)	(51,402)
Interest received	31,291	26,245
Dividends received	<u>23,103</u>	<u>34,699</u>
Net cash used in investing activities	<u>(612,998)</u>	<u>(146,246)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from (repayments of) short-term borrowings	581,343	(973,313)
Repayments of short-term bills payable	-	(29,981)
Proceeds from issuance of convertible bonds	-	1,337,453
Proceeds from long-term borrowings	10,000	219,000
Repayments of long-term borrowings	(26,483)	(81,406)
Guarantee deposits received	-	136
Guarantee deposits refunded	(511)	-
Repayment of the principal portion of lease liabilities	(207,951)	(202,184)
Dividends paid	(655,738)	(618,621)
Actual acquisition of interest in subsidiaries	<u>-</u>	<u>(2,248)</u>
Net cash used in financing activities	<u>(299,340)</u>	<u>(351,164)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>14,403</u>	<u>(2,461)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,450,828	(361,270)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>2,059,537</u>	<u>2,420,807</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 3,510,365</u>	<u>\$ 2,059,537</u>

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

(With Deloitte & Touche auditors' report dated March 15, 2023)

(Concluded)

Syncmold Enterprise Corp.
2022 Earnings Distribution Statement

Unit: NTD \$

Undistributed Earnings at the Start of the Term:	376,676,725
Add: Re-measurements of Defined Benefit Plan Recognized in Retained Earnings	4,738,296
Add: Disposal of Equity Instruments Measured at Fair Value Through Other Comprehensive Income	412,234
Post-adjusted Undistributed Earnings	381,827,255
Current Period Net Profit	371,276,930
Less: Legal Reserve Provided (10%)	(37,642,746)
Add: Special Reserve Reversed	168,394,799
Earnings Available for Distribution of the Current Term	883,856,238
Distributable Items:	
Shareholder Bonus - NT\$3.0 per share	(371,172,513)
Undistributed Earnings at the End of the Term (carried over to the following year)	512,683,725

Chairman: Chen, Chiu-Lang Manager: Chen, Chiu-Lang Accounting Manager:
Hsu, Shu-Fen

Syncmold Enterprise Corp.
Positions Concurrently Held by Directors of the 16th Board of
Directors at Other Companies

Position	Name	Name of Company and Position(s) of Concurrently Held Position(s)
Director	Chen, Chiu-Lang	Chairman, Syncmold Enterprise (Samoa) Corp.; Chairman, Fu Da Co., Ltd.; Chairman, Grand Advance Inc. Chairman, Forever Business Development Limited; Chairman, Canford International Limited; Chairman, Fullking Development Limited; Chairman, Full Glary Holding Limited, Chairman, Gatech Holding Ltd.; Chairman, Gatech International Ltd.; Chairman, Gatetech Technology Inc.; Director, Leohab Enterprise Co., Ltd.
Director	Chuang, Shu-Yen	Chairman, Taixin Investment Co., Ltd. and Chairman, Jiakuan Investment Co., Ltd.
Director	Fu Yan Investment Corporation Representative: Chen, Chien-Yuan	Chairman of Fortune Investment Corporation
Independent Director	Tsai, Yung-Lu	Independent Director, ApexBio Taiwan
Independent Director	Tsai, Shih-Kuang	CPA, T.K. Tsai & Co., CPAs; Independent Director, Yongxin International Investment Holdings Company; Independent Director, Yung Shin Pharm. Ind. Co., Ltd.; Independent Director, AIC Inc.; Independent Director, Opto Tech Corporation; Supervisor, Zhi-

		Hang Technology Co., Ltd.
Independent Director	Yen, Da-Ho	Independent Director, Taipei Star Bank Co., Ltd.; Independent Director, AAEON Technology Inc.; Independent Director, Family Co.,Ltd.; Director, Tatung Co.
Independent Director	Chiu, Hui-Chin	Executive Director/CSO, Ju Teng International Holdings Ltd. Independent Director, VSO Electronics Co., Ltd.

Syncmold Enterprise Corp. Shareholding Status of Directors

- I. The paid-in capital of the Company totals NTD 1,237,257,940, with 123,725,794 shares issued. As is required by the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratio at Public Companies”, the minimum number of shares that all directors of the Company shall hold is 8,000,000.
- II. The number of shares held by each of the directors shown in the shareholder roster as of the book closure date (April 18, 2023) for the current shareholders’ meeting is as follows. The ratio requirement as specified in Article 26 of the Securities and Exchange Act has been fulfilled.

Title	Name	Date Elected	Shares Held Now	
			Quantity	Ratio
Chairman	Chen, Chiu-Lang	June 18, 2020	8,708,211	7.04%
Director	Chuang, Shu-Yen	June 18, 2020	1,918,684	1.55%
Director	Fortune Investment Corporation	June 18, 2020	5,200,139	4.20%
Independent Director	Tsai, Yung-Lu	June 18, 2020	0	0.00%
Independent Director	Tsai, Shih-Kuang	June 18, 2020	0	0.00%
Independent Director	Yen, Da-Ho	June 18, 2020	0	0.00%
Independent Director	Chiu, Hui-Chin	June 18, 2020	0	0.00%
Subtotal of Shares Held by Directors			15,827,034	12.79%

Syncmold Enterprise Corp.

Rules of Procedure for Shareholders' Meetings

- Article 1 In order to create a sound shareholders' governance system, normalize the supervisory function, and strengthen the management feature, the Company created these rules to be followed in compliance with Article 6 of the Corporate Governance Best-Practice Principles.
- Article 2 Unless specified otherwise in laws and regulations or the Articles of Incorporation, the Company's Rules of Procedure for Shareholders' Meetings shall be based on these rules.
- Article 3 Unless specified otherwise in laws and regulations, the Company's shareholders' meetings shall be called for by the Board of Directors.
- Changes to the method of convening a shareholders' meeting shall be subject to a resolution by the Board of Directors and shall be made no later than before the shareholders' meeting notice is sent.
- Thirty days before the Company convenes a shareholders' meeting or 15 days before an extraordinary shareholders' meeting, the Company shall prepare electronic files of the meeting notice, proxy forms, information on proposals for ratification, matters for discussion, election or dismissal of directors, and other matters on the shareholders' meeting agenda and upload them to the Market Observation Post System (MOPS) in an electronic file. Meanwhile, 21 days before the Company convenes an annual shareholders' meeting or 15 days before an extraordinary shareholders' meeting, it shall prepare an electronic file of the shareholders' meeting agenda handbook and the supplementary materials and upload them to the MOPS. Fifteen days before the Company convenes a shareholders' meeting, it shall prepare the shareholders' meeting agenda handbook and supplementary materials and make them available for the shareholders to obtain and review them at any time. In addition, the handbook shall be displayed at the Company and its stock affairs agency.
- The Company shall provide said handbook and supplementary materials mentioned in the preceding paragraph to the shareholders on the day of the shareholders' meeting in the following methods:
- I. When a physical shareholders' meeting is convened, such materials shall be distributed on-site at the shareholders' meeting.
 - II. When a video-assisted shareholders' meeting is convened, such

materials shall be distributed on-site at the shareholders' meeting, and an electronic file of such materials shall be uploaded to the video conference platform.

- III. When a shareholders' meeting is convened by video conference, an electronic file of such materials shall be sent to the video conference platform.

The reasons for convening a shareholders' meeting shall be specified in the meeting notice and the public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors, amendments to the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of the removal of the non-compete clause for the directors, capitalization of earnings, capitalization of legal reserve, dissolution, merger, or demerger of the Company, or any matter under Article 185, Paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, and Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, shall be set out and the essential contents explained in the notice of the shareholders' meeting. None of the above matters may be raised by an extempore motion.

Where an election of all directors and their inauguration date shall be stated in the notice of the shareholders' meeting, after the completion of the re-election in said meeting, such inauguration date may not be altered by any extempore motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares in the Company may submit to the Company a proposal for discussion at a shareholders' meeting. The number of items so proposed is limited to only one, and no proposal containing more than one item shall be included in the meeting agenda. A shareholder's proposal in alignment with any circumstance under any subparagraph of Paragraph 4 of Article 172-1 of the Company Act may not be included in the meeting agenda by the Board of Directors.

A shareholder may put forth a recommendation to urge the Company to promote public interest or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

Prior to the book closure date before a shareholders' meeting is held, the Company shall publicly announce its acceptance of shareholders'

proposals in writing or by electronic means and the location and time period for their submissions; the period for acceptance of shareholders' proposals may not be fewer than ten days.

Each of such proposals is limited to 300 words, and no proposal containing more than 300 words shall be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the shareholders' meeting and take part in the discussion of the proposal.

Prior to the date for issuance of the notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results and shall list in the meeting notice the proposals that conform to the provisions of this article. The Board of Directors shall explain the reasons for any shareholders' proposals not being included in the agenda at the shareholders meeting.

Article 4 Shareholders may authorize someone to attend the shareholders' meeting on their behalf by issuing the Letter of Authorization printed by the Company specifying the scope of authorization for each shareholders' meeting.

Each shareholder may issue one Letter of Authorization and authorize one person. Such Letter of Authorization shall be delivered to the Company five days prior to the shareholders' meeting. In cases of repeated Letters of Authorization, the one delivered first shall prevail. This, however, does not apply if it is declared that prior authorization shall be recalled.

Once a proxy form is received by the Company, if the shareholder wishes to attend the shareholders' meeting in person or to exercise their voting rights by correspondence or electronic means, a written proxy rescission notice shall be filed with the Company no later than two days prior to the date of the shareholders' meeting, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

Once a proxy form is received by the Company, if the shareholder wishes to attend the shareholders' meeting by video conference, a written proxy rescission notice shall be filed with the Company no later than two days prior to the date of the shareholders' meeting, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

Article 5 A shareholders' meeting shall take place where the Company is located or where it is convenient for shareholders to attend and suitable for holding the meeting. The start time of the meeting may not be earlier than 9:00 am or later than 3:00 pm. Opinions from independent directors shall be fully

considered regarding the time and venue of the meeting.

When the Company convenes a shareholders' meeting by video conference, it is not subject to the restriction on the location of the meeting under the preceding paragraph.

Article 6-1

When the Company convenes a shareholders' meeting by video conference, the information below shall be stated in the meeting notice:

- I. Methods of shareholders participating in the video conference and exercising their rights.
- II. The response to the obstacles to the video conference platform or to the participation in the video conference due to natural disasters, incidents, or other force majeure events shall include at least the following:
 - (I) The time and the date of the next meeting when the meeting needs to be postponed or resumed as such obstacles cannot be resolved.
 - (II) Shareholders who did not register to participate in the original shareholders' meeting by video conference shall not participate in the meeting to be postponed or resumed.
 - (III) When a video-assisted shareholders' meeting is convened, if the video conference cannot continue, after the number of shares in attendance through the video conference are deducted, if the total number of shares in attendance at the physical shareholders' meeting reaches the number as required by law, the shareholders' meeting shall continue. For shareholders participating by video conference, the number of their shares shall be included in the total number of shares in attendance, and they shall be deemed to abstain for all motions resolved at the shareholders' meeting.
 - (IV) The handling method in the event that the resolution results of all motions have been announced, while extempore motions have not been resolved.
- III. When the Company convenes a shareholders' meeting by video conference, it shall state in the meeting notice the appropriate alternatives it will provide to shareholders who have difficulty attending the shareholders' meeting by video conference.

Article 7

If a shareholders' meeting is called for by the Board of Directors, it shall be chaired by the Chairperson of the Board of Directors. When the Chairperson is on leave or is unable to exercise his/her function for some reason, the Vice Chairperson shall act on his/her behalf. When the Vice Chairperson is also on leave or unable to exercise his/her function for some reason, the Chairperson shall assign a standing director to act on his/her behalf. When the Chairperson does not assign a designee, someone among the directors shall act on his/her behalf.

For a shareholders' meeting called for by the Board of Directors, more than

half the directors shall attend the meeting.

If the shareholders' meeting is called for by someone outside the Board of Directors, said someone shall chair the meeting. When there are more than two people calling for the meeting, one of them shall act as the Chairperson.

The Company may appoint its attorneys, certified public accountants, or related persons to attend the meeting in a non-voting capacity.

Article 8 The Company shall make an uninterrupted audio and video recording of the entire process of the shareholders' meeting from the shareholders' sign-in, the proceedings of the meeting, as well as the process of voting and vote counting.

The audio and video recording in the preceding paragraph shall be kept for at least one year. However, if a lawsuit has been instituted by any shareholder in accordance with the provisions of Article 189 of the Company Act, the materials of the meeting involved shall be kept by the Company until the legal proceedings of the foregoing lawsuit have been concluded.

If a shareholders' meeting is convened by video conference, the Company shall keep records of shareholders' registration, sign-in, questions raised, voting, and the Company's vote counting results, and retain the records, while making an uninterrupted audio and video recording of the entire video conference.

Such recordings shall be properly kept by the Company during the period of its existence and provided to those who are entrusted to handle the video conference affairs for retention.

If a shareholders' meeting is convened by video conference, the Company is advised to make an audio and video recording of the back-end interface of the video conference platform.

Article 9 The attendance of shareholders shall be calculated based on the number of shares represented. The number of shares in attendance shall be counted according to the shares recorded in the attendance book and indicated in the sign-in cards handed in by shareholders and the sign-in record on the video conference platform, plus the number of shares whose voting rights are exercised by correspondence or electronic means.

The Chair shall call the meeting to order at the meeting time and disclose information concerning the number of non-voting shares and number of shares represented by shareholders attending the meeting.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the Chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If attending shareholders still represent less than one third of the total number of issued shares after two postponements, the Chair shall declare the meeting adjourned. If a shareholders' meeting is convened by video conference, the Company shall also declare the meeting adjourned on the video conference platform.

If there are not enough shareholders representing at least one third of issued shares attending the meeting after two postponements, tentative resolutions may be passed in accordance with Article 175, Paragraph 1 of the Company Act. Shareholders shall be notified of the tentative resolutions, and another shareholders' meeting will be convened within one month. If a shareholders' meeting is convened by video conference, shareholders who wish to attend by video conference shall re-register with the Company in accordance with Article 6.

Before the meeting is completed, if the number of shares held by the attending shareholders combined has reached the majority of the total circulating shares, the Chairperson may re-introduce the rendered tentative resolution for a decision during the meeting as required by Article 174 of the Company Act.

Article 10

If a shareholders' meeting is called for by the Board of Directors, the meeting agenda is to be set by the Board of Directors and the meeting shall be held according to the agenda; without a decision made through a shareholders' meeting, it may not be changed.

If the shareholders' meeting is called for by someone outside the Board of Directors, the requirements in the preceding paragraph apply.

Before the agenda (including the motions) as scheduled according to the preceding two paragraphs is completed, without a decision, the Chairperson may not announce that the meeting is adjourned unilaterally. When the Chairperson violates these Rules and announces that the meeting is adjourned, however, other members of the Board of Directors shall quickly help attending shareholders have another person to serve as the Chairperson upon approval by a majority of the attending shareholders in compliance with the legal procedure and continue with the meeting.

For proposals and amendments brought forth by shareholders or motions, the Chairperson shall give them opportunities to provide sufficient

information and discuss. If it is believed to have reached the extent for a voting session, it may be announced that discussions shall stop and voting shall begin.

Article 11

Before attending shareholders speak, they must complete the speech note specifying the theme of their speech, the shareholder's account number (or the number shown on the attendance card), and account name. The Chairperson will decide their speaking sequence.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

A shareholder may not speak more than twice on the same proposal, except with the Chair's consent, and a single speech may not exceed 5 minutes. However, if the shareholder's speech violates the rules or exceeds the scope of the agenda item, the Chair may terminate the speech.

When attending shareholders speak, other shareholders may not speak or interfere with their speech unless with approval by the Chairperson and the speaking shareholder; the Chairperson shall stop violators.

When more than two representatives are sent by a shareholder that is a legal entity to attend a shareholders' meeting, only one person may speak on the same proposal.

After an attending shareholder has spoken, the Chair may respond or direct relevant personnel to respond.

If a shareholders' meeting is convened by video conference, shareholders who participate by video conference may ask questions in text on the video conference platform after the Chair calls the meeting to order and before the Chair declares the meeting adjourned. The number of questions raised by each shareholder for each motion shall not exceed two, each question shall be limited to 200 words, and the provisions of Paragraphs 1 to 5 shall not apply.

If such questions in the preceding paragraph are not in violation of the regulations or not outside the scope of the motions, it is advisable to disclose such questions on the video conference platform.

Article 12

Votes in shareholders' meetings shall be calculated based on the number of shares held.

The shares held by shareholders having no voting rights shall not be counted in the total number of issued shares while adopting a resolution at

a meeting of shareholders.

Shareholders that are stakeholders in matters discussed in the meeting to accordingly likely undermine the interests of the Company may not take part in the voting session and may not exercise voting rights on behalf of other shareholders.

The number of shares involved in the voting right that may not be exercised as indicated in the preceding paragraph is not included as part of the voting weights of attending shareholders.

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

Article 13

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, Paragraph 2 of the Company Act.

When the Company holds a shareholders' meeting, it shall adopt the exercise of voting rights by electronic means and may adopt the exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder's exercise of voting rights by correspondence or electronic means will be deemed them to have attended the meeting in person, but to have waived their rights with respect to the extempore motions and amendments or alternatives to original proposals of that meeting; it is, therefore, advisable that the Company avoid the submission of extempore motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company no later than two days before the date of the shareholders' meeting. When a duplicate declaration of intent is delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After shareholders exercise their voting rights by correspondence or electronic means, if they wish to attend the shareholders' meeting in person or by video conference, they shall serve a declaration of intent to retract the voting rights already exercised under the preceding paragraph no later

than two days before the shareholders' meeting in the same manner in which the voting rights were exercised; otherwise the voting rights exercised by correspondence or electronic means shall prevail. If a shareholder exercises their voting rights by correspondence or electronic means and appoints a proxy with a proxy form to attend a shareholders' meeting, the voting rights exercised by the proxy at the meeting shall prevail.

For the voting on proposals, unless specified otherwise in the Company Act and the Company's Articles of Incorporation, to approve a proposal, it requires support from a majority of voting rights among attending shareholders. At the time of a vote, for each proposal, the Chair or a person designated by the Chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a vote by the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, including the numbers of votes for and against and the number of abstentions, shall be entered on the MOPS.

When there is an amendment or an alternative to a proposal, the Chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

The Chairperson is to assign the staff to inspect voting on proposals and count the ballots; the inspectors, however, shall be shareholders.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

When a shareholders' meeting is convened by video conference, shareholders participating by video conference shall vote on various motions and election(s) on the video conference platform after the Chair calls the meeting to order. They shall complete the voting before the Chair declares the voting closed, otherwise they shall be deemed to have waived their voting rights.

When a shareholders' meeting is convened by video conference, after the Chair declares the voting closed, the votes shall be counted at one go, and the voting and election results shall be announced.

If a video-assisted shareholders' meeting is convened, shareholders, who have registered to attend the shareholders' meeting by video conference in accordance with Article 6 and intend to attend the physical shareholders' meeting in person, shall rescind the registration in the same manner as the registration no later than two days before the shareholders' meeting, otherwise they can only attend the shareholders' meeting by video conference.

Those who exercise their voting rights by correspondence or electronic means without retracting their declaration of intention and participate in the shareholders' meeting by video conference shall not exercise their voting rights on the same motions, propose amendment to the same motions, or exercise their voting rights for revised motions, except for extempore motions.

Article 14 The election of directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and those who failed to be elected and the numbers of votes they won.

Ballots for the election in the preceding paragraph shall be kept properly once they are sealed and signed off on by the inspectors and shall be kept for at least a year. However, if a lawsuit has been instituted by any shareholder in accordance with the provisions of Article 189 of the Company Act, the materials of the meeting involved shall be kept by the Company until the legal proceedings of the foregoing lawsuit have been concluded.

Article 15 Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the Chairman of the meeting and shall be distributed to all shareholders of the Company within twenty (20) days after the close of the meeting. The meeting minutes may be produced and distributed in electronic form.

Said distribution in the preceding paragraph, the Company may be effected through an announcement on Market Observation Post System.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the Chair's full name, the methods by which resolutions were adopted, a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of votes won by each candidate in the event of an election of directors. The

minutes shall be retained for the duration of the existence of the Company. When a shareholders' meeting is convened by video conference, the minutes of the shareholders' meeting shall contain the start and end time of the shareholders' meeting, the method of convening the meeting, the names of the Chair and the minute taker, as well as the response method and the response situation when any natural disasters, accidents, or other force majeure events have obstructed the video conference platform or the participation in the video conference in addition to the matters that shall be recorded in accordance with the preceding paragraph.

When a shareholders' meeting is convened by video conference, the Company shall proceed as per the preceding paragraph and shall specify the alternative measures provided to shareholders who have difficulty participating in the video conference in the minutes of the shareholders' meeting.

A decision is made in the preceding paragraph by the Chairperson consulting each shareholder. When no shareholders express disagreement, it shall be documented as "the proposal has been approved unanimously among all attending shareholders consulted by the Chairperson". In the case of disagreement, on the other hand, it shall be specified that a voting session has taken place and the approval votes and the weights involved.

Article 16

The Company shall, on the day of the shareholders' meeting, compile a statistical statement in the prescribed format and disclose the number of shares solicited by the solicitor, the number of shares represented by the proxies, and the number of shares in attendance by correspondence or electronic means clearly on-site at the shareholders' meeting. When a shareholders' meeting is convened by video conference, the Company shall upload the aforementioned information to the video conference platform at least 30 minutes before the start of the meeting and continue to disclose it until the end of the meeting.

Where a shareholders' meeting is convened by video conference, when the Chair calls the meeting to order, the total number of shares in attendance shall be disclosed on the video conference platform. The same shall apply if the total number of shares and voting rights in attendance are counted during the meeting.

For decisions made during a shareholders' meeting, if any significant information specified in laws and regulations or by the Taiwan Stock Exchange (or Taipei Exchange) is involved, the Company shall transmit the contents to the Market Observation Post System within the specified

period of time.

Article 17 Staff organizing the shareholders' meeting shall wear a badge or a shoulder patch.

The Chairperson may have the inspectors or security to help maintain order on the floor. When helping maintain order in the venue, the inspectors or security shall wear the “inspector” shoulder patch or badge.

When loud speakers are available in the venue and shareholders do not speak through the equipment configured by the Company, the Chairperson may stop their speech.

When shareholders violate these Rules and disobey correction from the Chairperson and obstruct the proceedings of the meeting, demonstrating disobedience upon interference, the Chairperson may have the inspectors or security to ask the specific shareholder to leave the venue.

Article 18 When a meeting is ongoing, the Chairperson may announce time for a break whenever it is considered appropriate. In cases of force majeure events, the Chairperson may decide to hold a meeting for the time being and announce the time for the meeting to continue, depending on the circumstances.

Before the agenda (including the motions) of a shareholders' meeting is completed yet the venue of the meeting cannot continue to be used, the meeting may be continued at another venue found on the basis of a decision made in the shareholders' meeting.

It may be decided whether the shareholders' meeting shall be postponed or continued within five days as required by Article 182 of the Company Act.

Article 19 When a shareholders' meeting is convened by video conference, the Company shall immediately disclose the voting results and election results of various motions on the video conference platform in accordance with the regulations and shall continue to disclose them for at least 15 minutes after the Chair declares the meeting adjourned.

Article 20 When a shareholders' meeting is convened by video conference, the Chair and the minute taker shall be at the same location in Taiwan, and the Chair shall disclose the address of the location when calling the meeting to order. The first amendment was made on June 5, 2012.

Article 21 When a shareholders' meeting is convened by video conference, the Company may allow shareholders to perform a simple test of the connection before the meeting commences and provide relevant services

immediately before and during the meeting to assist with any technical communication problems.

In the event of a shareholders' meeting by video conference, the Chair shall, when calling the meeting to order, announce that, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, Paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the video conference platform or participation in the meeting by video conference is obstructed due to natural disasters, accidents, or other force majeure events before the Chair has announced the meeting adjourned, and the obstruction continues for 30 minutes or more, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

In the event of any incident in the preceding paragraph that caused the meeting to be postponed or resumed, shareholders who have not registered to participate in the original shareholders' meeting by video conference shall not participate in the postponed or resumed meeting.

For the meeting to be postponed or resumed under Paragraph 2, shareholders who have registered to participate in the original shareholders' meeting by video conference and have completed the registration but fail to participate in said meeting, the number of shares in attendance and the voting rights, and voting rights for elections exercised at the original shareholders' meeting shall be included in the total number of attending shareholders' shares, voting rights, and voting rights for elections at the postponed or resumed meeting.

When a shareholders' meeting is postponed or resumed in accordance with Paragraph 2, the motions, for which the voting and counting of votes have been completed and the voting results or the list of elected directors have been announced, there is no need for them to be discussed or resolved again.

When the Company convenes a video-assisted shareholder's meeting, if the video conference cannot continue as under Paragraph 2, after the number of shares in attendance through the video conference is deducted, if the total number of shares in attendance at the physical shareholders' meeting reaches the number as required by law, the shareholders' meeting shall continue. There is no need to postpone or resume the meeting in accordance with Paragraph 2.

When the meeting shall continue as in the preceding paragraph, for

shareholders participating by video conference, the number of their shares shall be included in the total number of shares in attendance; however, they shall be deemed to have abstained for all motions resolved at the shareholders' meeting.

When the Company postpones or resumes the meeting in accordance with Paragraph 2, it shall handle the relevant matters in accordance with the provisions set forth in Article 44-27 of the Regulations Governing the Administration of Shareholder Services of Public Companies, and relevant preparations shall be made as per the date of the original shareholders' meeting and the provisions of this article.

Based on the period under the ending section of Article 12 and Article 13, Paragraph 3 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies; Article 44-5, Paragraph 2, Article 44-15, and Article 44-17, Paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall postpone or resume the shareholders' meeting to a date as per Paragraph 2.

Article 22 When the Company convenes a shareholders' meeting by video conference, it shall provide appropriate alternatives to shareholders who have difficulty attending the shareholders' meeting by video conference.

Article 23 These Rules shall be subject to approval through the general shareholders' meeting on May 24, 2005 before they take effect. The same procedure is applicable to any amendment thereto.

The first amendment was made on June 5, 2012.

The second amendment was made on June 18, 2020.

The third amendment was made on June 10, 2022.

Syncmold Enterprise Corp.

Articles of Incorporation

Chapter I General Provisions

Article 1: The Company is incorporated in accordance with the Company Act, under the name of 信錦企業股份有限公司. (English Name: Syncmold Enterprise Corp.)

Article 2: The Company's Business Activities Comprise the Following:

- I. CB01010 Manufacturing of machinery and equipment.
- II. CQ01010 Manufacturing of dies.
- III. F113010 Wholesale of machinery.
- IV. F213080 Retail sale of machinery and tools.
- V. CC01110 Manufacturing of computers and peripheral equipment.
- VI. CC01080 Manufacturing of electronic parts and components.
- VII. CC01060 Manufacturing of wired communication machinery and devices.
- VIII. F119010 Wholesale of electronic materials.
- IX. F401010 International trade.
- X. F108031 Wholesale of medical devices.
- XI. CC01070 Manufacturing of wired communication machinery and devices.
- XII. CC01101 Manufacturing of telecommunication controlled radio-frequency devices.
- XIII. H703100 Real estate leases.
- XIV. JE01010 Leases.
- XV. ZZ99999 Operations not prohibited or restricted by law other than the said approved ones.

Article 3: The main office of the Company is located in New Taipei City and branch offices may be established domestically or internationally as decided by the Board of Directors if necessary.

Article 4: The Company may serve as a shareholder of another company as decided by the Board of Directors; the overall value of investment is not subject to the limit set forth concerning re-investments under Article 13 of the Company Act. The Company may provide external endorsements and guarantees.

Chapter II Shares

Article 5: The total rated capital of the Company is NTD 2 billion, which consists of 200 million shares, with each share valued at NTD 10. The Board of Directors is authorized to issue the shares yet to be issued in separate batches.

Within the capital amount indicated in the foregoing paragraph, three million shares are retained for issuance of employee stock warrants and may be issued in separate batches as determined by the Board of Directors.

Article 5-1: The treasury stock purchased by the Company may be assigned to employees of a controlled or affiliated company who meet certain criteria.

The employee stock warrants are issued to employees of the Parent or subsidiaries of the Company who meet certain criteria.

When the Company issues new shares, employees who subscribe to the shares include employees of the Parent or subsidiaries of the Company who meet certain criteria.

The Company's restricted stock awards are issued to employees of the Company's Parent or subsidiaries who meet certain criteria.

Certain criteria described herein are to be set by the Board of Directors as authorized.

Article 6: Deleted.

Article 7: The Company issues its shares to registered owners only. Share certificates are issued with the signatures or authorized seals of the directors representing the Company, subject to certification by the competent authority or any of its approved institutes. For shares issued by the Company, they need not be printed out. They shall, however, be registered with a centralized securities depository enterprise.

Article 8: Registration for transfer of shares shall be suspended for the sixty (60) days prior to the general shareholders' meeting, or for the thirty (30) days prior to an extraordinary shareholders' meeting, or for the five (5) days before the baseline date for distribution of dividends and bonuses or other gains as decided by the Company.

Chapter III Shareholders' Meetings

Article 9: There are general and extraordinary shareholders' meetings. The general meeting is called for once a year as required by law within the six (6) months following the end of each fiscal year, while the extraordinary one is to be called

for as needed according to law.

Article 10: When shareholders are unable to attend a shareholders' meeting, they may issue an authorization letter that is prepared by the Company specifying the scope of authorization and have someone to attend it on their behalf.

In addition to the requirements in Article 177 of the Company Act, those in the Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies promulgated by the competent authority shall be followed.

The Company may convene shareholders' meetings by video conference or in other methods as announced by the central competent authority.

Article 11: Unless specified otherwise in the Company Act, each share is entitled to one vote.

Article 12: Unless specified otherwise by applicable laws and regulations, a resolution reached in the shareholders' meeting shall be supported by affirmative votes that account for a majority of the total votes of shareholders that attend the meeting in person or through proxies that represent a majority of all shares issued.

Article 12-1: If the shareholders' meeting is called for by the Board of Directors, it shall be chaired by the Chairman. When the Chairman is absent, the Vice Chairman shall act on his/her behalf. When the Vice Chairman is also absent, the Chairman shall assign one director to act on his/her behalf. If not assigned, one director will be elected to act on his/her behalf. If the shareholders' meeting is called for by someone outside the Board of Directors, that said someone shall chair the meeting. When there are more than two people calling for the meeting, one of them shall act as the Chairperson.

Article 12-2: Resolutions reached in a shareholders' meeting shall be included in the meeting minutes that bear the signature or seal of the Chairperson of the meeting and shall be distributed to each of the shareholders within twenty (20) days after the meeting is over. The distribution of meeting minutes as indicated in the preceding paragraph shall be based on the requirements of the Company Act.

Article 12-3: If public offering of the Company's shares is intended to be canceled, it shall be brought forth for a resolution in the shareholders' meeting, and this article may not be changed while the Company is TWSE/TPEX-listed.

Chapter IV Directors and the Audit Committee

Article 13: The Company is configured with five to seven directors (including independent directors). The nomination system is adopted. Shareholders elect those on the list of director candidates to serve a term of three years; a director may serve multiple terms if re-elected.

The Company shall have the directors covered by liability insurance regarding their legitimate liabilities over compensation within their term of office.

Article 13-1: In the event that there are more than one-third of openings for directors, the Board of Directors shall call for a special shareholders' meeting within 60 days for a by-election, with the tenure being the remainder of the existing directors.

Article 13-2: Among the openings for directors as indicated in Article 13 herein, there may not be fewer than three independent directors and the number of openings may not be less than one-fifth of the total number of directors expected of the Board. Shareholders shall elect among the candidates on the list for independent directors. The professional qualifications, shareholdings, restrictions on part-time jobs, nomination and election methods, and other required matters of independent directors shall be subject to the provisions of the competent securities authority.

Article 13-3: The Company shall set up an Audit Committee and other functional committees. The Audit Committee shall be composed of all of the independent directors. It shall not be fewer than three persons in number, one of whom shall be convener, and at least one of whom shall have accounting or financial expertise.

Article 14: The Board of Directors is formed by the directors and the Chairman and the Vice Chairman, one each, who are elected by a majority of the attending directors. There shall be more than two-thirds of directors attending the Board of Directors' meeting. The Chairman is the Chairperson of the shareholders' meeting and the Board of Directors' meeting and represents the Company externally.

Article 14-1: For the convening of the Company's Board of Directors' meeting, the cause shall be specified and made known to directors seven (7) days in advance. In the case of an emergency, however, it may be called for at any time.

Notification on the convening of the Company's Board meeting may be done by correspondence, email, or fax.

Article 15: When the Chairman is on leave or cannot exercise his/her function for some reason, his/her designee may do so on his/her behalf as required by Article 208 of the Company Act. When a director is unable to attend the Board of Directors'

meeting in person, another director may act on his/her behalf. The authorization, however, shall be based on the requirements set forth in Article 205 of the Company Act.

Article 16: The remuneration to directors is based on the extent of their involvement in the Company's operations and value of their contribution with reference to the generally-accepted industrial standards domestically and internationally. The Board of Directors is authorized to determine it through a meeting.

Chapter V Manager

Article 17: The Company may be configured with one President, whose appointment, dismissal, and compensation shall be based on the requirements set forth in Article 29 of the Company Act.

Chapter VI Accounting

Article 18: The Board of Directors is to prepare the following statements and reports at the end of each fiscal year. These statements and reports shall be presented during the shareholders' meeting for the final acknowledgment according to the statutory procedure.

I. The Business Report.

II. The Financial Statements.

III. The surplus earning distribution or loss off-setting proposals.

Article 19: Deleted.

Article 20: The Company shall set aside the remuneration in the case of any remainder following retention of the pre-tax profit of the year prior to subtraction of the remuneration to employees and that to directors for making up accumulated losses, which may not be less than 3% to employees and higher than 2% to directors.

The ratio of remuneration to employees and that to directors and the remuneration to employees is to be done in stock or cash, which shall be supported by a majority of directors attending the Board of Directors' meeting that account for two-thirds or more of all directors and shall be presented during the shareholders' meeting.

The remuneration to employees is issued to employees of a controlled or affiliated company who meet certain criteria in stock or cash. Such criteria are to be set by the Board of Directors as authorized.

Annual earnings concluded by the Company, if any, shall be first set aside for paying taxes and making up historical accumulated losses, followed by 10% as the legal reserve, and a provision or reversal of special reserve as required by law or the competent authority. Subsequently, if there are still earnings, the balance will be combined with prior accumulated earnings yet to be distributed for a range of 0% to 99%. The Board of Directors will prepare the distribution proposal and introduce it during the shareholders' meeting for a decision before they are distributed.

Article 20-1: The Company is during the operational growth period. The policy on distribution of dividends will take into consideration the Company's demand for capital in the future and its long-term financial plan as well as shareholders' interests. The Board of Directors will prepare the distribution proposal each year and submit it to the shareholders' meeting. Distribution of dividends for shareholders will prioritize the cash option. They, however, may also be distributed in stock. Cash dividends, however, shall be kept between 5% and 100%.

Chapter VII Supplementary Provisions

Article 21: Matters not addressed herein, if any, shall be governed by the Company Act and other applicable laws and regulations.

Article 22: These Articles of Incorporation were established on June 16, 1979.

Amended for the first time on July 24, 1980.

Amended for the second time on October 15, 1988.

Amended for the third time on June 20, 1989.

Amended for the fourth time on October 15, 1995.

Amended for the fifth time on August 8, 1997.

Amended for the sixth time on December 31, 2001.

Amended for the seventh time on November 1, 2004.

Amended for the eighth time on March 11, 2005.

Amended for the ninth time on May 24, 2005.

Amended for the tenth time on June 23, 2006.

Amended for the eleventh time on June 15, 2007.

Amended for the twelfth time on June 27, 2008.

Amended for the thirteenth time on June 25, 2010.

Amended for the fourteenth time on June 5, 2012.

Amended for the fifteenth time on June 21, 2013.

Amended for the sixteenth time on June 19, 2014.

Amended for the seventeenth time on June 8, 2016.

Amended for the eighteenth time on June 20, 2019.

Amended for the nineteenth time on June 18, 2020.

The twentieth amendment was made on June 10, 2022.

Syncmold Enterprise Corp.

Chairman: Chen, Chiu-Lang

Syncmold Enterprise Corp.

Rules of Election of Directors

- Article 1 To ensure a just, fair, and open election of directors, these Rules are adopted pursuant to Articles 22 and 44 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
- Article 2 Except as otherwise provided by laws and regulations or by the Articles of Incorporation, elections of directors shall be conducted in accordance with these Rules.
- Article 3 The overall composition of the Board of Directors shall be taken into consideration in the election of the Company's directors. All Board members shall have the knowledge, skills, and competencies needed to perform their duties. The Board of Directors as a whole shall possess the following skills or abilities:
- I. Business judgment.
 - II. Accounting and financial analysis.
 - III. Business administration.
 - IV. Crisis management.
 - V. Industry knowledge.
 - VI. An international market perspective.
 - VII. Leadership.
 - VIII. Decision-making skills.
- Article 4 Deleted.
- Article 5 The Company's independent directors' election and appointment shall be limited to those who are not juridical persons or their representatives as specified in Article 27 of the Company Act with their qualifications in compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies or the competent authority's regulations.
- Article 6 The Company's Board of Directors or any shareholder may provide a list of recommended director candidates for the next term of the Board as a reference for an election of directors.
- When the Board of Directors provides a list of recommended director candidates in accordance with the preceding paragraph, it may also provide information on each candidate's education, experience, number of shares held, government agencies represented, name of juridical person, and independence status, as a reference for shareholders.

- Article 7 An election of independent directors and non-independent directors shall be held at the same time, while the votes for independent and non-independent director shall be counted separately. The cumulative voting method shall be adopted for an election of directors at the Company. Each share shall contain the number of voting rights equal to the directors to be elected, and votes may be cast for a single candidate or split among multiple candidates.
- Article 8 The Board of Directors shall prepare ballots for directors in the number equal to the number of directors to be elected with the number of voting rights specified on the ballots, which shall then be distributed to the shareholders present at a shareholders' meeting. Attendance card numbers printed on the ballots may be used to replace the electors' names.
- Article 9 Regarding the number of directors to be elected as specified in the Company's Articles of Incorporation, those receiving votes representing the highest numbers of voting rights will be elected as independent and non-independent directors sequentially according to their respective numbers of votes won. When two or more persons receive the same number of votes, thus exceeding the specified number of directorships, they shall draw lots to determine the winner, with the Chair drawing lots on behalf of any person not in attendance.
- Those who are elected as directors and supervisors at the same time under Paragraph 1 shall decide to serve as directors or supervisors on their own, or if after review of the personal information of an elected director or supervisor is confirmed is inconsistent or they are unqualified in accordance with applicable laws and regulations, such a vacancy shall be filled by the electee whose number of votes received is second to theirs in the original election, and the replacement shall be announced on-site at the shareholders' meeting where the election takes place.
- Article 10 Before an election begins, the Chair shall appoint a number of scrutineers and vote counting personnel, who shall also be shareholders, to perform their respective duties. The ballot boxes shall be prepared by the Board of Directors and publicly checked by the scrutineers before voting commences.
- Article 11 If an electee is a shareholder, an elector shall enter the electee's account name and shareholder account number in the Electee field in the ballot; if an electee is not a shareholder, their name and national identification number shall be entered in the ballot. However, when a government agency or an institutional shareholder is an electee, its name (and the name of its representative, if applicable) shall be entered in the Electee Account Name field. When there are several representatives, the names of the representatives shall be entered one by one.
- Article 12 An election ballot shall be invalid under any of the following circumstances:
- I. A ballot that was not prepared by the Board of Directors.

- II. A blank ballot placed in the ballot box.
- III. A ballot with the writing unclear, indecipherable, or altered.
- IV. A ballot with the account name or shareholder account number of an electee, who is a shareholder, entered in the ballot does not conform to the shareholder register, or the name or national identification number of an electee, who is not a shareholder, entered in the ballot is not consistent with the information recorded.
- V. A ballot with other words or marks entered in addition to the account name (name) of an electee or shareholder account number (national identification number) and the number of voting rights allotted.
- VI. A ballot where the name of an electee entered is the same as that of another shareholder, without the shareholder account number or identification number entered for identification.

Article 13 After voting, the votes shall be counted on-site and the voting results shall be announced by the Chair on-site.

Article 14 These Rules and any amendments thereto shall be enforced after being approved by the shareholders' meeting.

The first amendment was made on June 18, 2020.