

Stock Code: 1582



# **Syncmold Enterprise Corp.**

## **Syncmold Enterprise Corp.**

# **2024 Annual General Meeting Meeting Handbook**

**June 21, 2024**

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

Form of Shareholders' Meeting: Physical

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**Syncmold Enterprise Corp.**  
**2024 Annual General Meeting Agenda**

Time and Date: 9:00 a.m. on June 21, 2024 (Friday)

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

Agenda:

- I. Call the Meeting to Order
- II. Chairperson Remarks
- III. Report Items
  - (I) 2023 Business Overview
  - (II) Audit Committee's Review Report on the 2023 Financial Statements
  - (III) Report on the Distribution of 2023 Remuneration to Employees and Directors
  - (IV) Amendments to the Company's "Sustainable Development Best Practice Principles"
- IV. Proposals
  - (I) 2023 Financial Statements
  - (II) 2023 Earnings Distribution Statement
- V. Discussions
  - Amendments to the Rules of Procedure for Shareholders' Meetings
- VI. Questions and Motions
- VII. Adjournment

## **Report Items**

### Proposal 1

Summary: The 2023 Business Overview is submitted for review and approval.

Description: Refer to Attachment I (Pages 5 to 6).

### Proposal 2

Summary: Audit Committee's Review Report on the 2023 Financial Statements is submitted for review and approval.

Description: Refer to Attachment II (Page 7 to 8).

### Proposal 3

Summary: Report on the Distribution of 2023 Remuneration to Employees and Directors is submitted for review and approval.

Description: Refer to Attachment III (Page 9).

### Proposal 4

Summary: The Report on the amendments to the Company's "Sustainable Development Best Practice Principles" is submitted for review and approval.

Description: Refer to Attachment IV (Page 10).

## **Ratifications**

### Proposal 1

Summary: The 2023 Financial Statements are submitted for ratification (proposed by the Board of Directors)

Description:

- I. The Company's 2023 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 5~6), Attachment V (Pages 12~15), and Attachment VI (Pages 22~31) for the Company's 2023 Business Report, Financial Statements, and Consolidated Financial Statements.
- III. They are brought forth for your ratification.

Resolution:

### Proposal 2

Summary: The 2023 Earnings Distribution Statement is submitted for ratification (proposed by the Board of Directors)

Description:

- I. The 2023 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 NT\$512,683,725, less the re-measurement of the defined benefit plan and plus the disposal of equity instruments at fair value through other comprehensive income were recognized in retained earnings in the amounts of NT\$310,539 and NT\$5,269,916, respectively, and the undistributed earnings after adjustment became NT\$517,643,102. The after-tax net profit of the Company in 2023 was NT\$642,365,386. The legal reserve and special reserve, NT\$64,732,477 and NT\$101,031,226, were set aside. The combined earnings that may be distributed came to NT\$994,244,785. It is intended that cash dividends, NT\$4.11 per share, be issued; that is, NT\$578,000,000 in total on December 31, 2023. After the above distribution, remaining earnings yet to be distributed at the end of 2023 totaled NT\$416,244,785. For the earnings distribution statement, refer to Attachment VII (Page 32).

- 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 Chairman is authorized by the Board of Directors to set the dividend record date and the payout date, and arrange other relevant matters.
- IV. For the distribution of earnings in the preceding paragraph, in cases of changes that occur to the number of outstanding shares, which leads to changes to the payout ratio, the Chairman is authorized by the Board of Directors to deal with it.
- V. They are brought forth for your ratification.

Resolution:

### **Discussions**

Amendments to the Rules of Procedure for Shareholders' Meetings (made by the Board of Directors)

Description:

- I. It is proposed to amend some of the provisions of the Company's Rules of Procedure for Shareholders' Meetings in response to the amendment to the law.
- II. Refer to Attachment VIII (Pages 33~35) for the Table of Amendments to the "Rules of Procedure for Shareholders' Meetings."
- III. It is brought forth for discussion.

Resolution:

### **Questions and Motions:**

### **Adjournment:**

# Syncmold Enterprise Corp.

## 2023 Business Report

We hereby report the Company's business performance in 2023 as follows:

Recalling the 1H of 2023, global consumer electronic products have experienced a cold winter due to the rising raw material price, post-pandemic inventory adjustment, and declining market demand. Under the sluggish market demand, the Company's growth opportunities were very limited. Until the 2H of 2023, the world's major brand customers began to replenish their inventories, reflecting a sign of recovery in the display market. Meanwhile, the Company's optimized product portfolio, new model development and enhanced cost control have delivered some benefits step by step to make the operating revenue grow gradually again. Therefore, the profit sought grew in 2023 from 2022.

Looking forward to 2024, as the Paris Olympics, the European Cup and other large-scale events will be open successively, and PCs equipped with AI functions are about to be launched in the market successively, the display industry is expected to get rid of the economic low. Also, Windows 10 operating software will retire, and the full bloom of commercial computers and monitors refresh is expected to come soon. Besides, the demand for high-end products, such as high refresh rate and flexible panels of e-sports monitors, is growing steadily, which also support a new demand for monitor products. Due to said factors, the Company expects to maintain a considerable growth in operating revenue and earnings in 2024.

### I. Business Performance for 2023:

#### 1. Business Plan and Implementation Results

The Company generated the consolidated operating revenue, NT\$8,769,537 thousand in 2023, a decrease by 10.6% from NT\$9,809,443 thousand in 2022. The sales gross profit in 2023 was 22%, an increase by 5.45% from 16.55% in 2022. The Company's 2023 earnings per share were NT\$5.12.

#### 2. Financial Revenue and Expenditures and Profitability:

Unit: NT\$ thousand; %

Analysis Item		2022	2023
Revenue and expenditure	Interest Income	35,184	91,523
	Interest Expenditures	51,773	56,267
Profitability	Return on Assets (%)	3.53	5.73
	Return on Equity (%)	6.37	9.87

	As a Percentage of Paid-in Capital (%)	Operating Income	27.79	55.43
		Net Income Before Tax	49.10	71.78
Net Profit Ratio (%)			3.85	7.27
Earnings per Share (weighted average)			3.00	5.12

### 3. Research and Development:

The Company's research and development in 2023 still focused on LCD monitor sockets, e-sports monitor sockets, AIO sockets, and TV sockets. Meanwhile, the Company is also focusing on the research and development of small-sized and high-precision mechanical components and parts for information products. The research and development are expected to demonstrate some results step by step.




## II. Outline of the 2024 Business Plan:

### 1. Business policy

- (1) Optimize product portfolio and strengthen cost control.
- (2) Improve product development efficiency, thereby increasing operating revenue growth momentum.
- (3) Increase the flexibility in adjustment of the production capacity in line with customer needs.
- (4) Strengthen the risk management mechanism and coping strategies.
- (5) Continue to integrate the Group's resources to improve operational efficiency.

### 2. Future development strategy

The Company will maintain the original display base market and also continue to focus on R&D of small-sized and high-precision mechanical components and parts, hoping to develop products with mass production and commercial value to promote the operating revenue growth. In the meantime, the Company will accelerate the improvement of production efficiency and cost control at various locations to create sustainable and stable profitability.

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 2023 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 2024 of Syncmold Enterprise Corp.

Convener of the Audit Committee,  i,  
Yong-Lu

March 8, 2024

Syncmold Enterprise Corp.

Report on the Distribution of 2023 Remuneration to Employees and Directors

- I. According to Paragraph 1, Article 20 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 2023.
- II. The self-assessed income before tax of the Company in 2023 before subtraction of the remuneration to employees and that to directors came to NT\$851,811,405. It is proposed to distribute the remuneration of NT\$17,000,000 to directors and NT\$75,000,000 to employees.
- III. It is proposed to distribute the remuneration to employees for 2023 all in cash.

## Syncmold Enterprise Corp.

Comparison Table of Amendments to Sustainable Development Best  
Practice Principles

Before Amendment	After Amendment	Note
<p>Article 27-1 The Company is advised to, through donation, sponsorship, investment, procurement, strategic cooperation, enterprise's voluntary technical service or other supporting models, dedicate resources to arts and culture activities or cultural and creative industries to promote the cultural development.</p>	<p>Added provision</p>	<p>The provision is added, in order to encourage the Company to support art and cultural activities and promote the sustainable development of culture.</p>

## **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, 2023 and 2022, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including material accounting policy information (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, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of 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. Base 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 financial statements for the year ended December 31, 2023. 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, 2023 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 76.19% of total sales revenue in 2023. 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, 2023. 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 obtained an understanding of 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 and confirmed 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 reports of other auditors. As of December 31, 2023 and 2022, the amounts of investments accounted for using the equity method were NT\$175,055 thousand and NT\$168,088 thousand, respectively, which accounted for 1.81% and 1.86% of the Corporation's total assets, respectively. For the years ended December 31, 2023 and 2022, the share of profit of associates accounted for using the equity method amounted to NT\$34,327 thousand and NT\$28,160 thousand, respectively, which accounted for 6.28% and 5.17% 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, 2023, 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 audits resulting in this independent auditors' report are Chih-Yuan Chen and Yao-Lin Huang.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 8, 2024

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, 2023 AND 2022**  
**(In Thousands of New Taiwan Dollars)**

ASSETS	2023		2022	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 1,348,029	14	\$ 1,227,685	14
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	75,093	1	86,154	1
Financial assets at amortized cost - current (Notes 4 and 8)	122,820	1	-	-
Trade receivables, net (Notes 4 and 9)	201,953	2	207,331	2
Trade receivables from related parties (Notes 4 and 26)	202,569	2	188,259	2
Other receivables from related parties (Notes 4 and 26)	10,680	-	8,936	-
Inventories (Notes 4 and 10)	57,797	1	25,953	-
Other current assets (Note 4)	14,056	-	11,503	-
Total current assets	<u>2,032,997</u>	<u>21</u>	<u>1,755,821</u>	<u>19</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	103,644	1	63,490	1
Investments accounted for using the equity method (Notes 4 and 11)	6,972,648	72	6,624,643	74
Property, plant and equipment (Notes 4, 12, 26 and 27)	206,560	2	216,650	2
Right-of-use assets (Notes 4, 13 and 26)	1,798	-	3,564	-
Intangible assets (Notes 4 and 14)	6,791	-	13,611	-
Goodwill (Notes 4 and 15)	324,597	4	324,597	4
Deferred tax assets (Notes 4 and 22)	3,527	-	2,955	-
Prepayments for equipment	-	-	6,589	-
Refundable deposits	2,230	-	1,983	-
Net defined benefit assets (Notes 4 and 19)	7,299	-	6,416	-
Total non-current assets	<u>7,629,094</u>	<u>79</u>	<u>7,264,498</u>	<u>81</u>
<b>TOTAL</b>	<u>\$ 9,662,091</u>	<u>100</u>	<u>\$ 9,020,319</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Notes 4 and 16)	\$ 860,000	9	\$ 755,000	8
Trade payables	3,055	-	12,175	-
Trade payables from related parties (Note 26)	1,305,481	14	770,644	9
Other payables (Note 18)	215,578	2	138,912	2
Other payables from related parties (Note 26)	111,667	1	397,602	4
Current tax liabilities (Notes 4 and 22)	28,605	1	52,611	1
Lease liabilities - current (Notes 4, 13 and 26)	979	-	2,996	-
Current portion of long-term borrowing (Notes 4, 16 and 27)	4,499	-	4,476	-
Current portion of bonds payable (Notes 4 and 17)	200,931	2	-	-
Other current liabilities	4,872	-	14,472	-
Total current liabilities	<u>2,735,667</u>	<u>29</u>	<u>2,148,888</u>	<u>24</u>
<b>NON-CURRENT LIABILITIES</b>				
Bonds payable (Notes 4 and 17)	-	-	1,178,724	13
Long-term borrowing (Notes 4, 16 and 27)	39,314	-	43,771	1
Deferred tax liabilities (Notes 4 and 22)	169,713	2	98,603	1
Lease liabilities - non-current (Notes 4, 13 and 26)	841	-	681	-
Guarantee deposits received	32	-	136	-
Other non-current liabilities (Notes 4 and 11)	5,152	-	3,319	-
Total non-current liabilities	<u>215,052</u>	<u>2</u>	<u>1,325,234</u>	<u>15</u>
Total liabilities	<u>2,950,719</u>	<u>31</u>	<u>3,474,122</u>	<u>39</u>
<b>EQUITY</b>				
Ordinary shares	<u>1,237,258</u>	<u>13</u>	<u>1,237,242</u>	<u>14</u>
Capital collected in advance	<u>170,511</u>	<u>2</u>	<u>-</u>	<u>-</u>
Capital surplus	<u>3,180,597</u>	<u>33</u>	<u>2,361,070</u>	<u>26</u>
Retained earnings				
Legal reserve	1,064,029	11	1,026,386	11
Special reserve	518,796	5	687,191	8
Unappropriated earnings	1,160,008	12	753,104	8
Total retained earnings	<u>2,742,833</u>	<u>28</u>	<u>2,466,681</u>	<u>27</u>
Other equity				
Exchange differences on translating the financial statements of foreign operations	(626,422)	(7)	(514,593)	(6)
Unrealized gain (loss) of financial assets at fair value through other comprehensive income	6,595	-	(4,203)	-
Total other equity	<u>(619,827)</u>	<u>(7)</u>	<u>(518,796)</u>	<u>(6)</u>
Total equity	<u>6,711,372</u>	<u>69</u>	<u>5,546,197</u>	<u>61</u>
<b>TOTAL</b>	<u>\$ 9,662,091</u>	<u>100</u>	<u>\$ 9,020,319</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated March 8, 2024)



## SYNCMOLD ENTERPRISE CORPORATION

### STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 26)				
Sales revenue	\$ 3,298,415	93	\$ 3,860,081	94
Other operating revenue	<u>233,563</u>	<u>7</u>	<u>254,777</u>	<u>6</u>
Total operating revenue	3,531,978	100	4,114,858	100
OPERATING COSTS (Notes 4, 10, 21 and 26)	<u>3,009,131</u>	<u>85</u>	<u>3,524,611</u>	<u>86</u>
GROSS PROFIT	<u>522,847</u>	<u>15</u>	<u>590,247</u>	<u>14</u>
OPERATING EXPENSES (Notes 21 and 26)				
Selling and marketing expenses	79,049	2	75,902	2
General and administrative expenses	228,051	7	198,096	5
Research and development expenses	146,999	4	146,338	3
Expected credit loss (reversed) (Notes 4 and 9)	<u>86</u>	<u>-</u>	<u>(87)</u>	<u>-</u>
Total operating expenses	<u>454,185</u>	<u>13</u>	<u>420,249</u>	<u>10</u>
PROFIT FROM OPERATIONS	<u>68,662</u>	<u>2</u>	<u>169,998</u>	<u>4</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Notes 21 and 26)	29,715	1	32,001	1
Other gains and losses	17	-	8	-
Interest income (Note 26)	45,316	1	13,321	-
Net foreign exchange gain (Notes 4 and 28)	29,839	1	53,957	1
Net (loss) gain on financial assets at fair value through profit (Notes 4 and 7)	54,726	1	(7,381)	-
Share of profit of subsidiaries and associates (Notes 4 and 11)	556,532	16	215,258	5
Interest expenses (Note 26)	(24,996)	(1)	(18,124)	-
Impairment loss on investments accounted for using the equity method (Notes 4 and 11)	<u>-</u>	<u>-</u>	<u>(19,835)</u>	<u>-</u>
Total non-operating income and expenses	<u>691,149</u>	<u>19</u>	<u>269,205</u>	<u>7</u>
PROFIT BEFORE INCOME TAX	759,811	21	439,203	11
INCOME TAX EXPENSE (Notes 4 and 22)	<u>117,446</u>	<u>3</u>	<u>67,926</u>	<u>2</u>
NET PROFIT FOR THE YEAR	<u>642,365</u>	<u>18</u>	<u>371,277</u>	<u>9</u>

(Continued)

## SYNCMOLD ENTERPRISE CORPORATION

### STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ 802	-	\$ 3,503	-
Share of other comprehensive (loss) income of subsidiaries accounted for using the equity method	15,115	-	(13,226)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(160)	-	(700)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	<u>(111,829)</u>	<u>(3)</u>	<u>183,968</u>	<u>4</u>
Other comprehensive income (loss) for the year	<u>(96,072)</u>	<u>(3)</u>	<u>173,545</u>	<u>4</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>				
	<u>\$ 546,293</u>	<u>15</u>	<u>\$ 544,822</u>	<u>13</u>
<b>EARNINGS PER SHARE (Note 23)</b>				
Basic	<u>\$ 5.12</u>		<u>\$ 3.00</u>	
Diluted	<u>\$ 5.03</u>		<u>\$ 2.67</u>	

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

(With Deloitte & Touche auditors' report dated March 8, 2024)

(Concluded)

## SYNCMOLD ENTERPRISE CORPORATION

STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
(In Thousands of New Taiwan Dollars)

	Capital			Retained Earnings (Note 20)				Other Equity		Total	Total Equity
	Ordinary Shares (Note 20)	Capital Collected in Advance (Note 17)	Capital Surplus (Notes 4 and 20)	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translating of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income		
BALANCE AT JANUARY 1, 2022	\$ 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											
Legal reserve	-	-	-	25,211	-	(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 designated 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
Appropriation of 2022 earnings											
Legal reserve	-	-	-	37,643	-	(37,643)	-	-	-	-	-
Special reserve	-	-	-	-	(168,395)	168,395	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	-	(371,172)	(371,172)	-	-	-	(371,172)
	-	-	-	37,643	(168,395)	(240,420)	(371,172)	-	-	-	(371,172)
Unclaimed dividends	-	-	15	-	-	-	-	-	-	-	15
Net profit for the year ended December 31, 2023	-	-	-	-	-	642,365	642,365	-	-	-	642,365
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	(310)	(310)	(111,829)	16,067	(95,762)	(96,072)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	642,055	642,055	(111,829)	16,067	(95,762)	546,293
Convertible corporate bonds	16	170,511	818,791	-	-	-	-	-	-	-	989,318
Actual acquisition of interests in subsidiaries	-	-	721	-	-	-	-	-	-	-	721
Disposal of investment in equity instrument designated as at fair value through other comprehensive income by associates	-	-	-	-	-	5,269	5,269	-	(5,269)	(5,269)	-
BALANCE AT DECEMBER 31, 2023	\$ 1,237,258	\$ 170,511	\$ 3,180,597	\$ 1,064,029	\$ 518,796	\$ 1,160,008	\$ 2,742,833	\$ (626,422)	\$ 6,595	\$ (619,827)	\$ 6,711,372

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

(With Deloitte &amp; Touche auditors' report dated March 8, 2024)

## SYNCMOLD ENTERPRISE CORPORATION

### STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 759,811	\$ 439,203
Adjustments for:		
Depreciation expenses	28,182	35,572
Amortization expenses	9,781	13,329
Expected credit loss (reversed)	86	(87)
Net (gain) loss on financial assets at fair value through profit or loss	(54,726)	7,381
Interest expenses	24,996	18,124
Interest income	(45,316)	(13,321)
Dividend income	(5,089)	(11,703)
Share of profit of subsidiaries and associates	(556,532)	(215,258)
Gain on disposal of property, plant and equipment	(17)	(8)
Impairment loss on investments accounted for using the equity method	-	19,835
(Reversal) write-downs of inventories	5,143	(2,305)
Net (gain) loss on unrealized foreign currency exchange	(51,786)	13,034
Changes in operating assets and liabilities		
Notes receivable	-	268
Trade receivables	13,036	868,239
Trade receivables from related parties	(14,310)	41,831
Other receivables from related parties	(1,766)	7,033
Inventories	(36,987)	(6,155)
Other current assets	124	1,449
Net defined benefit assets	(81)	(15)
Notes payable and trade payables	1,099,956	(6,390)
Trade payables from related parties	(534,837)	(528,716)
Other payables	79,518	27,973
Other current liabilities	(9,600)	10,310
Cash generated from operations	709,586	719,623
Interest paid	(13,474)	(5,237)
Income tax paid	(71,074)	(159,215)
Net cash generated from operating activities	<u>625,038</u>	<u>555,171</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at amortized cost	(129,540)	-
Purchase of financial assets at fair value through profit or loss	(30,000)	(157,149)
Proceeds from sale of financial assets at fair value through profit or loss	55,633	146,896
Payment for property, plant and equipment	(8,588)	(7,144)
Proceeds from disposal of property, plant and equipment	120	130
Decrease (increase) in refundable deposits	(247)	26
Purchase of intangible assets	(2,961)	(13,152)
Increase in prepayments for equipment	-	(6,589)

(Continued)

## SYNCMOLD ENTERPRISE CORPORATION

### STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
Interest received	\$ 42,663	\$ 9,425
Dividends received	<u>120,749</u>	<u>179,169</u>
Net cash generated from investing activities	<u>47,829</u>	<u>151,612</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	105,000	555,000
Repayments of long-term borrowings	(4,435)	(4,483)
Decrease in guarantee deposits received	(104)	-
(Decrease) increase in financing payables to related parties	(277,410)	121,875
Repayment of the principal portion of lease liabilities	(3,109)	(11,934)
Dividends paid	(371,172)	(655,738)
Acquisition of additional interests in subsidiaries	<u>(1,293)</u>	<u>-</u>
Net cash (used in) generated from financing activities	<u>(552,523)</u>	<u>4,720</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	120,344	711,503
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,227,685</u>	<u>516,182</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,348,029</u>	<u>\$ 1,227,685</u>

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

(With Deloitte & Touche auditors' report dated March 8, 2024)

(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, 2023 and 2022, 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 material accounting policy information (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, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and 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 Financial Statement Audit and Attestation Engagements of 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, 2023. 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, 2023 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 accounted for 57.59% of total sales revenue in 2023. 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, 2023. 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 obtained an understanding of and assessed the operating effectiveness of the design and implementation of the relevant internal controls.
2. We performed detailed verification tests on the selected samples of sales revenue, checked transaction vouchers, sales returns and discounts of major customers and confirmed 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 reports of other auditors. As of December 31, 2023 and 2022, the amounts of investments accounted for using the equity method were NT\$175,055 thousand and NT\$168,088 thousand, respectively, which accounted for 1.45% and 1.47% of the Group's consolidated total assets, respectively. For the years ended December 31, 2023 and 2022, the share of comprehensive income of associates accounted for using the equity method amounted to NT\$34,327 thousand and NT\$28,160 thousand, respectively, which accounted for 6.39% and 5.03% 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, 2023 and 2022 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, 2023, 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 audits resulting in this independent auditors' report are Chih-Yuan Chen and Yao-Lin Huang.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 8, 2024

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, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

ASSETS	2023		2022	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 3,233,289	27	\$ 3,510,365	31
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	1,164,114	9	704,121	6
Financial assets at amortized cost - current (Notes 4, 8 and 29)	806,238	7	238,110	2
Notes receivable	200,860	2	181,328	2
Trade receivables, net (Notes 4 and 9)	2,381,274	20	1,969,799	17
Inventories (Notes 4 and 10)	734,463	6	907,985	8
Other current assets (Notes 4 and 23)	236,990	2	369,328	3
Total current assets	8,757,228	73	7,881,036	69
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	103,644	1	63,490	1
Financial assets at amortized cost - non-current (Notes 4, 8 and 29)	3,278	-	3,272	-
Investments accounted for using the equity method (Notes 4 and 12)	175,055	1	168,088	1
Property, plant and equipment (Notes 4, 13, 28 and 29)	2,097,860	17	2,181,140	19
Right-of-use assets (Notes 4, 14 and 28)	423,744	4	583,556	5
Intangible assets (Notes 4, 15 and 28)	44,146	-	59,246	1
Goodwill (Notes 4 and 16)	324,597	3	324,597	3
Deferred tax assets (Notes 4 and 23)	63,462	1	107,155	1
Prepayments for equipment	12,213	-	25,317	-
Refundable deposits	31,253	-	43,812	-
Net defined benefit assets (Notes 4 and 20)	7,400	-	6,416	-
Other non-current assets (Note 28)	1,497	-	223	-
Total non-current assets	3,288,149	27	3,566,312	31
<b>TOTAL</b>	<b>\$ 12,045,377</b>	<b>100</b>	<b>\$ 11,447,348</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Notes 4, 17 and 29)	\$ 1,695,585	14	\$ 1,477,363	13
Notes payable and trade payables	1,812,374	15	1,466,764	13
Other payables (Notes 19 and 28)	474,353	4	553,842	5
Current tax liabilities (Notes 4 and 23)	113,759	1	81,428	1
Lease liabilities - current (Notes 4, 14 and 28)	130,202	1	158,482	1
Current portion of long-term borrowing (Notes 4, 17 and 29)	16,499	-	16,476	-
Current portion of bonds payable (Notes 4 and 18)	200,931	2	-	-
Other current liabilities	8,650	-	33,212	-
Total current liabilities	4,452,353	37	3,787,567	33
<b>NON-CURRENT LIABILITIES</b>				
Bonds payable (Notes 18 and 27)	-	-	1,178,724	10
Long-term borrowing (Notes 4, 17 and 29)	188,365	2	177,771	2
Deferred tax liabilities (Notes 4 and 23)	235,583	2	158,517	2
Lease liabilities - non-current (Notes 4, 14 and 28)	109,324	1	238,775	2
Net defined benefit liabilities (Notes 4 and 20)	5,400	-	6,998	-
Guarantee deposits received	565	-	933	-
Other non-current liabilities (Note 20)	18,332	-	16,734	-
Total non-current liabilities	557,569	5	1,778,452	16
Total liabilities	5,009,922	42	5,566,019	49
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION</b>				
Ordinary shares	1,237,258	10	1,237,242	11
Capital collected in advance	170,511	2	-	-
Capital surplus	3,180,597	26	2,361,070	21
Retained earnings				
Legal reserve	1,064,029	9	1,026,386	9
Special reserve	518,796	4	687,191	6
Unappropriated earnings	1,160,008	10	753,104	6
Total retained earnings	2,742,833	23	2,466,681	21
Other equity				
Exchange differences on translating the financial statements of foreign operations	(626,422)	(5)	(514,593)	(5)
Unrealized gain (loss) of financial assets at fair value through other comprehensive income	6,595	-	(4,203)	-
Total other equity	(619,827)	(5)	(518,796)	(5)
Total equity attributable to owners of the Corporation	6,711,372	56	5,546,197	48
<b>NON-CONTROLLING INTERESTS</b>	<b>324,083</b>	<b>2</b>	<b>335,132</b>	<b>3</b>
Total equity	7,035,455	58	5,881,329	51
<b>TOTAL</b>	<b>\$ 12,045,377</b>	<b>100</b>	<b>\$ 11,447,348</b>	<b>100</b>

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

(With Deloitte & Touche auditors' report dated March 8, 2024)

# SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Note 4)	\$ 8,769,537	100	\$ 9,809,443	100
OPERATING COSTS (Notes 4, 10, 22 and 28)	<u>6,831,797</u>	<u>78</u>	<u>8,186,253</u>	<u>83</u>
GROSS PROFIT	<u>1,937,740</u>	<u>22</u>	<u>1,623,190</u>	<u>17</u>
OPERATING EXPENSES (Notes 9, 22 and 28)				
Selling and marketing expenses	282,032	3	298,169	3
General and administrative expenses	687,462	8	797,012	8
Research and development expenses	184,732	2	182,447	2
Expected credit loss	<u>3,142</u>	<u>-</u>	<u>1,760</u>	<u>-</u>
Total operating expenses	<u>1,157,368</u>	<u>13</u>	<u>1,279,388</u>	<u>13</u>
PROFIT FROM OPERATIONS	<u>780,372</u>	<u>9</u>	<u>343,802</u>	<u>4</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Notes 4, 14 and 22)	51,547	-	38,822	-
Other gains and losses (Note 22)	(8,952)	-	(50,958)	-
Interest income	91,523	1	35,184	-
Net foreign exchange gain (Note 30)	57,568	1	270,397	2
Net gain (loss) on financial assets at fair value through profit (Notes 4 and 7)	76,367	1	(551)	-
Share of profit of associates (Notes 4 and 12)	18,301	-	42,401	-
Interest expenses (Note 28)	(56,267)	(1)	(51,773)	-
Impairment loss on investments accounted for using the equity method (Notes 4 and 12)	<u>-</u>	<u>-</u>	<u>(19,835)</u>	<u>-</u>
Total non-operating income and expenses	<u>230,087</u>	<u>2</u>	<u>263,687</u>	<u>2</u>
PROFIT BEFORE INCOME TAX	1,010,459	11	607,489	6
INCOME TAX EXPENSE (Notes 4 and 23)	<u>372,892</u>	<u>4</u>	<u>230,040</u>	<u>2</u>
NET PROFIT FOR THE YEAR	<u>637,567</u>	<u>7</u>	<u>377,449</u>	<u>4</u>

(Continued)

# SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ (467)	-	\$ 6,213	-
Share of other comprehensive income (loss) of subsidiaries accounted for using the equity method	16,067	-	(15,162)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(174)	-	(773)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	<u>(115,735)</u>	<u>(1)</u>	<u>192,039</u>	<u>2</u>
Other comprehensive (loss) income for the year	<u>(100,309)</u>	<u>(1)</u>	<u>182,317</u>	<u>2</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>				
	<u>\$ 537,258</u>	<u>6</u>	<u>\$ 559,766</u>	<u>6</u>
<b>NET PROFIT (LOSS) ATTRIBUTABLE TO:</b>				
Owners of the Corporation	\$ 642,365	7	\$ 371,277	4
Non-controlling interests	<u>(4,798)</u>	<u>-</u>	<u>6,172</u>	<u>-</u>
	<u>\$ 637,567</u>	<u>7</u>	<u>\$ 377,449</u>	<u>4</u>
<b>TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:</b>				
Owners of the Corporation	\$ 546,293	6	\$ 544,822	6
Non-controlling interests	<u>(9,035)</u>	<u>-</u>	<u>14,944</u>	<u>-</u>
	<u>\$ 537,258</u>	<u>6</u>	<u>\$ 559,766</u>	<u>6</u>
<b>EARNINGS PER SHARE (Note 24)</b>				
Basic	<u>\$ 5.12</u>		<u>\$ 3.00</u>	
Diluted	<u>\$ 5.03</u>		<u>\$ 2.67</u>	

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

(With Deloitte & Touche auditors' report dated March 8, 2024)

(Concluded)

**SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of the Corporation (Notes 4, 18, 21 and 25)													
	Capital		Capital Surplus	Retained Earnings				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
	Ordinary Shares	Capital Collected in Advance		Legal Reserve	Special Reserve	Unappropriated Earnings	Total		Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total				
BALANCE AT JANUARY 1, 2022	\$ 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 designated 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	
Appropriation of 2022 earnings														
Legal reserve	-	-	-	37,643	-	(37,643)	-	-	-	-	-	-	-	
Special reserve	-	-	-	-	(168,395)	168,395	-	-	-	-	-	-	-	
Cash dividends distributed by the Corporation	-	-	-	-	-	(371,172)	(371,172)	-	-	-	(371,172)	-	(371,172)	
	-	-	-	37,643	(168,395)	(240,420)	(371,172)	-	-	-	(371,172)	-	(371,172)	
Unclaimed dividends	-	-	15	-	-	-	-	-	-	-	15	-	15	
Net profit (loss) for the year ended December 31, 2023	-	-	-	-	-	642,365	642,365	-	-	-	642,365	(4,798)	637,567	
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	(310)	(310)	(111,829)	16,067	(95,762)	(96,072)	(4,237)	(100,309)	
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	642,055	642,055	(111,829)	16,067	(95,762)	546,293	(9,035)	537,258	
Actual acquisition of interests in subsidiaries	-	-	721	-	-	-	-	-	-	-	721	(2,014)	(1,293)	
Convertible corporate bonds	16	170,511	818,791	-	-	-	-	-	-	-	989,318	-	989,318	
Disposal of investment in equity instrument designated as at fair value through other comprehensive income by associates	-	-	-	-	-	5,269	5,269	-	(5,269)	(5,269)	-	-	-	
BALANCE AT DECEMBER 31, 2023	\$ 1,237,258	\$ 170,511	\$ 3,180,597	\$ 1,064,029	\$ 518,796	\$ 1,160,008	\$ 2,742,833	\$ (626,422)	\$ 6,595	\$ (619,827)	\$ 6,711,372	\$ 324,083	\$ 7,035,455	

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

(With Deloitte & Touche auditors' report dated March 8, 2024)

## SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 1,010,459	\$ 607,489
Adjustments for:		
Depreciation expenses	414,034	476,700
Amortization expenses	22,528	24,725
Expected credit loss	3,142	1,760
Net (gain) loss on financial assets at fair value through profit or loss	(76,367)	551
Interest expenses	56,267	51,773
Interest income	(91,523)	(35,184)
Dividend income	(5,089)	(11,703)
Share of profit of associates	(18,301)	(42,401)
Loss on disposal of property, plant and equipment	13,451	20,181
Loss on disposal of intangible assets	13	29
Impairment loss on investments accounted for using the equity method	-	19,835
Write-downs of inventories	275	25,896
Net (gain) loss on unrealized foreign currency exchange	(21,381)	33,769
Gain on lease modification	(11,789)	(4,164)
Changes in operating assets and liabilities		
Notes receivable	(21,206)	181,012
Trade receivables	(473,296)	1,509,139
Inventories	162,816	379,335
Other current assets	133,478	74,390
Other non-current assets	(1,278)	(39)
Notes payable and trade payables	439,364	(768,039)
Other payables	(60,248)	127,575
Other current liabilities	(40,243)	32,529
Net defined benefit assets and liabilities	(1,031)	(1,983)
Other non-current liabilities	1,454	1,287
Cash generated from operations	1,435,529	2,704,462
Interest paid	(43,822)	(38,645)
Income tax paid	(220,358)	(317,054)
Net cash generated from operating activities	<u>1,171,349</u>	<u>2,348,763</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at amortized cost	(914,141)	(414,425)
Proceeds from sale of financial assets at amortized cost	329,379	530,663
Purchase of financial assets at fair value through profit or loss	(2,675,603)	(1,482,944)
Proceeds from sale of financial assets at fair value through profit or loss	2,236,137	931,815
Payment for property, plant and equipment	(189,562)	(179,041)
Proceeds from disposal of property, plant and equipment	9,429	38,491
Decrease (increase) in refundable deposits	12,069	(1,645)
Payments for intangible assets	(7,926)	(29,925)

(Continued)

## SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES


### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
Increase in prepayments for equipment	\$ (11,569)	\$ (60,381)
Interest received	88,024	31,291
Dividends received	<u>32,449</u>	<u>23,103</u>
Net cash used in investing activities	<u>(1,091,314)</u>	<u>(612,998)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	220,553	581,343
Proceeds from long-term borrowings	27,420	10,000
Repayments of long-term borrowings	(16,435)	(26,483)
Guarantee deposits refunded	(368)	(511)
Repayment of the principal portion of lease liabilities	(153,669)	(207,951)
Dividends paid	(371,172)	(655,738)
Actual acquisition of interest in subsidiaries	<u>(1,293)</u>	<u>-</u>
Net cash used in financing activities	<u>(294,964)</u>	<u>(299,340)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(62,147)</u>	<u>14,403</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(277,076)	1,450,828
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>3,510,365</u>	<u>2,059,537</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 3,233,289</u>	<u>\$ 3,510,365</u>

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

(With Deloitte & Touche auditors' report dated March 8, 2024)

(Concluded)



Syncmold Enterprise Corp.  
2023 Earnings Distribution Statement

Unit: NTD \$

Undistributed Earnings at the Start of the Term:	512,683,725
Less: Re-measurements of Defined Benefit Plan Recognized in Retained Earnings	(310,539)
Add: Disposal of Equity Instruments Measured at Fair Value Through Other Comprehensive Income	<u>5,269,916</u>
Post-adjusted Undistributed Earnings	517,643,102
Current Period Net Profit	642,365,386
Less: Legal Reserve Provided (10%)	( 64,732,477)
Less: Appropriation of special reserve	<u>(101,031,226)</u>
Earnings Available for Distribution of the Current Term	994,244,785
Distributable Items:	
Dividend to shareholders	<u>(578,000,000)</u>
Undistributed Earnings at the End of the Term (carried over to the following year)	<u><u>416,244,785</u></u>

Chairman: Chen, Chiu-Lang



Manager: Chen, Chiu-Lang



Accounting

Manager: Hsu, Shu-Fen





## Syncmold Enterprise Corp.

Table of Amendments to the Rules of Procedure for Shareholders'  
Meetings

After	Before	Rationale
<p>Article 3</p> <p>Unless specified otherwise in laws and regulations, the Company's shareholders' meetings shall be called for by the Board of Directors.</p> <p><u>For the Company to hold a shareholders' meeting by video conference, unless otherwise specified in the Regulations Governing the Administration of Shareholder Services of Public Companies, it shall be specified in the Articles of Incorporation and approved by resolution of the Board of Directors with the consent of more than half of the directors present at a Board meeting attended by two-thirds or more of all directors.</u></p> <p>(The following is omitted.)</p>	<p>Article 3</p> <p>Unless specified otherwise in laws and regulations, the Company's shareholders' meetings shall be called for by the Board of Directors.</p> <p>(The following is omitted.)</p>	<p>As per the content of the amended provisions of announcement No. Tai-Zheng-Zhi-Li No. 1120004167.</p>
<p>Article 6-1</p> <p>When the Company convenes the shareholders' meeting by video conference, the information below shall be stated in the meeting notice:</p> <p>Subparagraphs I and II are omitted.</p> <p>III. When the Company convenes a shareholders' meeting by video conference, it shall state in</p>	<p>Article 6-1</p> <p>When the Company convenes the shareholders' meeting by video conference, the information below shall be stated in the meeting notice:</p> <p>Subparagraphs I and II are omitted.</p> <p>III. When the Company convenes a shareholders' meeting by video conference, it shall state</p>	<p>As per the content of the amended provisions of announcement No. Tai-Zheng-Zhi-Li No. 1120004167.</p>

After	Before	Rationale
<p>the meeting notice that it will provide appropriate alternatives to shareholders who have difficulty attending the shareholders' meeting by video conference. <u>Except for the circumstances under Article 44-9, Paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall provide shareholders with at least connection equipment and necessary assistance and state the period during which shareholders may apply to the Company for such equipment or assistance and other relevant matters to be noted.</u></p>	<p>in the meeting notice that it will provide appropriate alternatives to shareholders who have difficulty attending the shareholders' meeting by video conference.</p>	
<p>Article 22</p> <p>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. <u>Except for the circumstances under Article 44-9, Paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall provide shareholders with at least connection equipment and necessary assistance and state the period during which shareholders may apply to the Company for such equipment or assistance and other relevant matters to be noted.</u></p>	<p>Article 22</p> <p>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.</p>	<p>As per the content of the amended provisions of announcement No. Tai-Zheng-Zhi-Li No. 1120004167.</p>

## Syncmold Enterprise Corp. Shareholding Status of Directors

- I. The paid-in capital of the Company totals NT\$1,430,537,460, with 143,053,746 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 8,583,224.
- II. The number of shares held by each of the directors shown in the shareholder roster as of the book closure date (April 23, 2024) 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 16, 2023	8,708,211	6.09%
Director	Chuang, Shu-Yen	June 16, 2023	1,918,684	1.34%
Director	Representative of Fu Yan Investment Corporation: Chen, Chien-Yuan	June 16, 2023	5,200,139	3.64%
Independent Director	Tsai, Yong-Lu	June 16, 2023	0	0.00%
Independent Director	Tsai, Shi-Kuang	June 16, 2023	0	0.00%
Independent Director	Yen, Ta-He	June 16, 2023	0	0.00%
Independent Director	Chiu, Hui-Qin	June 16, 2023	0	0.00%
Subtotal of Shares Held by Directors			15,827,034	11.07%

**Syncmold Enterprise Corp.**  
**Rules of Procedure for Shareholders' Meetings (Before  
Amendment)**

- 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

The Company shall specify in the meeting notice the time and place for acceptance of the registration from the shareholders, solicitors and proxies (hereinafter referred to as "shareholders") and other matters to be noted.

The time when shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders' meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders' meeting in person.

Shareholders shall attend the shareholders meeting with the attendance card, sign-in card or other attendance documents. The Company shall not arbitrarily add requirements for other supporting documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting the proxy letters shall also bring identification documents for verification.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

Shareholders who attend the meeting shall be given by the Company

a copy of the meeting manual, annual report, attendance pass, opinion slip, agenda ballots and any information relevant to the meeting. Additional ballots shall be prepared if director election is also being held during the meeting.

When the shareholder is the government or a legal entity, there may be more than one representative attending the shareholders' meeting. When a legal entity is authorized to attend a shareholder's meeting, only one person may attend the meeting.

Where a shareholders' meeting is convened by means of visual communication network and any shareholder intends to attend the virtual shareholders' meeting, the shareholder shall register with the Company within 2 days prior to the shareholders' meeting.

In the event of a virtual shareholders' meeting, the Company shall upload the meeting handbook, annual report and other related information to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

Article 6-1

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.

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.**  
**Sustainable Development Best Practice Principles (before  
amendment)**

Article 1            In order to fulfill the corporate social responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development, these Principles are hereby formulated in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies to manage its economic, environmental and social risks and impact.

Article 2            These Principles apply to the overall operating activities of the Company and the companies under the group.

The Company shall actively promote sustainable development in the course of the business operations so as to follow international development trends and to contribute to the country's economic development, improve the quality of life of employees, the community and society as a corporate citizen, thereby enhancing its competitive edges built on sustainable development.

Article 3            In promoting sustainable development, the Company shall, in its corporate management guidelines and business operations, give due consideration to stakeholders' rights and interests, while pursuing sustainable operations and profits, also give due consideration to the environment, society, and corporate governance.

The Company shall, in accordance with the materiality principle, conduct risk assessments of environmental, social, and corporate governance issues pertaining to corporate operations and establish the relevant risk management policy or strategy.

Article 4            To promote sustainable development, the Company is advised to follow the principles below:

- I.Exercise corporate governance
- II.Foster a sustainable environment
- III.Maintain social charity
- IV.Enhance the disclosure of information about sustainable development.

Article 5            The Company shall take into consideration the correlation between the domestic and international development trend of sustainability issues and corporate core business operations, and the effect of the operation of individual companies and of their respective business group as a whole on stakeholders, in establishing their sustainable development policies, systems, or relevant management guidelines, and specific implementation plans, which shall be approved by the Board of Directors

and then reported to the shareholders' meeting.

When a shareholder proposes a motion involving sustainable development, the Company's Board of Directors is advised to review and consider including it in the shareholders' meeting agenda.

Article 6 The Company's directors shall exercise the due care of good administrators to urge sustainable development, examine the results of the implementation thereof from time to time, and continually make adjustments so as to ensure the thorough implementation of its sustainable development policies.

I. Making sustainable development the guiding principle of the Company's operations and development.

II. Identifying the sustainable development mission (or vision or value) and formulating its sustainable development policy and statement.

III. Ensuring the disclosure of sustainable development information.

Article 7 For the purpose of managing sustainable development initiatives, the Company is advised to establish an exclusively (or concurrently) dedicated unit for promotion of corporate social responsibility, which is responsible for proposing and enforcing the sustainable development policies or systems and reporting on the same to the Board of Directors on a regular basis.

Article 8 The Company shall, based on respect for stakeholders' rights and interests, identify the Company's stakeholders; understand stakeholders' reasonable expectations and demands through proper communication with them, and adequately respond to the important sustainable development issues about which they are concerned.

Article 9 The Company shall establish an effective corporate governance structure and relevant ethical standards and guidelines in compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies, to enhance corporate governance.

Article 10 The Company engaging in business activities shall comply with relevant regulations and duly implement the matters below to create a level playing field:

I. Avoid engaging in unfair competition activities.

II. Fulfill tax obligations.

III. Prevent bribery and corruption and establish an appropriate management system.

IV. Comply with internal operating procedures for corporate donations.

Article 11 The Company shall regularly hold corporate ethics education and training for directors and employees and raise their awareness of the above matters and link them with the employee performance evaluation system to establish a well-defined

and effective reward and punishment system.

Article 12 The Company shall comply with relevant environmental laws and regulations and relevant international standards, properly protect the natural environment, and commit to the goal of environmental sustainability when engaging in business activities.

Article 13 The Company shall endeavor to improve energy use efficiency and use renewable materials with a low impact on the environment to improve sustainability of natural resources.

Article 14 Establish an appropriate environmental management system; the Company's environmental management system shall include the following items:

I. Collecting sufficient and up-to-date information to evaluate the impact of the Company's business operations on the natural environment.

II. Establishing measurable goals for environmental sustainability and examining whether such goals should be maintained and whether they are still relevant on a regular basis.

III. Regularly reviewing progress toward environmental sustainability goals or objectives.

Article 15 The Company shall establish a dedicated unit or appoint dedicated personnel to maintain relevant environment management systems and offer environment education courses for their managerial officers and other employees on a regular basis.

Article 16 The Company shall take into account the effect of business operations on ecology, promote and advocate the concept of sustainable consumption, and conduct research and development, production, and services in accordance with the following principles to reduce the impact of its business operations on the natural environment.

I. Reduce resource and energy consumption of products and services.

II. Reduce emission of pollutants, toxins, and waste, and dispose of waste properly.

III. Improve recyclability and reusability of raw materials or products.

IV. Maximize the sustainability of renewable resources.

V. Enhance the durability of products.

VI. Improve efficiency of products and services.

Article 17 To improve water use efficiency, the Company shall properly and sustainably use water resources and formulate relevant management measures.

The Company shall avoid polluting water, air, and land, during its operations; if unavoidable, it shall do its best to alleviate adverse effects on human health and the environment while taking into account the cost-effectiveness and technical and financial feasibility by adopting the best practical pollution prevention and control

measures.

Article 18           The Company shall pay attention to the impact of climate change on operating activities and formulate its energy conservation and carbon reduction and greenhouse gas reduction strategies as per the operating conditions and the greenhouse gas inventory results, while including the acquisition of carbon credit into the its carbon reduction strategy and planning and implement it accordingly, to reduce the impact of its operations on the natural environment.

Article 19           The Company shall comply with relevant labor laws and regulations, protect employees' legitimate rights and interests, respect internationally recognized basic labor rights and principles, including freedom of association, collective bargaining right, care for vulnerable groups, prohibition of child labor, elimination of all forms of forced labor, and elimination of employment discrimination, and shall not engage in any acts that will undermine workers' fundamental rights .

Human resource policies shall be based on the principle of respect for and protection of workers' human rights, and the Company shall establish appropriate management methods and procedures.

The Company shall confirm that its employment policy does not discriminate against employees in terms of gender, race, age, marital status, and family background to duly achieve equality in remuneration, employment conditions, training and, promotion opportunities.

Article 20           The Company shall provide information to its employees so that they have knowledge of the labor laws and the rights they enjoy in the country where its business operations are located.

Article 21           The Company shall provide safe and healthful work environments to employees, including necessary health and first-aid facilities and shall endeavor to reduce hazards to employees' safety and health and prevent occupational accidents.

The Company shall offer training on safety and health for employees on a regular basis.

Article 22           The Company shall create an environment conducive to employees' career development and establish effective training programs to enhance their career skills.

Article 23           The Company shall establish a regular communication channel with employees for them to access relevant information and express their opinions on the Company's operations, management, and decisions.

The Company shall respect the employee representatives' rights to bargain for working conditions and shall provide employees with necessary information and hardware equipment, to improve the negotiation and collaboration among employer, employees, and employees' representatives.

The Company shall, by reasonable means, inform employees of operational changes with potential material impacts.

Article 24 The Company shall take responsibility for its products and take marketing ethics seriously, while establishing and disclosing policies on consumer rights and interests and enforcing them in the course of business operations.

Article 25 The Company shall ensure the quality of its products and services by complying with the government's laws and regulations and relevant standards in the industry.

The Company shall also follow the government's laws and regulations and international guidelines with regard to marketing and advertising of its products and services and shall not deceive, mislead, commit fraud, or engage in any other acts which would betray consumers' trust or damage their rights or interests.

Article 26 The Company shall provide a transparent and effective procedure for accepting consumer complaints to fairly and timely handle such complaints and comply with relevant laws and regulations to respect consumers' right to privacy and protect personal data provided by them.

Article 27 The Company shall assess the impact of its procurement on society as well as the environment of the community from which the procurement source is, and shall work with its suppliers to jointly promote sustainable development.

Article 27-1 The Company shall assess the impact of its procurement on society as well as the environment of the community from which the procurement source is, and shall work with its suppliers to jointly promote sustainable development.

Article 28 The Company shall evaluate and manage the impact posed by the Company's business to communities and employ adequate human resource to improve the communities' recognition toward it. The Company may, through commercial activities, donations of supplies, volunteering service, or other charitable professional services, participate in relevant activities held by civic organizations which are dedicated to community development and community education, charity organizations and local government agencies' relevant activities, to promote community development.

Article 29 The Company shall disclose information according to relevant laws, regulations, and the Corporate Governance Best Practice Principles for TWSE/GTSM listed Companies and shall fully disclose relevant and reliable information relating to sustainable development to improve information transparency.

Information relating to sustainable development disclosed by the Company shall include:

I.The governance mechanism, strategy, policy, or relevant management guidelines on sustainable development, as resolved by the Board of Directors.

II.The risks of and the impact on the corporate operations and financial position arising from the implementation of corporate governance, development of

a sustainable environment, and maintenance of social charity.

III.Goals and measures for fulfilling sustainable development established by the Company.

IV.Performance of sustainable development implementation.

V.Other information relating to sustainable development.

Article 30

It is advisable to compile a sustainable development report to disclose the status of promotion of sustainable development. The report is advised to include the following:

I.The framework, policy, and action plans for implementing sustainable development.

II.Major stakeholders and their concerns.

III.Results and a review of the implementation of corporate governance, development of a sustainable environment, and maintenance of social charity.

IV.Future improvements and goals.

Article 31

The Company shall at all times monitor the development of domestic and international sustainable development systems and the change in the business environment so as to examine and improve its established\_sustainable development system and obtain better results from the promotion of sustainable development.