

Stock Code: 1582



Syncmold Enterprise Corp.

Syncmold Enterprise Corp.

2022 General Shareholders' Meeting Handbook

June 10, 2022

Venue: No. 4, Alley 26, Jian-an Street, Xinzhuang District, New Taipei City (Xinzhuang Hougang Community Center)

Form of Shareholders' Meeting: Physical

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Syncmold Enterprise Corp.
2022 General Shareholders' Meeting

Time and Date: 9:00 a.m. on June 10, 2022 (Friday)

Venue: No. 4, Alley 26, Jian-an Street, Xinzhuang District, New Taipei City (Xinzhuang Hougang Community Center)

Agenda:

- I. Call the Meeting to Order
- II. Chairperson Remarks
- III. Report Items
 - (I) 2021 Business Overview
 - (II) Audit Committee's Review Report on the 2021 Financial Statements
 - (III) Report on Investments in China
 - (IV) Report on the issuance of the third domestic unsecured convertible corporate bonds and subsequent implementation
 - (V) Report on Lending of Funds to Others
 - (VI) Report on Endorsements and Guarantees
 - (VII) Report on the Distribution of 2021 Remuneration to Employees and Directors and Supervisors
 - (VIII) Report on amendment to the Corporate Social Responsibility Best Practice Principles
- IV. Proposals
 - (I) 2021 financial statements
 - (II) 2021 earnings distribution statement
- V. Discussions
 - (I) Approve of the cash distribution from capital surplus
 - (II) Amendments to the Articles of Incorporation
 - (III) Amendments to the Procedures for Asset Acquisition and Disposal
 - (IV) Amendments to the Rules of Procedure for Shareholders' Meetings
- VI. Questions and Motions
- VII. Adjournment

Report Items

Proposal 1

2021 Business Overview is submitted for review and approval.

Description: Refer to Attachment I (pages 6 to 7).

Proposal 2

Audit Committee's Review Report on the 2021 Financial Statements is submitted for review and approval.

Description: Refer to Attachment 2 (Page 8).

Proposal 3

Cause: Report on investments in China for review and approval.

Description: Refer to Attachment 3 (Pages 9 through 10).

Proposal 4

Report on the issuance of the third domestic unsecured convertible corporate bonds and subsequent implementation is submitted for review.

Description: Refer to Attachment IV. (Pages 11).

Proposal 5

Report on lending of funds to others is submitted for review and approval.

Description: Refer to Attachment V (page 12).

Proposal 6

Report on endorsements and guarantees is submitted for review and approval.

Description: Refer to Attachment VI (page 15).

Proposal 7

Report on the Distribution of 2021 Remuneration to Employees and Directors and Supervisors is submitted for review and approval.

Description: Refer to Attachment VII (page 16).

Proposal 8

Report on amendment to the Corporate Social Responsibility Best Practice Principles.

Description: Refer to Attachment VIII (pages 17 to 20).

Ratifications

Proposal 1

2021 financial statements are submitted for ratification (proposed by the Board of Directors)

Description:

- I. The Company's 2021 Financial Statements and Consolidated Financial Statements were completely audited by CPA Chen, Chih-Yuan and CPA Huang, Yao-Lin of Deloitte Taiwan, by whom this Audit Report with unqualified opinion plus paragraphs on other matters was issued.
- II. For the Company's 2021 Business Report, Financial Statements, and Consolidated Financial Statements, refer to Attachment I (pages 6 to 7), Attachment IX (pages 21 to 32), and Attachment X (pages 33 to 42).
- III. They are brought forth for your ratification.

Resolution:

Proposal 2

The 2021 earnings distribution statement is submitted for ratification (proposed by the Board of Directors)

Description:

- I. The 2021 earnings distribution statement is prepared in compliance with Article 20 of the Company's Articles of Incorporation.
- II. The Company's undistributed earnings in the prior year was NTD 448,803,117. The re-measurement of the defined benefit plan and the disposal of equity instruments at fair value through other comprehensive income were recognized in retained earnings in the amounts of NTD 1,870,834 and NTD 1,124,443, respectively. Changes in the net equity value of affiliated companies recognized using the equity method reduced in retained earnings are in the amounts of NTD 2,641,286, and the undistributed earnings after adjustment are NTD 449,157,108. The after-tax net profit of the Company in 2020 was NTD 251,754,721. The legal reserve and special reserve, worth NTD 25,210,872 and NTD 51,575,890, were set aside. The combined earnings that may be distributed came to NTD 624,125,067. It is intended that cash dividends worth NTD 2 per share will be issued; that is, NTD 247,448,342 in total. After the above distribution, remaining earnings yet to be distributed at the end of 2021 totaled NTD 376,676,725. For the earnings distribution statement, refer to Attachment XI (Page 43).
- 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 (chopping off thereafter). The sum of odd lots was included as part of other income of the Company. Once it is approved by the 2022 general shareholders' meeting, the Chairman will be authorized to set the dividend payout record date, the payout date, and arrange other related matters separately.
- 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, it is at the discretion of the Chairman as authorized.
- V. They are brought forth for your ratification.

Resolution:

Discussions

Proposal 1

Approve of the cash distribution from capital surplus (proposed by the Board of Directors)

Description:

- I. As per Article 241 of the Company Act, "Where a company incurs no loss, it may distribute its legal reserve and the following capital surplus, in whole or in part, by issuing new shares which shall be distributable as dividend shares to its original shareholders in proportion to the number of shares being held by each of them or by cash," the Company proposes to distribute cash from the capital surplus, from which ordinary shares are issued at a premium, in the amount of NTD 408,289,764, or NT\$3.3 per share.
- II. However, before the record date of payout of cash from capital surplus, if the number of outstanding shares is affected due to capital increase or other reasons, it is proposed to request the shareholders' meeting to authorize the Chairman to adjust the amount allotted to shareholders per share as per the shareholdings recorded in the shareholder register on said record date. The cash paid out to each shareholder shall be rounded down to NT\$1, and the total amount below NT\$1 shall be recognized in the Company's other income.
- III. After this proposal is approved by the general shareholders' meeting, the Chairman as authorized by the Board of Directors shall set the record date for the payout of cash from the capital surplus.
- IV. It is brought forth for discussion.

Resolution:

Proposal 2

Amendments to the Company's Articles of Incorporation (proposed by the Board of Directors)

Description:

- I. As per Article 172-2 of the Company Act, "A company may explicitly provide for in its Articles of Incorporation that its shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority," it is proposed to amend some provisions of the Company's Articles of Incorporation.
- II. Refer to Attachment XII for the Table of Amendments to the Articles of Incorporation (page 44).
- III. It is brought forth for discussion.

Resolution:

Proposal 3

Amendments to the Procedures for Asset Acquisition and Disposal (proposed by the Board of Directors)

Description:

- I. It is proposed to amend some of the provisions of the Company's Procedures for Asset Acquisition and Disposal in response to the amendment to the law.
- II. Refer to Attachment XIII (pages 45 to 47) for the Table of Amendments to the Procedures for Asset Acquisition and Disposal.
- III. It is brought forth for discussion.

Resolution:

Proposal 4

Amendments to the Rules of Procedure for Shareholders' Meetings

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 XIV (page 48 to 65) 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. 2021 Business Report

We hereby report the Company's 2021 operational performance as follows:

The global pandemic in 2021 was far from over as various variants continued to rage. The global supply chain was affected by the pandemic and port congestion, resulting in increased freight and raw material costs. The Company's factory encountered a fire incident and an adjustment to production capacity in the beginning of 2021 and then faced the decreased product profit margin due to rising raw material costs and the exchange rate factor; as such, the Company's 2021 gross margin and profit decreased compared with 2020. Fortunately, we adjusted our business strategy in a timely manner and re-optimized our product lines to improve production efficiency and strive for stable profits.

Looking ahead to 2022, during the post-pandemic period, with the vaccination rate increasing significantly and the significantly decreasing demand for remote work and learning, the demand for monitors, such as LCD monitors will shrink. As per the latest survey by TrendForce, the global LCD monitor shipments in 2021 were 1.459 million units, and it is estimated that the shipments in 2022 will be around 1.442 million units, a 1.2% decrease on a year-on-year basis. In addition, although the overall LCD monitor shipments are gradually decreasing, there is still room for growth in demand for LCD monitor dedicated to e-sports. It is estimated that 27.6 million units will be shipped out in 2022, an annual growth rate of 22%; and the market demand for curved gaming monitors is still increasing, with an estimated 17.7 million units shipped out in 2022, an annual growth rate of 25%. Looking at the above two trends, the Company still has high expectations for the market demand for monitors and AIO.

I. Operating results for 2021:

1. Business plan and implementation results

The Company rendered a consolidated operating income of 2021 worth NTD 10,194,799 thousand, a growth of 5.5% from the consolidated operating income in 2020, which was NTD 9,663,341 thousand. The sales gross profit of 2021 was 15.71%, a decrease of 10.58% from 26.29% in 2020. The Company's earnings per share of 2021 were NTD 2.03.

2. Budget execution: The Company did not disclose its financial forecast for 2022, so it is not applicable.

3. Financial revenue and expenditure and profitability:

Unit: NT\$ thousand; %

Analysis item		2021	2020	
Revenue and expenditure	Interest income	26,245	35,901	
	Interest expenditure	40,963	27,342	
Profitability	Return on assets (%)	2.26	9.11	
	Return on equity (%)	0.67	16.30	
	As a percentage of paid-in capital (%)	Operating income	31.86	123.80
		Net income before tax	31.09	121.04
	Net profit ratio (%)	2.36	10.09	
	Earnings per share (weighted average)	2.03	7.81	

4. Research and development:

The Company continued to increase its expenditure on research and development and constantly expanded its development of new technologies in 2021, with more than 140 invention and utility model patents acquired. Most of them had to do with the sockets of LCD monitors, which clearly shows the leading position of the Company in monitor bearings and sockets. The Company's research and development are focused primarily on LCD monitor sockets, e-sports

monitor sockets, AIO sockets, and TV sockets.

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

II. Outline of the 2022 business plan:

1. Business policy

- (1) Maximize the utilization of automated production equipment for enhanced production efficiency and quality of products.
- (2) Increase the R&D manpower throughout the Group for expanding the growth momentum in the future.
- (3) Strengthen the risk management mechanism and coping strategies.
- (4) Continue to integrate the Group's resources to improve operational efficiency and optimize cost structure.

2. Future development strategy

In terms of socket products, although the market demand for LCD monitors may be shrinking, we are still optimistic about the growth trend of sockets for gaming monitors, so we will continue to develop patented technology for monitor sockets for various high-end gaming models.

Looking ahead, we will improve operational efficiency by integrating the group's resources, and this will not only create benefits from the vertically integrated production process but also generate synergy from horizontally expanded marketing business and product applications. Furthermore, the Company will continue to develop new products to extend the group's bearing products from monitors to applications for various electronic products, 5G-related parts, fitness equipment, electric vehicles, and other potential markets to maintain our revenue growth momentum.



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 2021 Business Report, Financial Statements, Consolidated Financial Statement, and Proposal on Distribution of Earnings. The Financial Statements, in particular, were completely audited by Chen, Chih-Yuan and CPA Huang, Yao-Lin of Deloitte Taiwan and 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

2021 General Shareholders' Meeting of Syncmold Enterprise Corp.

Convener of Audit Committee: Tsai, Yong-Lu



March 15, 2022

Syncmold Enterprise Corp. and Its Subsidiaries
Information on Investments in China
For the Year Ended on December 31, 2021

Unit: In NTD thousands, unless stated otherwise

Investee	Principal business	Paid-in capital	Investment method	Cumulative investment remitted from Taiwan, beginning of the year	Investment amount remitted from Taiwan or recovered in the year		Cumulative investment remitted from Taiwan, end of the year	Net profit or loss on investee	The Company's shareholding in direct or indirect investment	Investment income or loss recognized (Note)	Book value of investments at the end of the year	Cumulative repatriation of investment income as of the end of the year
					Outward	Inward						
Fuzhou Fulfil Tech Co., Ltd.	Processing, manufacturing, trading, and relevant import and export of electronic parts	\$ 42,074	Investment in the company in mainland China through Syncmold Enterprise (Samoa) Corp. in a third region.	\$ 57,657 (US\$2,083,000)	\$ -	\$ -	\$ 57,657 (US\$2,083,000)	\$ 104,105	100%	\$ 104,105	\$ 859,879	\$ 2,188,492 (US\$79,064,000)
Fujian Khuan Hua Precise Mold Co., Ltd.	Processing, manufacturing, trading, and relevant import and export of various metal molds, plastic molds, and injection-molded plastics.	107,732	Investment in the company in mainland China through Syncmold Enterprise (Samoa) Corp. in a third region.	37,534 (US\$1,356,000)	-	-	37,534 (US\$1,356,000)	(34,523)	100%	(34,523)	278,022	-
Fuqing Fuqun Electronic Hardware Tech Co., Ltd.	Processing, manufacturing, trading, and relevant import and export of electronic parts	57,415	Investment in the company in mainland China through Syncmold Enterprise (Samoa) Corp. in a third region.	-	-	-	-	3,858	100%	3,858	160,390	107,897 (US\$3,898,000)
Dong Guan Khuan Huang Precision Mold Plastic Co., Ltd.	Processing, manufacturing, trading, and relevant import and export of various metal molds, plastic molds, and injection-molded plastics.	121,737	Investment in the company in mainland China through Forever Way Development Limited in a third region.	-	-	-	-	7,807	100%	7,807	258,683	-
Suzhou Fuhongqi Electronics Co. Ltd.	Processing, manufacturing, trading, and relevant import and export of electronic parts	17,967	Investment in the company in mainland China through Ka Fook International Trading Company in a third region.	-	-	-	-	(75,797)	100%	(75,797)	1,332,217	1,179,998 (US\$42,630,000)
Zhongshan Fulfil Tech Co., Ltd.	Processing, manufacturing, trading, and relevant import and export of electronic parts	148,163	Investment in the company in mainland China through Forking Development Limited in a third region.	-	-	-	-	156,540	100%	156,540	914,832	1,441,104 (US\$52,063,000)
Kunshan Fulfil Tech Co., Ltd.	Processing, manufacturing, trading, and relevant import and export of electronic parts and injection-molded plastics.	227,517	Investment in the company in mainland China through YMH International Co., Ltd. in a third region.	166,080 (US\$6,000,000)	-	-	166,080 (US\$6,000,000)	(26,891)	100%	(26,891)	283,363	-
Chongqing Fulfil Tech Co., Ltd.	Processing, manufacturing, and relevant import and export of various electronic plastic hardware and other parts	135,256	Investment in the company in mainland China through Chemical Swan Co., Ltd. in a third region.	-	-	-	-	(58,277)	100%	(58,277)	188,529	501,672 (US\$18,124,000)
Gatetech (Suzhou) Technology Co., Ltd.	Manufacturing, processing, and trading of aluminum-magnesium alloy die castings	672,624	Investment in the company in mainland China through Gatech International in a third region.	672,624 (US\$24,300,000)	-	-	672,624 (US\$24,300,000)	(23,071)	73.82%	(16,941)	606,138	-
Suzhou Leoho Electronics Co. Ltd.	Manufacturing of precision hardware components	200,676	Investment in the company in mainland China through Lucky King Holdings Ltd. in a third region.	123,951 (US\$4,478,000)	-	-	123,951 (US\$4,478,000)	(15,358)	70%	(10,751)	310,412	-

Cumulative outward remittances for investment in mainland China as of the end of the year	Investment amount approved by Investment Commission, MOEA	Limit on investment amount stipulated by Investment Commission, MOEA
\$1,264,284 (US\$45,675,000)	\$2,143,622 (US\$77,443,000)	\$ 3,586,363

Note 1: It is calculated based on the investees' financial statements audited by CPAs during the same period and the Company's shareholdings.

Note 2: The investment income or loss on the investees and the net equity value between the investments using the equity method and the investees have been fully eliminated when the consolidated financial statements were prepared.

The reasons, amount, and relevant matters of Syncmold Enterprise Corp.'s issuance of third domestic convertible corporate bonds are as follows:

I. Reason and amount for the issuance of the third domestic convertible corporate bonds

To repay bank loans and invest in subsidiaries, the Company was approved by the Financial Supervisory Commission, referenced Letter Jin-Guan-Zheng-Fa No. 1100345849 dated June 10, 2021 to issue the third domestic unsecured convertible corporate bonds in 2021, for the total denomination of NTD 1,200,000,000, and the amount raised was NTD 1,342,452,000.

II. Rules of the issuance and conversion of the third domestic convertible corporate bonds

1. Amount of issuance: The total denomination of the issuance is NTD 1,200,000,000
2. Issuance (validity) period: September 9, 2021–September 9, 2024.
3. Face value: NT\$100,000.
4. Issue price: It was issued at a price, 111.87% of the face value, and the amount raised was NTD 1,342,452,350.
5. Coupon rate: The annual rate of interest is 0%.
6. Redemption method: The issuance period is three years; except for bondholders who convert such bonds into the Company's ordinary shares in accordance with Article 10 of the Company's issuance and conversion regulations or the Company that redeems them in advance, or securities firms that repurchases and cancels them, the Company will redeem the bonds held by the bondholders in cash in one lump sum at the face value of the bonds within 10 business days after the maturity date of the bonds.
7. Principal and interest repayment and corporate bond transfer agency: Transfer Agency, CTBC Bank Co., Ltd.
8. Trustee: Trust Department, Taipei Fubon Commercial Bank Co., Ltd.
9. Conversion: The creditors may convert the bonds into ordinary shares newly issued by Syncmold.
10. Conversion rules:
 - (1) Except for early redemption, cancellation, and the book closure period as stipulated by law, bondholders may, from the day following the last day of the three-month period after the issuance of this convertible corporate bond (December 10, 2021) through the expiration date (September 9, 2024), may request Taiwan Depository & Clearing Corporation to the Company's stock affairs agency through the original broker, to convert their convertible corporate bonds into the Company's ordinary shares at any time in accordance with the Company's convertible corporate bond issuance and conversion regulations.
 - (2) If a conversion is requested in accordance with the preceding paragraph, the calculation basis for the number of shares that can be converted into ordinary shares is the principal of the bonds divided by the conversion price at the time of the request for conversion. In the event of less than one share, the Company will pay in cash (rounded to NTD 1).
 - (3) Conversion price and adjustment thereto:
 - ① Conversion price upon issuance: NTD 66.8.
 - ② Conversion price adjustment:
The conversion price after the issuance of the bonds will be adjusted in the case of any events below:
 - a. In the event of an increase in the Company's outstanding (including privately placed) ordinary shares (including but not limited to cash capital increase, recapitalization of earnings, recapitalization of capital surplus, merger or issuance of new shares for transfer of shares from another company, stock splits, or cash increase capital for participation in the issuance of depository receipts).
 - b. In the event of cash dividends on ordinary shares issued by the Company.
 - c. In the event of the Company's re-issuance of (including secondary private placement of) various securities with conversion rights or options for ordinary shares at a conversion or subscription price lower than the current price per share.
 - d. In the event that the Company's ordinary shares decrease due to capital reduction other than the cancellation of treasury shares.

III. Other matters related to the third domestic convertible corporate bonds

1. Fund utilization plan and scheduled progress:

Unit: NTD thousand; USD thousand

Item	Scheduled completion date	Total funds required (Note 1)	Scheduled fund utilization progress	
			2021 Q3	2022 Q1
Repayment of bank loans	2021 Q3	835,350	835,350	—
Investment in subsidiaries	2022 Q1	428,025 (USD 15,000)	285,350 (USD 10,000)	142,675 (USD 5,000)
Total		1,263,375	1,120,700	142,675

Note 1: Calculated at the exchange rate of 28.535 NTD to 1 USD.

Note 2: The third domestic unsecured convertible corporate bonds issued were publicly underwritten through bidding and auction. The amount raised was NTD 1,342,452,000, an increase of NTD 79,077,000 from the total required fund of NTD 1,263,375,000. The increased fund will be used to repay bank loans in Q3 of 2021.

2. Estimated potential benefits:

(1) Repayment of bank loans

In this fund-raising plan, it is estimated that NTD 835,350,000 will be used to repay bank loans, which is expected to reduce the interest on bank loans. As per the loan amount to be repaid and interest rate, it is estimated that an interest expense of about NTD 2,464,000 will be saved in 2021, and an amount of NTD 5,914,000 will be saved per year thereafter, which will moderately reduce the Company's financial burden, reduce our dependence on financial institutions, improve and enhance our financial structure, and increase our short-term solvency, thereby facilitating the Company's overall operations and development.

(2) Investment in subsidiaries

To meet the needs of subsidiary Syncmold Enterprise Vietnam for the construction of a plant and the subsequent electromechanical engineering construction, plant renovation, capital expenditure for equipment, and operating working capital, it is planned to increase capital in the third quarter of 2021 and the first quarter of 2022 in the amounts of US\$10,000,000 and US\$5,000,000, respectively, with the aim of building the main production sites in Southeast Asia with Syncmold Enterprise Vietnam at the center as the second production site outside China, to cope with the China-US trade disputes. Vietnam can also enable us to obtain more international orders through the multiple tariff and trade agreements between Vietnam and Southeast Asian countries and other countries around the world. The Company estimates that the investment income of Syncmold Enterprise Vietnam from 2021–2026 is NT\$748,338,000, and the estimated period for return is about 6.89 years.

3. The main impact on shareholders' equity:

The domestic convertible corporate bonds issued at this time are all converted into ordinary shares at the conversion price after issuance, and the maximum dilution ratio for the original shareholder's equity is 12.68%. However, the conversion price of the domestic convertible corporate bonds at this time is 102% of the reference price, that is convertible corporate bond holders subscribed for the shares issued by Syncmold for capital increase at a price higher than the market price.

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
0	Syncmold Enterprise Corporation	Syncmold Enterprise (Samoa) Corp.	Other receivables from related parties	Yes	\$ 100,000	\$ 100,000	\$ -	-	Short-term financing	\$ -	Operating capital	\$ -	-	-	\$1,131,417 (20% of the net worth of the Corporation)	\$2,262,834 (40% of the net worth of the Corporation)
		Grand Advance Inc.	Other receivables from related parties	Yes	100,000	100,000	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,131,417 (20% of the net worth of the Corporation)	\$2,262,834 (40% of the net worth of the Corporation)
		Syncmold Enterprise Vietnam Co., Ltd.	Other receivables from related parties	Yes	250,000	100,000	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,131,417 (20% of the net worth of the Corporation)	\$2,262,834 (40% of the net worth of the Corporation)
		Gatetech Technology Inc.	Other receivables from related parties	Yes	200,000	100,000	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,131,417 (20% of the net worth of the Corporation)	\$2,262,834 (40% of the net worth of the Corporation)
		Leohab Enterprise Co., Ltd.	Other receivables from related parties	Yes	300,000	100,000	-	1.55	Short-term financing	-	Operating capital	-	-	-	\$1,131,417 (20% of the net worth of the Corporation)	\$2,262,834 (40% of the net worth of the Corporation)
1	Syncmold Enterprise (Samoa) Corp.	Fujian Khuan Hua Precise Mold Co., Ltd.	Other receivables from related parties	Yes	55,360	55,360	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,131,417 (20% of the net worth of the Corporation)	\$2,828,542 (50% of the net worth of the Corporation)
		Forever Business Development Limited	Other receivables from related parties	Yes	83,040	-	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,131,417 (20% of the net worth of the Corporation)	\$2,828,542 (50% of the net worth of the Corporation)
		Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Other receivables from related parties	Yes	83,040	55,360	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,131,417 (20% of the net worth of the Corporation)	\$2,828,542 (50% of the net worth of the Corporation)
		Syncmold Enterprise Corporation	Other receivables from related parties	Yes	207,600	152,240	41,520	0.00	Short-term financing	-	Operating capital	-	-	-	\$1,131,417 (20% of the net worth of the Corporation)	\$2,828,542 (50% of the net worth of the Corporation)
2	Grand Advance Inc.	Kunshan Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	83,040	55,360	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,131,417 (20% of the net worth of the Corporation)	\$2,828,542 (50% of the net worth of the Corporation)
		Syncmold Enterprise (Samoa) Corp.	Other receivables from related parties	Yes	83,040	55,360	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,131,417 (20% of the net worth of the Corporation)	\$2,828,542 (50% of the net worth of the Corporation)

(Continued)

(Continued from previous page)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
		Full Big Limited	Other receivables from related parties	Yes	\$ 83,040	\$ -	\$ -	-	Short-term financing	\$ -	Operating capital	\$ -	-	-	\$1,131,417 (20% of the net worth of the Corporation)	\$2,828,542 (50% of the net worth of the Corporation)
		Zhongshan Fulfil Tech. Co., Ltd.	Other receivables from related parties	Yes	83,040	-	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,131,417 (20% of the net worth of the Corporation)	\$2,828,542 (50% of the net worth of the Corporation)
		Chongqing Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	83,040	83,040	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,131,417 (20% of the net worth of the Corporation)	\$2,828,542 (50% of the net worth of the Corporation)
		Fuzhou Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	83,040	-	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,131,417 (20% of the net worth of the Corporation)	\$2,828,542 (50% of the net worth of the Corporation)
		Suzhou Fulfil Electronics Co., Ltd.	Other receivables from related parties	Yes	83,040	55,360	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,131,417 (20% of the net worth of the Corporation)	\$2,828,542 (50% of the net worth of the Corporation)
		Syncmold Enterprise (USA) Corp.	Other receivables from related parties	Yes	24,912	24,912	11,072	0.00	Short-term financing	-	Operating capital	-	-	-	\$1,131,417 (20% of the net worth of the Corporation)	\$2,828,542 (50% of the net worth of the Corporation)
		Fullking Development Limited	Other receivables from related parties	Yes	124,560	96,880	41,520	0.00	Short-term financing	-	Operating capital	-	-	-	\$1,131,417 (20% of the net worth of the Corporation)	\$2,828,542 (50% of the net worth of the Corporation)
		Syncmold Enterprise Corporation	Other receivables from related parties	Yes	401,360	304,480	221,440	0.00	Short-term financing	-	Operating capital	-	-	-	\$1,131,417 (20% of the net worth of the Corporation)	\$2,828,542 (50% of the net worth of the Corporation)
3	Full Big Limited	Fullking Development Limited	Other receivables from related parties	Yes	22,144	22,144	22,144	0.00	Short-term financing	-	Operating capital	-	-	-	\$1,131,417 (20% of the net worth of the Corporation)	\$2,828,542 (50% of the net worth of the Corporation)
4	Fuzhou Fulfil Tech Co., Ltd	Fujian Khuan Hua Precise Mold Co., Ltd.	Other receivables from related parties	Yes	69,464	43,415	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,131,417 (20% of the net worth of the Corporation)	\$2,828,542 (50% of the net worth of the Corporation)
		Fuqing Fuqun Electronic Hardware Tech Co., Ltd.	Other receivables from related parties	Yes	69,464	56,440	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,131,417 (20% of the net worth of the Corporation)	\$2,828,542 (50% of the net worth of the Corporation)
		Suzhou Fulfil Electronics Co., Ltd.	Other receivables from related parties	Yes	69,464	69,464	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,131,417 (20% of the net worth of the Corporation)	\$2,828,542 (50% of the net worth of the Corporation)
5	Suzhou Fulfil Electronics Co., Ltd.	Kunshan Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	39,074	39,074	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,131,417 (20% of the net worth of the Corporation)	\$2,828,542 (50% of the net worth of the Corporation)

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
6	Zhongshan Fulfil Tech. Co., Ltd.	Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Other receivables from related parties	Yes	\$ 34,732	\$ 34,732	\$ -	-	Short-term financing	\$ -	Operating capital	\$ -	-	-	\$1,131,417 (20% of the net worth of the Corporation)	\$2,828,542 (50% of the net worth of the Corporation)
		Chongqing Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	43,415	43,415	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,131,417 (20% of the net worth of the Corporation)	\$2,828,542 (50% of the net worth of the Corporation)
		Suzhou Fulfil Electronics Co., Ltd.	Other receivables from related parties	Yes	34,732	34,732	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,131,417 (20% of the net worth of the Corporation)	\$2,828,542 (50% of the net worth of the Corporation)

Note 1: The authorized amount of loans was approved by the board of directors.

Note 2: The highest balance, ending balance, and the actual amount borrowed were calculated based on the exchange rate at the end of 2021.

Note 3: All the transaction in the table above have been eliminated during the preparation of the consolidated financial statements.

(Concluded)

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	Syncmold Enterprise Corporation	Syncmold Enterprise (Samoa) Corp.	Subsidiary	\$1,697,125 (30% of the net worth of the Corporation)	\$ 55,360 (US\$ 2,000 thousand)	\$ -	\$ -	\$ -	0.00	\$2,828,542 (50% of the net worth of the Corporation)	Y	N	N
		Forever Business Development Limited	Subsidiary	\$1,697,125 (30% of the net worth of the Corporation)	608,960 (US\$ 22,000 thousand)	-	-	-	0.00	\$2,828,542 (50% of the net worth of the Corporation)	Y	N	N
		Fullking Development Limited	Subsidiary	\$1,697,125 (30% of the net worth of the Corporation)	276,800 (US\$ 10,000 thousand)	-	-	-	0.00	\$2,828,542 (50% of the net worth of the Corporation)	Y	N	N
		Gatetech Technology Inc.	Subsidiary	\$1,697,125 (30% of the net worth of the Corporation)	200,000	200,000	70,000	-	3.54	\$2,828,542 (50% of the net worth of the Corporation)	Y	N	N
		Leohab Enterprise Co., Ltd.	Subsidiary	\$1,697,125 (30% of the net worth of the Corporation)	257,680 (US\$ 2,500 thousand) (NT\$ 188,480 thousand)	255,000 (Note)	175,000	-	4.51	\$2,828,542 (50% of the net worth of the Corporation)	Y	N	N
		Syncmold Enterprise Vietnam Co., Ltd.	Subsidiary	\$1,697,125 (30% of the net worth of the Corporation)	553,600 (US\$ 20,000 thousand)	553,600 (US\$ 20,000 thousand)	-	-	9.79	\$2,828,542 (50% of the net worth of the Corporation)	Y	N	N
1	Leohab Enterprise Co., Ltd.	Commuwell Enterprise (Thailand) Co., Ltd.	Subsidiary	\$111,535 (50% of the net worth of Leohab Enterprise Co., Ltd.)	81,959 (THB 98,189 thousand)	-	-	-	0.00	\$223,070 (100% of the net worth of Leohab Enterprise Co., Ltd.)	N	N	N

Note: By the resolution of the board of directors of the Corporation on December 2, 2020, in order to obtain relatively favorable bank credit conditions, it is proposed that Syncmold that Syncmold Enterprise Corporation provide an endorsement guarantee within the limit of \$260,000 thousand for Leohab Enterprise Co., Ltd. As of December 31, 2021, the remaining \$5,000 thousand has not been implemented.

Syncmold Enterprise Corp.
Report on the Distribution of 2021 Remuneration to Employees and Directors

- I. According to Article 20 Paragraph 1 of the Articles of Incorporation, where it says that “The Company shall set aside the remuneration in 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”, it is advised that the Company shall distribute the remuneration to directors and supervisors and that to employees for 2021.
- II. The self-settled before-tax profit of the Company in 2021 before subtraction of the remuneration to employees and that to directors and supervisors came to NT\$351,611,163. When distributed as required by the Company’s Articles of Incorporation, the remuneration to directors and supervisors as advised by the management is NT\$7,000,000 and that to employees is NT\$31,000,000.
- III. It is intended to distribute the remuneration to employees for 2021 completely in cash.

Syncmold Enterprise Corp.

Table of Amendments to the Corporate Social Responsibility Best Practice Principles

After	Before	Rationale
Sustainable Development Best Practice Principles	Corporate Social Responsibility Best Practice Principles	The Corporate Social Responsibility Best Practice Principles is renamed the Sustainable Development Best Practice Principles as per the Letter Jin-Guan-Zheng-Fa No. 1100375814.
<p>Article 1</p> <p>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 <u>Sustainable Development</u> Best Practice Principles for TWSE/TPEX Listed Companies to manage its economic, environmental and social risks and impact.</p>	<p>Article 1</p> <p>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 Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies for compliance.</p>	Amendment is made in alignment with the amended title of these Principles.
<p>Article 2</p> <p>These Principles apply to the overall operating activities of the Company and the companies under the group.</p> <p>The Company shall actively promote <u>sustainable development</u> 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 <u>sustainable development</u>.</p>	<p>Article 2</p> <p>These Principles apply to the overall operating activities of the Company and the companies under the group.</p> <p>The Company shall actively fulfill corporate social responsibility 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 corporate social responsibility.</p>	Amendment is made in alignment with the amended title of these Principles.
<p>Article 3</p> <p>In <u>promoting sustainable development</u>, 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.</p> <p>(The following is omitted)</p>	<p>Article 3</p> <p>In fulfilling corporate social responsibility, 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.</p> <p>(The following is omitted)</p>	Amendment is made in alignment with the amended title of these Principles.
<p>Article 4</p> <p>To promote <u>sustainable development</u>, the Company is</p>	<p>Article 4</p> <p>To fulfill corporate social responsibility, the Company is</p>	Amendment is made in alignment with the amended title of these Principles.

After	Before	Rationale
<p>advised to follow the principles below:</p> <p>I. Exercise corporate governance. II. Foster a sustainable environment. III. Maintain social charity. IV. Enhance disclosure of <u>sustainable development information.</u></p>	<p>advised to follow the principles below:</p> <p>I. Exercise corporate governance. II. Foster a sustainable environment. III. Maintain social charity. IV. Enhance disclosure of corporate social responsibility information.</p>	
<p>Article 5</p> <p><u>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.</u></p> <p><u>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.</u></p>	<p>Article 5</p> <p>The Company shall comply with laws and regulations as well as the Articles of Incorporation and is advised to take into consideration the domestic and international development trend of corporate social responsibility and corporate core business operations and the operation of individual companies and of their respective business group as a whole on stakeholders, in establishing their corporate social responsibility policies, systems, or relevant management guidelines, which shall be approved by the Board of Directors.</p>	<p>1. Amendment is made in alignment with the amended title of these Principles. 2. Amendment is made as per as per the Letter Jin-Guan-Zheng-Fa No. 1030039898</p>
<p>Article 6</p> <p>The Company's directors shall exercise the due care of good administrators to urge the Company to promote <u>sustainable development</u>, examine the results of the implementation thereof from time to time, and continually make adjustments so as to ensure the thorough implementation of its <u>sustainable development policies.</u></p> <p>It is advised to <u>promote sustainable development</u> through the aspects below:</p> <p>I. Making <u>sustainable development</u> the guiding principle of the Company's operations and development.</p> <p>II. Identifying the Company's <u>sustainable development mission</u> (or vision or value) and formulating its <u>sustainable development policy</u> and statement.</p> <p>III. Ensuring the disclosure of <u>sustainable development</u>.</p>	<p>Article 6</p> <p>The Company's directors shall exercise the due care of good administrators to urge the Company to fulfill its corporate social responsibility, examine the results of the implementation thereof from time to time, and continually make adjustments so as to ensure the thorough implementation of its corporate social responsibility policies.</p> <p>It is advised to fulfill corporate social responsibility through the aspects below:</p> <p>I. Making corporate social responsibility the guiding principle of the Company's operations and development.</p> <p>II. Identifying the Company's corporate social responsibility mission (or vision or value) and formulating its corporate social responsibility policy and statement.</p> <p>III. Ensuring the disclosure of</p>	<p>Amendment is made in alignment with the amended title of these Principles.</p>

After	Before	Rationale
information.	corporate social responsibility information.	
<p>Article 7</p> <p>For the purpose of managing <u>sustainable development</u> initiatives, the Company is advised to <u>establish an exclusively (or concurrently) dedicated unit for sustainable development; it 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.</u></p>	<p>Article 7</p> <p>For the purpose of managing corporate social responsibility initiatives, the Company is advised to establish an exclusively (or concurrently) dedicated unit for corporate social responsibility; it is responsible for proposing and enforcing the corporate social responsibility policies or systems and reporting on the same to the Board of Directors on a regular basis.</p>	<p>Amendment is made in alignment with the amended title of these Principles.</p>
<p>Article 8</p> <p>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 <u>sustainable development</u> issues about which they are concerned.</p>	<p>Article 8</p> <p>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 corporate social responsibility issues about which they are concerned.</p>	<p>Amendment is made in alignment with the amended title of these Principles.</p>
<p>Article 13</p> <p>The Company shall endeavor to improve <u>energy use efficiency</u> and use renewable materials with a low impact on the environment to improve sustainability of natural resources.</p>	<p>Article 13</p> <p>The Company shall endeavor to utilize all resources more efficiently and use renewable materials with a low impact on the environment to improve sustainability of natural resources.</p>	<p>As per the Letter Jin-Guan-Zheng-Fa No. 1100375814, this article is amended to focus on the management of energy use by enterprises in order to reduce the greenhouse gas emissions.</p>
<p>Article 27</p> <p>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 <u>promote sustainable development.</u></p>	<p>Article 27</p> <p>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 fulfill the corporate social responsibility.</p>	<p>Amendment is made in alignment with the amended title of these Principles.</p>
<p>Article 29</p> <p>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 <u>sustainable development</u> to improve information transparency.</p> <p>Information relating to <u>sustainable development</u> disclosed by the Company shall include:</p>	<p>Article 29</p> <p>The Company shall disclose information according to relevant laws, regulations, and the Corporate Governance Best Practice Principles for <u>TWSE/GTSM</u> listed Companies and shall fully disclose relevant and reliable information relating to corporate social responsibility to improve information transparency.</p> <p>Information relating to corporate social responsibility</p>	<p>Amendment is made in alignment with the amended title of these Principles.</p>

After	Before	Rationale
<p>I. The governance mechanism, strategy, policy, or relevant management guidelines on <u>sustainable development</u>, as resolved by the Board of Directors.</p> <p>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.</p> <p>III. Goals and measures for <u>promoting sustainable development</u> established by the Company, and the performance in promotion.</p> <p>IV. Performance of promotion of sustainable development.</p> <p>V. Other information relating to <u>sustainable development</u>.</p>	<p>disclosed by the Company shall include:</p> <p>I. The governance mechanism, strategy, policy, or relevant management guidelines on corporate social responsibility, as resolved by the Board of Directors.</p> <p>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.</p> <p>III. Goals and measures for fulfilling corporate social responsibility established by the Company.</p> <p>IV. Performance of promotion of sustainable development.</p> <p>V. Other information relating to corporate social responsibility information.</p>	
<p>Article 30</p> <p>The Company is advised to prepare <u>sustainable development</u> reports, which may cover the following:</p> <p>I. The framework, policy, and action plans for promoting <u>sustainable development</u>.</p> <p>II. Major stakeholders and their concerns.</p> <p>III. Results and a review of the implementation of corporate governance, development of a sustainable environment, and maintenance of social charity.</p> <p>IV. Future improvements and goals.</p>	<p>Article 30</p> <p>The Company is advised to prepare corporate social responsibility reports, which may cover the following:</p> <p>I. The framework, policy, and action plans for fulfilling corporate social responsibility.</p> <p>II. Major stakeholders and their concerns.</p> <p>III. Results and a review of the implementation of corporate governance, development of a sustainable environment, and maintenance of social charity.</p> <p>IV. Future improvements and goals.</p>	<p>Amendment is made in alignment with the amended title of these Principles.</p>
<p>Article 31</p> <p>The Company shall at all times monitor the development of domestic and international <u>sustainable development</u> standards and the change in the business environment so as to examine and improve its established <u>sustainable development</u> framework and obtain better results from the <u>promotion of sustainable development</u>.</p>	<p>Article 31</p> <p>The Company shall at all times monitor the development of domestic and international corporate social responsibility standards and the change in the business environment so as to examine and improve its established corporate social responsibility framework and obtain better results from the implementation of corporate social responsibility.</p>	<p>Amendment is made in alignment with the amended title of these Principles.</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, 2021 and 2020, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the “financial statements”).

In our opinion, based on our audits and the report of other auditors (refer to the other matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2021. 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.

Key audit matter of the Corporation's financial statements for the year ended December 31, 2021 is stated 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 62.31% of total sales revenue in 2021. 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, 2021. Refer to Note 4 to the financial statements for the related revenue recognition policies.

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

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

Other Matter

We did not audit the financial statements of associates accounted for using the equity method, these were instead audited by other auditors. Our opinion, insofar as it relates to the amounts included for associates accounted for using the equity method, is based solely on the report of other auditors. As of December 31, 2021 and 2020, the amounts of investments accounted for using the equity method were NT\$172,058 thousand and NT\$418,523 thousand, respectively, which accounted for 1.91% and 4.54% of the Corporation's total assets, respectively. For the years ended December 31, 2021 and 2020, share of profit of associates accounted for using the equity method amounted to NT\$16,496 thousand and NT\$9,671 thousand, respectively, which accounted for 8.12% and 1.00% 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 auditing standards generally accepted in 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 auditing standards generally accepted in 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, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 15, 2022

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, 2021 AND 2020

(In Thousands of New Taiwan Dollars)

ASSETS	2021		2020	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash (Notes 4 and 6)	\$ 516,182	6	\$ 438,447	5
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	81,383	1	220,572	3
Notes receivable (Note 4)	268	-	-	-
Trade receivables, net (Notes 4 and 8)	1,072,488	12	766,631	8
Trade receivables from related parties (Notes 4 and 26)	230,090	3	245,735	3
Other receivables from related parties (Notes 4 and 26)	24,503	-	22,565	-
Current tax assets (Notes 4 and 21)	-	-	8,474	-
Inventories (Notes 4 and 9)	17,494	-	15,838	-
Other current assets (Note 4)	8,921	-	10,354	-
Total current assets	<u>1,951,329</u>	<u>22</u>	<u>1,728,616</u>	<u>19</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4, 7 and 16)	65,430	1	70,286	1
Investments accounted for using the equity method (Notes 4 and 10)	6,425,412	71	6,885,352	75
Property, plant and equipment (Notes 4, 11, 26 and 27)	231,944	2	152,098	2
Right-of-use assets (Notes 4, 12 and 26)	10,204	-	23,591	-
Goodwill (Notes 4 and 13)	324,597	4	324,597	3
Intangible assets (Notes 4 and 14)	13,788	-	15,593	-
Deferred tax assets (Notes 4 and 21)	58	-	505	-
Prepayments for land, property and equipment	1,250	-	17,160	-
Net defined benefit assets (Notes 4 and 18)	2,898	-	2,567	-
Refundable deposits	2,008	-	2,161	-
Total non-current assets	<u>7,077,589</u>	<u>78</u>	<u>7,493,910</u>	<u>81</u>
TOTAL	<u>\$ 9,028,918</u>	<u>100</u>	<u>\$ 9,222,526</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4 and 15)	\$ 200,000	2	\$ 1,214,800	13
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	41	-	-	-
Notes payable and trade payables	18,739	-	6,029	-
Trade payables from related parties (Note 26)	1,299,360	15	1,226,682	13
Other payables (Note 17)	113,635	1	167,585	2
Other payables from related parties (Note 26)	264,804	3	327,520	4
Current tax liabilities (Notes 4 and 21)	133,333	2	98,120	1
Lease liabilities - current (Notes 4, 12 and 26)	9,957	-	13,175	-
Current portion of long-term borrowing (Notes 4, 15 and 27)	4,545	-	-	-
Other current liabilities	4,163	-	2,934	-
Total current liabilities	<u>2,048,577</u>	<u>23</u>	<u>3,056,845</u>	<u>33</u>
NON-CURRENT LIABILITIES				
Bonds payable (Notes 4 and 16)	1,166,288	13	-	-
Long-term borrowing (Notes 4, 15 and 27)	48,185	-	-	-
Deferred tax liabilities (Notes 4 and 21)	105,574	1	254,065	3
Lease liabilities - non-current (Notes 4, 12 and 26)	287	-	10,397	-
Guarantee deposits received	136	-	-	-
Other non-current liabilities (Notes 4 and 10)	2,787	-	2,522	-
Total non-current liabilities	<u>1,323,257</u>	<u>14</u>	<u>266,984</u>	<u>3</u>
Total liabilities	<u>3,371,834</u>	<u>37</u>	<u>3,323,829</u>	<u>36</u>
EQUITY				
Ordinary shares	<u>1,237,242</u>	<u>14</u>	<u>1,237,242</u>	<u>14</u>
Capital surplus	<u>2,769,331</u>	<u>31</u>	<u>2,592,857</u>	<u>28</u>
Retained earnings				
Legal reserve	1,001,175	11	904,665	10
Special reserve	635,615	7	634,020	7
Unappropriated earnings	700,911	8	1,165,528	12
Total retained earnings	<u>2,337,701</u>	<u>26</u>	<u>2,704,213</u>	<u>29</u>
Other equity				
Exchange differences on translating the financial statements of foreign operations	(698,561)	(8)	(639,134)	(7)
Unrealized gain (loss) of financial assets at fair value through other comprehensive income	11,371	-	3,519	-
Total other equity	<u>(687,190)</u>	<u>(8)</u>	<u>(635,615)</u>	<u>(7)</u>
Total equity	<u>5,657,084</u>	<u>63</u>	<u>5,898,697</u>	<u>64</u>
TOTAL	<u>\$ 9,028,918</u>	<u>100</u>	<u>\$ 9,222,526</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated March 15, 2022)

SYNCMOLD ENTERPRISE CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 26)				
Sales revenue	\$ 3,689,164	92	\$ 3,597,648	92
Other operating revenue	<u>330,543</u>	<u>8</u>	<u>333,466</u>	<u>8</u>
Total operating revenue	4,019,707	100	3,931,114	100
OPERATING COSTS (Notes 4, 9, 20 and 26)	<u>3,342,422</u>	<u>83</u>	<u>3,413,366</u>	<u>87</u>
GROSS PROFIT	<u>677,285</u>	<u>17</u>	<u>517,748</u>	<u>13</u>
OPERATING EXPENSES (Notes 20 and 26)				
Selling and marketing expenses	62,783	2	62,610	1
General and administrative expenses	204,838	5	184,044	5
Research and development expenses	157,429	4	169,754	4
Expected credit (gain) loss (Notes 4 and 8)	<u>(617)</u>	<u>-</u>	<u>601</u>	<u>-</u>
Total operating expenses	<u>424,433</u>	<u>11</u>	<u>417,009</u>	<u>10</u>
PROFIT FROM OPERATIONS	<u>252,852</u>	<u>6</u>	<u>100,739</u>	<u>3</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Notes 20 and 26)	49,968	1	21,224	1
Other gains and losses	759	-	-	-
Interest income (Note 26)	384	-	993	-
Gain from bargain purchase - acquisition of subsidiaries (Notes 4 and 10)	-	-	19,323	-
Net foreign exchange gain (Notes 4 and 29)	9,069	-	32,949	1
Net gain on financial assets at fair value through profit (Notes 4 and 7)	38,362	1	40,215	1
Share of profit (loss) of subsidiaries and associates (Notes 4 and 10)	(16,247)	-	924,709	23
Interest expenses (Note 26)	(10,903)	-	(9,767)	-
Impairment loss on investment accounted for using the equity method (Notes 4 and 10)	<u>(10,633)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total non-operating income and expenses	<u>60,759</u>	<u>2</u>	<u>1,029,646</u>	<u>26</u>
PROFIT BEFORE INCOME TAX	313,611	8	1,130,385	29
INCOME TAX EXPENSE (Notes 4 and 21)	<u>61,856</u>	<u>2</u>	<u>164,647</u>	<u>4</u>
NET PROFIT FOR THE YEAR	<u>251,755</u>	<u>6</u>	<u>965,738</u>	<u>25</u>

(Continued)

SYNCMOLD ENTERPRISE CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ 322	-	\$ 283	-
Share of other comprehensive income of subsidiaries accounted for using the equity method	10,589	-	2,891	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(64)	-	(57)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	<u>(59,427)</u>	<u>(1)</u>	<u>(5,350)</u>	<u>-</u>
Other comprehensive loss for the year	<u>(48,580)</u>	<u>(1)</u>	<u>(2,233)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR				
	<u>\$ 203,175</u>	<u>5</u>	<u>\$ 963,505</u>	<u>25</u>
EARNINGS PER SHARE (Note 22)				
Basic	<u>\$ 2.03</u>		<u>\$ 7.81</u>	
Diluted	<u>\$ 2.02</u>		<u>\$ 7.73</u>	

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

(With Deloitte & Touche auditors' report dated March 15, 2022)

(Concluded)

SYNCMOLD ENTERPRISE CORPORATION

**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)**

	Ordinary Shares (Note 19)	Capital Surplus (Notes 4 and 19)	Retained Earnings (Note 19)				Exchange Differences on Translating of the Financial Statements of Foreign Operations	Other Equity		Total Equity
			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, 2020	\$ 1,237,242	\$ 2,591,280	\$ 810,515	\$ 431,506	\$ 1,053,851	\$ 2,295,872	\$ (633,784)	\$ (236)	\$ (634,020)	\$ 5,490,374
Appropriation of 2019 earnings										
Legal reserve	-	-	94,150	-	(94,150)	-	-	-	-	-
Special reserve	-	-	-	202,514	(202,514)	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	(556,759)	(556,759)	-	-	-	(556,759)
	-	-	94,150	202,514	(853,423)	(556,759)	-	-	-	(556,759)
Unclaimed dividends	-	56	-	-	-	-	-	-	-	56
Net profit for the year ended December 31, 2020	-	-	-	-	965,738	965,738	-	-	-	965,738
Other comprehensive loss for the year ended December 31, 2020, net of income tax	-	-	-	-	(638)	(638)	(5,350)	3,755	(1,595)	(2,233)
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	965,100	965,100	(5,350)	3,755	(1,595)	963,505
Actual acquisition of interests in subsidiaries	-	1,521	-	-	-	-	-	-	-	1,521
BALANCE AT DECEMBER 31, 2020	1,237,242	2,592,857	904,665	634,020	1,165,528	2,704,213	(639,134)	3,519	(635,615)	5,898,697
Appropriation of 2020 earnings										
Legal reserve	-	-	96,510	-	(96,510)	-	-	-	-	-
Special reserve	-	-	-	1,595	(1,595)	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	(618,621)	(618,621)	-	-	-	(618,621)
	-	-	96,510	1,595	(716,726)	(618,621)	-	-	-	(618,621)
Equity component of convertible bonds issued by the company	-	175,396	-	-	-	-	-	-	-	175,396
Change in percentage of ownership interests in associates accounted for using the equity method	-	-	-	-	(2,641)	(2,641)	-	-	-	(2,641)
Unclaimed dividends	-	22	-	-	-	-	-	-	-	22
Net profit for the year ended December 31, 2021	-	-	-	-	251,755	251,755	-	-	-	251,755
Other comprehensive loss for the year ended December 31, 2021, net of income tax	-	-	-	-	1,871	1,871	(59,427)	8,976	(50,451)	(48,580)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	253,626	253,626	(59,427)	8,976	(50,451)	203,175
Actual acquisition of interests in subsidiaries	-	1,056	-	-	-	-	-	-	-	1,056
Disposal of investment in equity instrument designed as at fair value through other comprehensive income by associates	-	-	-	-	1,124	1,124	-	(1,124)	(1,124)	-
BALANCE AT DECEMBER 31, 2021	\$ 1,237,242	\$ 2,769,331	\$ 1,001,175	\$ 635,615	\$ 700,911	\$ 2,337,701	\$ (698,561)	\$ 11,371	\$ (687,190)	\$ 5,657,084

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

(With Deloitte & Touche auditors' report dated March 15, 2022)

SYNCMOLD ENTERPRISE CORPORATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 313,611	\$ 1,130,385
Adjustments for:		
Depreciation expenses	32,632	22,317
Amortization expenses	10,735	11,288
Expected credit loss (gain) recognized on trade receivables	(617)	601
Net gain on financial assets at fair value through profit or loss	(38,362)	(40,215)
Share of profit of subsidiaries and associates	16,247	(924,709)
Interest expenses	10,903	9,767
Interest income	(384)	(993)
Dividend income	(23,299)	(6,229)
(Gain) loss on disposal of property, plant and equipment	(759)	2
Write-downs of inventories	5,881	-
Net loss (gain) on unrealized foreign currency exchange	23,452	(23,249)
Impairment loss on investments accounted for using the equity method	10,633	-
Gain from bargain purchase	-	(19,323)
Gain on lease modification	(3)	(3)
Changes in operating assets and liabilities		
Notes receivable	(268)	5,216
Trade receivables	(305,240)	119,298
Trade receivables from related parties	17,124	(48,753)
Other receivables from related parties	(1,938)	(5,611)
Inventories	(7,537)	9,892
Other current assets	1,433	24,241
Net defined benefit assets	(9)	(15)
Notes payable and trade payables	16,229	(1,567)
Trade payables from related parties	57,322	64,994
Other payables	(52,897)	(26,481)
Other current liabilities	<u>1,229</u>	<u>(158)</u>
Cash generated from operations	86,118	300,695
Interest paid	(11,582)	(9,392)
Income tax paid	<u>(166,277)</u>	<u>(111,962)</u>
Net cash (used in) generated from operating activities	<u>(91,741)</u>	<u>179,341</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through profit or loss	(87,839)	(217,884)
Proceeds of financial assets at fair value through profit or loss	270,647	67,923

Acquisition of associates	(15,680)	-
Net cash outflow on acquisition of subsidiaries	(297,019)	(563,595)
Payment for property, plant and equipment	(86,064)	(43,312)
Proceeds from disposal of property, plant and equipment	4,513	256
Decrease (increase) in refundable deposits	153	(445)
Decrease in finance receivables from related parties	-	50,000

(Continued)

SYNCMOLD ENTERPRISE CORPORATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
Purchase of intangible assets	\$ (8,930)	\$ (9,722)
Increase in prepayments for land, property and equipment	(1,250)	(17,160)
Interest received	384	993
Dividends received	<u>718,900</u>	<u>773,562</u>
Net cash generated from investing activities	<u>497,815</u>	<u>40,616</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	-	487,818
Repayments of short-term borrowings	(1,016,600)	-
Proceeds from issuance of convertible bonds	1,337,453	-
Increase in finance payables from related parties	(70,491)	(8,050)
Refunds of guarantee deposits received	136	-
Proceeds of long-term borrowings	56,000	-
Repayments of long-term borrowings	(3,270)	-
Repayment of the principal portion of lease liabilities	(12,946)	(12,727)
Dividends paid	<u>(618,621)</u>	<u>(556,759)</u>
Net cash used in financing activities	<u>(328,339)</u>	<u>(89,718)</u>
NET INCREASE IN CASH	77,735	130,239
CASH AT THE BEGINNING OF THE YEAR	<u>438,447</u>	<u>308,208</u>
CASH AT THE END OF THE YEAR	<u>\$ 516,182</u>	<u>\$ 438,447</u>

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

(With Deloitte & Touche auditors' report dated March 15, 2022)

(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, 2021 and 2020, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, based on our audits and the report of other auditors (refer to the other matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in 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, 2021. 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.

Key audit matter of the Group's consolidated financial statements for the year ended December 31, 2021 is stated as follows:

Occurrence of Sales Revenue

The sales revenue of the Group is mainly generated from the sales of monitor hinge products. Most of the sales were highly concentrated on major customers, which revenue accounted for 56.63% of total sales revenue in 2021. 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, 2021. Refer to Note 4 to the consolidated financial statements for the related revenue recognition policies.

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

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

Other Matter

We did not audit the financial statements of certain subsidiaries of the Group as of and for the year ended December 31, 2020 which were included in the accompanying consolidated financial statements, but such financial statements were audited by other auditors whose reports have been furnished to us. Our opinion, insofar as it relates to the amounts included in the Group's consolidated financial statements for such subsidiaries, is based solely on the reports of other auditors. The total assets of such subsidiaries amounted to NT\$742,781 thousand, which represented 6.31% of the Group's consolidated total assets. The operating revenue of such subsidiaries amounted to NT\$51,837 thousand, which represented 0.54% of the Group's consolidated total operating revenue. We did not audit the financial statements of associates accounted for using the equity method, these were instead audited by other auditors. Our opinion, insofar as it relates to the amounts included for associates accounted for using the equity method, is based solely on the report of other auditors. As of December 31, 2021 and 2020, the amounts of investments accounted for using the equity method were NT\$172,058 thousand and NT\$164,556 thousand, respectively, which accounted for 1.46% and 1.40% of the Group's consolidated total assets, respectively. For the years ended December 31, 2021 and 2020, share of comprehensive income of associates accounted for using the equity method amounted to NT\$16,496 thousand and NT\$7,704 thousand, respectively, which accounted for 8.99% and 0.79% 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, 2021 and 2020 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 auditing standards generally accepted in 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 auditing standards generally accepted in 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, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 15, 2022

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, 2021 AND 2020
(In Thousands of New Taiwan Dollars)**

ASSETS	2021		2020	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 2,059,537	17	\$ 2,420,807	21
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	146,753	1	375,949	3
Financial assets at amortized cost - current (Notes 4, 8 and 30)	338,700	3	605,827	5
Notes receivable	357,113	3	392,958	3
Trade receivables, net (Notes 4 and 9)	3,416,893	29	3,616,529	31
Inventories (Notes 4 and 10)	1,285,141	11	967,154	8
Other current assets (Notes 4, 23 and 29)	437,325	4	429,744	4
Total current assets	<u>8,041,462</u>	<u>68</u>	<u>8,808,968</u>	<u>75</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4, 7 and 18)	65,430	1	70,286	1
Financial assets at amortized cost - non-current (Notes 4, 8 and 30)	480	-	-	-
Investments accounted for using the equity method (Notes 4 and 12)	172,058	2	164,556	1
Property, plant and equipment (Notes 4, 13, 29 and 30)	2,149,209	18	1,686,017	14
Right-of-use assets (Notes 4, 14 and 29)	744,012	6	495,502	4
Intangible assets (Notes 4, 16 and 29)	52,980	-	34,250	-
Goodwill (Notes 4 and 15)	324,597	3	324,597	3
Deferred tax assets (Notes 4 and 23)	106,378	1	79,720	1
Prepayments for land, building and equipment	90,606	1	66,967	1
Refundable deposits	41,452	-	37,202	-
Net defined benefit assets (Notes 4 and 20)	2,898	-	2,567	-
Other non-current assets	731	-	279	-
Total non-current assets	<u>3,750,831</u>	<u>32</u>	<u>2,961,943</u>	<u>25</u>
TOTAL	<u>\$ 11,792,293</u>	<u>100</u>	<u>\$ 11,770,911</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4, 17 and 30)	\$ 895,836	8	\$ 1,867,695	16
Short-term bills payable (Notes 4 and 17)	-	-	29,981	-
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	41	-	-	-
Notes payable and trade payables	2,210,109	19	2,183,688	19
Other payables (Note 19)	405,745	3	498,717	4
Current tax liabilities (Notes 4 and 23)	161,944	1	181,357	2
Lease liabilities - current (Notes 4, 14 and 29)	182,430	2	133,785	1
Current portion of long-term borrowing (Notes 4, 17 and 30)	16,545	-	16,909	-
Other current liabilities	6,284	-	17,314	-
Total current liabilities	<u>3,878,934</u>	<u>33</u>	<u>4,929,446</u>	<u>42</u>
NON-CURRENT LIABILITIES				
Bonds payable (Note 18)	1,166,288	10	-	-
Long-term borrowing (Notes 4, 17 and 30)	194,185	2	56,227	1
Deferred tax liabilities (Notes 4 and 23)	179,383	1	331,939	3
Lease liabilities - non-current (Notes 4, 14 and 29)	368,731	3	170,268	1
Net defined benefit liabilities (Notes 4 and 20)	11,676	-	20,763	-
Guarantee deposits received	1,443	-	1,308	-
Other non-current liabilities (Note 20)	14,381	-	19,125	-
Total non-current liabilities	<u>1,936,087</u>	<u>16</u>	<u>599,630</u>	<u>5</u>
Total liabilities	<u>5,815,021</u>	<u>49</u>	<u>5,529,076</u>	<u>47</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION				
Ordinary shares	1,237,242	11	1,237,242	10
Capital surplus	2,769,331	23	2,592,857	22
Retained earnings				
Legal reserve	1,001,175	9	904,665	8
Special reserve	635,615	5	634,020	5
Unappropriated earnings	700,911	6	1,165,528	10
Total retained earnings	<u>2,337,701</u>	<u>20</u>	<u>2,704,213</u>	<u>23</u>
Other equity				
Exchange differences on translating the financial statements of foreign operations	(698,561)	(6)	(639,134)	(5)
Unrealized gain (loss) of financial assets at fair value through other comprehensive income	11,371	-	3,519	-
Total other equity	<u>(687,190)</u>	<u>(6)</u>	<u>(635,615)</u>	<u>(5)</u>
Total equity attributable to owners of the Corporation	5,657,084	48	5,898,697	50
NON-CONTROLLING INTERESTS	<u>320,188</u>	<u>3</u>	<u>343,138</u>	<u>3</u>
Total equity	<u>5,977,272</u>	<u>51</u>	<u>6,241,835</u>	<u>53</u>
TOTAL	<u>\$ 11,792,293</u>	<u>100</u>	<u>\$ 11,770,911</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated March 15, 2022)

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Note 4)	\$ 10,194,799	100	\$ 9,663,341	100
OPERATING COSTS (Notes 4, 10 and 22)	<u>8,593,294</u>	<u>84</u>	<u>7,122,648</u>	<u>74</u>
GROSS PROFIT	<u>1,601,505</u>	<u>16</u>	<u>2,540,693</u>	<u>26</u>
OPERATING EXPENSES (Notes 22 and 29)				
Selling and marketing expenses	319,333	3	254,095	2
General and administrative expenses	707,366	7	584,491	6
Research and development expenses	186,188	2	175,753	2
Expected credit gain	<u>(5,568)</u>	<u>-</u>	<u>(5,338)</u>	<u>-</u>
Total operating expenses	<u>1,207,319</u>	<u>12</u>	<u>1,009,001</u>	<u>10</u>
PROFIT FROM OPERATIONS	<u>394,186</u>	<u>4</u>	<u>1,531,692</u>	<u>16</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Notes 4, 14 and 22)	55,661	1	42,663	-
Other gains and losses (Notes 22 and 31)	(34,999)	-	(9,764)	-
Interest income	26,245	-	35,901	-
Gain from bargain purchase - acquisition of subsidiaries (Notes 4 and 25)	-	-	19,323	-
Net foreign exchange loss (Note 32)	(57,791)	(1)	(153,494)	(2)
Net gain on financial assets at fair value through profit (Notes 4 and 7)	45,390	-	54,357	1
Share of profit of subsidiaries and associates (Notes 4 and 12)	7,520	-	4,185	-
Interest expenses (Note 29)	(40,963)	-	(27,342)	-
Impairment loss on investments accounted for using the equity method (Notes 4 and 12)	<u>(10,633)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total non-operating income and expenses	<u>(9,570)</u>	<u>-</u>	<u>(34,171)</u>	<u>(1)</u>
PROFIT BEFORE INCOME TAX	384,616	4	1,497,521	15
INCOME TAX EXPENSE (Notes 4 and 23)	<u>144,001</u>	<u>2</u>	<u>522,839</u>	<u>5</u>
NET PROFIT FOR THE YEAR	<u>240,615</u>	<u>2</u>	<u>974,682</u>	<u>10</u>

(Continued)

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ 376	-	\$ (572)	-
Share of other comprehensive income of subsidiaries accounted for using the equity method	8,976	-	3,519	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	2,180	-	(57)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	<u>(68,618)</u>	<u>-</u>	<u>(2,842)</u>	<u>-</u>
Other comprehensive income (loss) for the year	<u>(57,086)</u>	<u>-</u>	<u>48</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR				
	<u>\$ 183,529</u>	<u>2</u>	<u>\$ 974,730</u>	<u>10</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 251,755	2	\$ 965,738	10
Non-controlling interests	<u>(11,140)</u>	<u>-</u>	<u>8,944</u>	<u>-</u>
	<u>\$ 240,615</u>	<u>2</u>	<u>\$ 974,682</u>	<u>10</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 203,175	2	\$ 963,505	10
Non-controlling interests	<u>(19,646)</u>	<u>-</u>	<u>11,225</u>	<u>-</u>
	<u>\$ 183,529</u>	<u>2</u>	<u>\$ 974,730</u>	<u>10</u>
EARNINGS PER SHARE (Note 24)				
Basic	<u>\$ 2.03</u>		<u>\$ 7.81</u>	
Diluted	<u>\$ 2.02</u>		<u>\$ 7.73</u>	

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

(With Deloitte & Touche auditors' report dated March 15, 2022)

(Concluded)

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of the Corporation (Notes 4, 21 and 26)												
	Ordinary Shares	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 26)	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Total		Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income					
BALANCE AT JANUARY 1, 2020	\$ 1,237,242	\$ 2,591,280	\$ 810,515	\$ 431,506	\$ 1,053,851	\$ 2,295,872	\$ (633,784)	\$ (236)	\$ (634,020)	\$ 5,490,374	\$ 229,257	\$ 5,719,631	
Appropriation of 2019 earnings													
Legal reserve	-	-	94,150	-	(94,150)	-	-	-	-	-	-	-	
Special reserve	-	-	-	202,514	(202,514)	-	-	-	-	-	-	-	
Cash dividends distributed by the Corporation	-	-	-	-	(556,759)	(556,759)	-	-	-	(556,759)	-	(556,759)	
	-	-	94,150	202,514	(853,423)	(556,759)	-	-	-	(556,759)	-	(556,759)	
Unclaimed dividends	-	56	-	-	-	-	-	-	-	56	-	56	
Net profit for the year ended December 31, 2020	-	-	-	-	965,738	965,738	-	-	-	965,738	8,944	974,682	
Other comprehensive loss for the year ended December 31, 2020, net of income tax	-	-	-	-	(638)	(638)	(5,350)	3,755	(1,595)	(2,233)	2,281	48	
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	965,100	965,100	(5,350)	3,755	(1,595)	963,505	11,225	974,730	
Actual acquisition of interests in subsidiaries	-	1,521	-	-	-	-	-	-	-	1,521	102,656	104,177	
BALANCE AT DECEMBER 31, 2020	1,237,242	2,592,857	904,665	634,020	1,165,528	2,704,213	(639,134)	3,519	(635,615)	5,898,697	343,138	6,241,835	
Appropriation of 2020 earnings													
Legal reserve	-	-	96,510	-	(96,510)	-	-	-	-	-	-	-	
Special reserve	-	-	-	1,595	(1,595)	-	-	-	-	-	-	-	
Cash dividends distributed by the Corporation	-	-	-	-	(618,621)	(618,621)	-	-	-	(618,621)	-	(618,621)	
	-	-	96,510	1,595	(716,726)	(618,621)	-	-	-	(618,621)	-	(618,621)	
Equity component of convertible bonds issued by the company	-	175,396	-	-	-	-	-	-	-	175,396	-	175,396	
Change in percentage of ownership interests in associates accounted for using the equity method	-	-	-	-	(2,641)	(2,641)	-	-	-	(2,641)	-	(2,641)	
Unclaimed dividends	-	22	-	-	-	-	-	-	-	22	-	22	
Net profit for the year ended December 31, 2021	-	-	-	-	251,755	251,755	-	-	-	251,755	(11,140)	240,615	
Other comprehensive loss for the year ended December 31, 2021, net of income tax	-	-	-	-	1,871	1,871	(59,427)	8,976	(50,451)	(48,580)	(8,506)	(57,086)	
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	253,626	253,626	(59,427)	8,976	(50,451)	203,175	(19,646)	183,529	
Actual acquisition of interests in subsidiaries	-	1,056	-	-	-	-	-	-	-	1,056	(3,304)	(2,248)	
Disposal of investment in equity instrument designed as at fair value through other comprehensive income by associates	-	-	-	-	1,124	1,124	-	(1,124)	(1,124)	-	-	-	
BALANCE AT DECEMBER 31, 2021	\$ 1,237,242	\$ 2,769,331	\$ 1,001,175	\$ 635,615	\$ 700,911	\$ 2,337,701	\$ (698,561)	\$ 11,371	\$ (687,190)	\$ 5,657,084	\$ 320,188	\$ 5,977,272	

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

(With Deloitte & Touche auditors' report dated March 15, 2022)

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 384,616	\$ 1,497,521
Adjustments for:		
Depreciation expenses	403,834	301,651
Amortization expenses	16,482	14,034
Expected credit gain	(5,568)	(5,338)
Net gain on financial assets at fair value through profit or loss	(45,390)	(54,357)
Interest expenses	40,963	27,342
Interest income	(26,245)	(35,901)
Dividend income	(23,299)	(6,229)
Share of profit of associates	(7,520)	(4,185)
Loss on disposal of property, plant and equipment	2,086	1,038
Loss on disposal of intangible assets	1,143	-
Write-downs (reversal) of inventories	15,185	(44,940)
Impairment loss on property, plant and equipment	570	2,528
Impairment loss on investments accounted for using the equity method	10,633	-
Net (gain) loss on unrealized foreign currency exchange	(41,193)	19,139
Gain from bargain purchase	-	(19,323)
Gain on lease modification	(120)	(1,476)
Changes in operating assets and liabilities		
Notes receivable	33,751	(11,192)
Trade receivables	229,276	(478,209)
Inventories	(342,434)	(165,173)
Other current assets	(19,721)	(177,692)
Other non-current assets	(5,230)	5,425
Notes payable and trade payables	(57,212)	340,145
Other payables	1,850	(60,884)
Other current liabilities	(10,932)	1,405
Net defined benefit assets and liabilities	(9,042)	(2,086)
Other non-current liabilities	(3,925)	-
Cash generated from operations	542,558	1,143,243
Interest paid	(40,754)	(26,622)
Income tax paid	(363,203)	(472,288)
Net cash generated from operating activities	<u>138,601</u>	<u>644,333</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	-	(431,933)
Purchase of financial assets at fair value through profit or loss	(947,066)	(2,427,595)
Proceeds for sale of financial assets at amortized cost	260,459	-
Proceeds from sale of financial assets at fair value through profit or loss	1,225,921	2,189,260
Acquisition of associates	(15,680)	-
Payment for property, plant and equipment	(667,373)	(141,301)

(Continued)

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
Proceeds from disposal of property, plant and equipment	\$ 29,048	\$ 19,210
Increase in refundable deposits	(4,626)	(7,493)
Payments for intangible assets	(36,471)	(17,385)
Net cash outflow on business combinations	-	(107,113)
Payments for right-of-use assets	-	(100,651)
Increase in prepayments for land, property and equipment	(51,402)	(81,567)
Interest received	26,245	35,901
Dividends received	<u>34,699</u>	<u>17,629</u>
Net cash used in investing activities	<u>(146,246)</u>	<u>(1,053,038)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	-	651,539
Payments of short-term borrowings	(973,313)	-
(Repayments of) proceeds from short-term bills payable	(29,981)	29,981
Proceeds from issuance of convertible bonds	1,337,453	-
Repayments of bond payables	-	(150,000)
Proceeds of long-term borrowings	219,000	-
Repayments of long-term borrowings	(81,406)	(1,130)
Refunds of guarantee deposits received	136	1,093
Repayment of the principal portion of lease liabilities	(202,184)	(145,801)
Cash dividends	(618,621)	(556,759)
Actual acquisition of interest in subsidiaries	<u>(2,248)</u>	<u>(3,815)</u>
Net cash used in financing activities	<u>(351,164)</u>	<u>(174,892)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>(2,461)</u>	<u>115,097</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(361,270)	(468,500)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>2,420,807</u>	<u>2,889,307</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 2,059,537</u>	<u>\$ 2,420,807</u>

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

(With Deloitte & Touche auditors' report dated March 15, 2022) (Concluded)

Syncmold Enterprise Corp.

2021 Earnings Distribution Statement



Unit: NTD \$

Undistributed earnings at start of term:	448,803,117
Add: Re-measurements of defined benefit plan recognized in retained earnings	1,870,834
Add: Disposal of equity instruments measured at fair value through other comprehensive income	1,124,443
Less: Changes in the net equity value of affiliated companies recognized using the equity method	(2,641,286)
Post-adjusted undistributed earnings	449,157,108
Current period net profit	251,754,721
Appropriation of as legal reserve (10%)	(25,210,872)
Appropriation of special reserve	(51,575,890)
Earnings available for distribution of the current term	624,125,067
Distributable items:	
Shareholder bonus - NT\$2 per share	(247,448,342)
Undistributed earnings at end of term (carried over to the following year)	376,676,725

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



Syncmold Enterprise Corp.
Table of Amendments to the Articles of Incorporation

Before Amendment	After Amendment	Note
<p>Article 10 Paragraphs 1 and 2 are omitted. <u>The Company may convene shareholders' meeting by video conference or in other methods as announced by the central competent authority.</u></p>	<p>Article 10 Paragraphs 1 and 2 are omitted.</p>	<p>Amendment is made as per Article 172-2 of the Companies Act</p>

Syncmold Enterprise Corp.

Table of Amendments to the Procedures for Asset Acquisition and Disposal

Article No.	After	Before	Rationale
4.1.2.2	4.1.2.2 If the amount of the transaction is 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities with an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).	4.1.2.2 If the amount of the transaction is 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. <u>If the CPA needs to use the report by an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards published by the Accounting Research and Development Foundation (ARDF).</u> This requirement does not apply, however, to publicly quoted prices of securities with an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).	It is deleted as required by law.
4.2.1	4.2.1 When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party, and the transaction amount reaches 20% or more of the Company's paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds, bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, it may not proceed to enter into a transaction contract or make a payment until the following	4.2.1 When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party, and the transaction amount reaches 20% or more of the Company's paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds, bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, it may not proceed to enter into a transaction contract or make a payment until the following	Amendment is made in alignment with the amended laws and regulations.

Article No.	After	Before	Rationale
	<p>information has been approved by the Audit Committee and passed by the Board of Directors.</p> <p>4.2.1.1 The purpose, necessity, and anticipated benefit of the acquisition or disposal of assets.</p> <p>4.2.1.2 The reason for choosing the related party as a transaction counterparty.</p> <p>4.2.1.3 With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding evaluation of the reasonableness of the preliminary transaction terms under 4.2.2.</p> <p>4.2.1.4 The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship with the Company and the related party.</p> <p>4.2.1.5 Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>4.2.1.6 An appraisal report from a professional appraiser or a CPA's opinion obtained as per the provision under 4.1.</p> <p>4.2.1.7 With respect to acquisition or disposal of equipment or right-of-use assets thereof held for business use or acquisition or disposal of real property right-of-use assets held for business use, when to be conducted between the Company and its subsidiaries, or between its subsidiaries of which it directly or indirectly holds 100% of their outstanding shares or total capital, the Chairman may be delegated to decide such matters when the</p>	<p>information has been approved by the Audit Committee and passed by the Board of Directors.</p> <p>4.2.1.1 The purpose, necessity, and anticipated benefit of the acquisition or disposal of assets.</p> <p>4.2.1.2 The reason for choosing the related party as a transaction counterparty.</p> <p>4.2.1.3 With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding evaluation of the reasonableness of the preliminary transaction terms under 4.2.2.</p> <p>4.2.1.4 The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship with the Company and the related party.</p> <p>4.2.1.5 Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>4.2.1.6 An appraisal report from a professional appraiser or a CPA's opinion obtained as per the provision under 4.1.</p> <p>4.2.1.7 With respect to acquisition or disposal of equipment or right-of-use assets thereof held for business use or acquisition or disposal of real property right-of-use assets held for business use, when to be conducted between the Company and its subsidiaries, or between its subsidiaries of which it directly or indirectly holds 100% of their outstanding shares or total capital, the Chairman may be delegated to decide such matters when the</p>	

Article No.	After	Before	Rationale
	<p>transaction is within NT\$500 million and have the decision subsequently submitted to and ratified by the soonest Board meeting afterwards. Where the assets acquired or disposed of meet the announcement and declaration standards, the Company shall make an announcement and declaration in accordance with the regulations.</p> <p>4.2.1.8 Restrictive covenants and other important stipulations associated with the transaction. <u>Where the Company or its subsidiary that is not a domestic publicly listed company engages in a transaction under 4.2.1, and the transaction amount reaches 10% or more of the Company's total assets, the Company shall submit the information listed under 4.2.1.1–4.2.1.8 to the shareholders' meeting for approval before proceeding to enter into a transaction contract or make a payment. However, the transactions between the Company and its parent or subsidiaries or between its subsidiaries are not subject to this provision</u></p> <p>The transaction amount in 4.2.1 shall be calculated as per Regulations Governing the Acquisition and Disposal of Assets by Public Companies, and the term “within the preceding year” refers to the year preceding the date of the current transaction. The portions that have been approved by the Audit Committee and passed by the <u>shareholders’ meeting and</u> the Board of Directors as per these Procedures need not be counted toward the transaction amount.</p>	<p>transaction is within NT\$500 million and have the decision subsequently submitted to and ratified by the soonest Board meeting afterwards. Where the assets acquired or disposed of meet the announcement and declaration standards, the Company shall make an announcement and declaration in accordance with the regulations.</p> <p>4.2.1.8 Restrictive covenants and other important stipulations associated with the transaction. The transaction amount in 4.2.1 shall be calculated as per Regulations Governing the Acquisition and Disposal of Assets by Public Companies, and the term “within the preceding year” refers to the year preceding the date of the current transaction. The portions that have been approved by the Audit Committee and passed by the Board of Directors as per these Procedures need not be counted toward the transaction amount.</p>	

Syncmold Enterprise Corp.
Table of Amendments to the Rules of Procedure for Shareholders' Meetings

Before Amendment	After Amendment	Note
<p>Article 3</p> <p>Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.</p> <p><u>Changes to how this Corporation convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice. This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. If, however, this Corporation has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders meeting. In addition, before 15 days before</u></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. For general shareholders' meetings, respective shareholders shall be notified 30 days in advance and shareholders holding less than 1,000 inscribed shares may be notified through announcement in the Market Observation Post System 30 days in advance. For special shareholders' meetings, respective shareholders shall be notified 15 days in advance and shareholders holding less than 1,000 inscribed shares may be notified through announcement in the Market Observation Post System 15 days in advance. The notification and announcement shall specify cause of the meeting. Re-election of directors, change of the articles of incorporation, dissolution, consolidation, division of the Company or respective sub-paragraphs in Article 185 Paragraph 1 of the Company Act and matters in Article 26-1 and Article 43-6 of the Securities and Exchange Act shall be listed under Cause of the Meeting; they may not be brought forth during motions.</p>	<p>1. Amendment in accordance with the current provisions announced by the Stock Exchange.</p> <p>2. The amended as per the announcement, referenced No. Tai-Zheng-Zhi-Li No. 1100004250.</p>

<p><u>the date of the shareholders meeting, this Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby.</u></p> <p><u>This Corporate shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:</u></p> <p><u>1. For physical shareholders meetings, to be distributed on-site at the meeting.</u></p> <p><u>2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.</u></p> <p><u>3. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.</u></p> <p><u>The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.</u></p> <p><u>Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the</u></p>		
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<p><u>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 reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion. Where re-election of all directors and supervisors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting. A shareholder holding one percent or more of the total number of issued shares may submit to this Corporation a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the corporation to promote public interests 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 regular shareholders meeting is held, this Corporation shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for</u></p>		
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<p><u>their submission; the period for submission of shareholder proposals may not be less than 10 days.</u> <u>Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.</u> <u>Prior to the date for issuance of notice of a shareholders meeting, this Corporation shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.</u></p>		
<p>Article 4 For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization. A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this Corporation before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment. After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation</p>	<p>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 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.</p>	<p>1. Amendment in accordance with the current provisions announced by the Stock Exchange. 2.The amended as per the announcement, referenced No. Tai-Zheng-Zhi-Li No. 1100004250.</p>

<p>before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</p> <p><u>If, after a proxy form is delivered to this Corporation, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to this Corporation two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</u></p>		
<p>Article 5</p> <p>The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.</p> <p><u>The restrictions on the place of the meeting shall not apply when this Corporation convenes a virtual-only shareholders meeting.</u></p>	<p>Article 5</p> <p>A shareholders' meeting shall take place at where the Company is located or 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 about the time and venue of the meeting.</p>	<p>1. Amendment in accordance with the current provisions announced by the Stock Exchange.</p>
<p>Article 6</p> <p><u>This Corporation shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle</u></p>	<p>Article 6</p> <p>The Company shall have the sign-in book ready to be signed by the attending shareholders or their proxies (the "Shareholders") or the attending shareholders shall submit the sign-in card instead to indicate their presence. The Company shall give shareholders present in the meeting the meeting agenda, annual report, attendance card, speech note, vote, and other meeting materials; when election of directors is involved, the ballot shall also be included. Shareholders shall attend a shareholders' meeting with a show of their attendance card, attendance sign-in card, or other IDs. Powers of attorney</p>	<p>1. Amendment in accordance with the current provisions announced by the Stock Exchange.</p> <p>2.The amended as per the announcement, referenced No. Tai-Zheng-Zhi-Li No. 1100004250.</p>

<p><u>the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person. Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification. This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.</u></p> <p>This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.</p> <p>When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.</p> <p><u>In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with this Corporation two days before the meeting date.</u></p> <p><u>In the event of a virtual shareholders meeting, this Corporation shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting</u></p>	<p>of letters of authorization shall also bring their status supporting documents for verification purpose. 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.</p>	
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<p><u>platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u></p>		
<p>Article 6-1 <u>To convene a virtual shareholders meeting, this Corporation shall include the follow particulars in the shareholders meeting notice:</u> <u>1. How shareholders attend the virtual meeting and exercise their rights.</u> <u>2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:</u> <u>A. To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.</u> <u>B. Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.</u> <u>C. In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</u> <u>D. Actions to be taken if the outcome of all proposals have</u></p>	<p>Article 6-1</p>	<p>1. This article is newly added. 2.The amended as per the announcement, referenced No. Tai-Zheng-Zhi-Li No. 1100004250.</p>

<p><u>been announced and extraordinary motion has not been carried out.</u></p> <p><u>3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.</u></p>		
<p>Article 8</p> <p><u>This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.</u></p> <p><u>The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.</u></p> <p><u>Where a shareholders meeting is held online, this Corporation shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by this Corporation, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.</u></p> <p><u>The information and audio and video recording in the preceding paragraph shall be properly kept by this Corporation during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.</u></p> <p><u>In case of a virtual shareholders meeting, this Corporation is advised to audio and video record the back-end operation interface of the virtual meeting platform.</u></p>	<p>Article 8</p> <p>The Company shall keep the minutes of the meeting by voice recording or videotaping, and retain the record for at least 1 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.</p>	<p>1. Amendment in accordance with the current provisions announced by the Stock Exchange.</p> <p>2. The amended as per the announcement, referenced No. Tai-Zheng-Zhi-Li No. 1100004250.</p>
<p>Article 9</p> <p>Attendance at shareholders</p>	<p>Article 9</p> <p>The attendance of</p>	<p>1. Amendment in accordance with the current provisions</p>

<p>meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, <u>and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.</u> The chair shall call the meeting to order at the appointed meeting time <u>and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.</u> However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. <u>In the event of a virtual shareholders meeting, this Corporation shall also declare the meeting adjourned at the virtual meeting platform.</u> If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. In the event of a virtual shareholders meeting, <u>shareholders intending to attend the meeting online shall re-register to this Corporation.</u></p>	<p>shareholders shall be calculated based on the number of shares represented. The number of shares held by those present is based on the sign-in book or the submitted sign-in cards. When time of meeting is due, the chairperson shall call the meeting to order. When the attendance has not reached a majority of the total circulating shares held by the shareholders, however, the chairperson may announce that the meeting be postponed. The postponement is limited to two times only. The time postponed may not exceed an hour. When the meeting has been postponed twice and the attendance has still not reached at least one-third of the total number of shares already issued and held by shareholders, the chairperson shall announce that the meeting is aborted. When it has been postponed twice and the majority is still not fulfilled yet the number of shareholders that are present hold more than one-third of all shares already issued, a tentative resolution may be made as required by Article 175 Paragraph 1 of the Company Act and each of the shareholders shall be informed of the tentative resolution that the meeting will be called for again within one month. Before the meeting is completed, if the number of shares held by the attending shareholders combined has reached already 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.</p>	<p>announced by the Stock Exchange. 2.The amended as per the announcement, referenced No. Tai-Zheng-Zhi-Li No. 1100004250.</p>
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<p><u>in accordance with Article 6. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.</u></p>		
<p>Article 11 Paragraph 1~6 is omitted. <u>Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply. As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.</u></p>	<p>Article 11 Paragraph 1~6 is omitted.</p>	<p>1.The amended as per the announcement, referenced No. Tai-Zheng-Zhi-Li No. 1100004250.</p>
<p>Article 13 A shareholder shall be entitled to one vote for each share held, <u>except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act. When this Corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt 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 exercising voting rights by correspondence or electronic means will be deemed to have attended the</u></p>	<p>Article 13 Shareholders are entitled to a voting right for each share they hold; this, however, does not apply to those restricted or without voting rights. 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. When voting, the chairperson or the assigned person shall, proposal by proposal, announce the total number of voting rights held by attending shareholders. When no shareholders attending the meeting expresses disagreement during</p>	<p>1. Amendment in accordance with the current provisions announced by the Stock Exchange. 2.The amended as per the announcement, referenced No. Tai-Zheng-Zhi-Li No. 1100004250.</p>

<p><u>meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that this Corporation avoid the submission of extraordinary motions and amendments to original proposals.</u></p> <p><u>A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.</u></p> <p><u>After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.</u></p> <p><u>Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an</u></p>	<p>consultation by the chairperson, the specific proposal is considered to have been approved; the power is the same as that of a decision made through voting. In case of disagreement, voting shall take place as required in the preceding paragraph.</p> <p>Except for the proposals shown in the agenda, other proposals brought forth by shareholders or amendments or alternatives to original proposals shall be supported by endorsement from other shareholders. The number of shares held by the proposer and the endorsers combined shall account for 1% of all issued shares with voting rights.</p> <p>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.</p> <p>The chairperson is to assign the staff to inspect voting on proposals and count the ballots; the inspectors, however, shall be shareholders. Ballot counting shall take place in public within the venue of the shareholders' meeting and voting results shall be announced on the spot and records shall be produced.</p>	
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<p><u>affirmative vote of a majority of the voting rights represented by the attending shareholders.</u> At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. <u>After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.</u></p> <p>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.</p> <p>Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation.</p> <p><u>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.</u></p> <p><u>When this Corporation convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting. In the event of a virtual</u></p>		
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<p><u>shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.</u> <u>When this Corporation convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.</u> <u>When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.</u></p>		
<p>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, <u>including the names of those elected as directors and those failed to be elected and the numbers of votes they won.</u></p> <p>Paragraph 2 is omitted.</p>	<p>Article 14 When directors are elected during a shareholders' meeting, related election regulations established by the Company shall be followed and the voting outcome shall be announced on the spot.</p> <p>Paragraph 2 is omitted.</p>	<p>Paragraph 1 is amended as per the announcement, referenced No. Tai-Zheng-Zhi-Li No. 1100001446.</p>
<p>Article 15 Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder</p>	<p>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</p>	<p>1. Amendment in accordance with the current provisions announced by the Stock Exchange. 2. The amended as per the announcement, referenced No. Tai-Zheng-Zhi-Li No. 1100004250.</p>

<p>within 20 days after the conclusion of the meeting. <u>The meeting minutes may be produced and distributed in electronic form.</u></p> <p>This Corporation may distribute the meeting minutes of the <u>preceding paragraph by means of a public announcement made through the MOPS.</u></p> <p>The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), <u>and disclose the number of voting rights won by each candidate</u> in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of this Corporation.</p> <p><u>Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.</u></p> <p><u>When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, this Corporation shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.</u></p>	<p>within twenty (20) days after the close of the meeting.</p> <p>The distribution of meeting minutes as indicated in the preceding paragraph shall be based on the requirements of the Company Act.</p> <p>The meeting minutes shall truthfully document the year, month, date, venue, name of the chairperson, decision-making method, guidelines to be followed throughout the meeting, and the results and shall be kept permanently while the Company continues to exist.</p> <p>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”.</p> <p>In 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.</p>	
<p>Article 16</p> <p>On the day of a shareholders meeting, this</p>	<p>Article 16</p> <p>The number of shares obtained by the power of</p>	<p>1.The amended as per the announcement, referenced No. Tai-Zheng-Zhi-Li No.</p>

<p>Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. <u>In the event a virtual shareholders meeting, this Corporation shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting. During this Corporation's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.</u></p> <p>If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange Market) regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.</p>	<p>attorney and that represented by the authorized proxy shall be clearly disclosed in the venue of the shareholders' meeting on the date of the shareholders' meeting through a statistical chart prepared in the format required.</p> <p>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.</p>	<p>1100004250.</p>
<p><u>Article 19 (Disclosure of information at virtual meetings)</u></p> <p><u>In the event of a virtual shareholders meeting, this Corporation shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.</u></p>		<p>1. This article is newly added. 2.The amended as per the announcement, referenced No. Tai-Zheng-Zhi-Li No. 1100004250.</p>
<p><u>Article 20 (Location of the</u></p>		<p>1. This article is newly added.</p>

<p><u>chair and secretary of virtual-only shareholders meeting)</u> <u>When this Corporation convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.</u></p>		<p>2.The amended as per the announcement, referenced No. Tai-Zheng-Zhi-Li No. 1100004250.</p>
<p><u>Article 21 (Handling of disconnection)</u> <u>In the event of a virtual shareholders meeting, this Corporation may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.</u> <u>In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.</u> <u>For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.</u> <u>For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights</u></p>		<p>1. This article is newly added. 2.The amended as per the announcement, referenced No. Tai-Zheng-Zhi-Li No. 1100004250.</p>

<p><u>exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.</u></p> <p><u>During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.</u></p> <p><u>When this Corporation convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.</u></p> <p><u>Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</u></p> <p><u>When postponing or resuming a meeting according to the second paragraph, this Corporation shall handle the preparatory work based on the</u></p>		
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<p><u>date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies. For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, this Corporations shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.</u></p>		
<p><u>Article 22 (Handling of digital divide)</u> <u>When convening a virtual-only shareholders meeting, this Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.</u></p>		<p>1. This article is newly added. 2.The amended as per the announcement, referenced No. Tai-Zheng-Zhi-Li No. 1100004250.</p>
<p>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 occurred on June 5, 2012. The 2nd amendment occurred on June 18, 2020. <u>The 3rd amendment occurred on June 10, 2022.</u></p>	<p>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 occurred on June 5, 2012. The 2nd amendment occurred on June 18, 2020.</p>	<p>In line with this updated clause, the clauses are adjusted.</p>

Syncmold Enterprise Corp.
Shareholding status of directors

- I. The paid-in capital size of the Company totals NTD 1,237,241,710, with 123,724,171 shares issued. As is required by the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratio at Public Companies,” the minimum number of shares that all directors of the Company shall hold is 8,000,000.
- II. The number of shares held by each of the directors shown in the shareholder roster as of the book closure date (April 12, 2022) for the current shareholders’ meeting is as follows. The ratio requirement as specified in Article 26 of the Securities and Exchange Act has been fulfilled.

Title	Name	Date elected	Shares held now	
			Quantity	Ratio
Chairman	Chen, Chiu-Lang	June 18, 2020	8,708,211	7.04%
Directors	Chuang, Shu-Yen	June 18, 2020	1,918,684	1.55%
Directors	Fortune Investment Co.,Ltd.	June 18, 2020	5,200,139	4.20%
Independent Director	Tsai, Yung-Lu	June 18, 2020	-	-
Independent Director	Tsai, Shih-Kuang	June 18, 2020	-	-
Independent Director	Yen, Da-Ho	June 18, 2020	-	-
Independent Director	Chiu, Hui-Chin	June 18, 2020	-	-
Subtotal of shares held by directors			15,827,034	12.79%

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

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.

For general shareholders' meetings, respective shareholders shall be notified 30 days in advance and shareholders holding less than 1,000 inscribed shares may be notified through announcement in the Market Observation Post System 30 days in advance. For special shareholders' meetings, respective shareholders shall be notified 15 days in advance and shareholders holding less than 1,000 inscribed shares may be notified through announcement in the Market Observation Post System 15 days in advance.

The notification and announcement shall specify cause of the meeting.

Re-election of directors, change of the articles of incorporation, dissolution, consolidation, division of the Company or respective subparagraphs in Article 185 Paragraph 1 of the Company Act and matters in Article 26-1 and Article 43-6 of the Securities and Exchange Act shall be listed under Cause of the Meeting; they may not be brought forth during motions.

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 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.

Article 5 A shareholders' meeting shall take place at where the Company is located or 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 about the time and venue of the meeting. .

Article 6 The Company shall have the sign-in book ready to be signed by the attending shareholders or their proxies (the “Shareholders”) or the attending shareholders shall submit the sign-in card instead to indicate their presence.

The Company shall give shareholders present in the meeting the meeting agenda, annual report, attendance card, speech note, vote, and other meeting materials; when election of directors is involved, the ballot shall also be included.

Shareholders shall attend a shareholders’ meeting with a show of their attendance card, attendance sign-in card, or other IDs. Powers of attorney of letters of authorization shall also bring their status supporting documents for verification purpose.

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.

Article 7 If a shareholders’ meeting is called for by the Board of Directors, it shall be chaired by the Chairman of the Board of Directors. When the Chairman is on leave or is unable to exercise his/her function for some reason, the Vice Chairman shall act on his/her behalf. When the Vice Chairman is also on leave or unable to exercise his/her function for some reason, the Chairman shall assign a standing director to act on his/her behalf. When the Chairman 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, the 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 keep the minutes of the meeting by voice recording or videotaping, and retain the record for at least 1 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 9 The attendance of shareholders shall be calculated based on the number of shares represented. The number of shares held by those present is based on the sign-in book or the submitted sign-in cards.

When time of meeting is due, the chairperson shall call the meeting to order. When the attendance has not reached a majority of the total circulating shares held by the shareholders, however, the chairperson may announce that the meeting be postponed. The postponement is limited to two times only. The time postponed may not exceed an hour. When the meeting has been postponed twice and the attendance has still not reached at least one-third of the total number of shares already issued and held by shareholders, the chairperson shall announce that the meeting is aborted.

When it has been postponed twice and the majority is still not fulfilled yet the number of shareholders that are present hold more than one-third of all shares already issued, a tentative resolution may be made as required by Article 175 Paragraph 1 of the Company Act and each of the shareholders shall be informed of the tentative resolution that the meeting will be called for again within one month.

Before the meeting is completed, if the number of shares held by the attending shareholders combined has reached already 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 and 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.

Article 12 Votes in shareholders meetings shall be calculated based on the number of shares held.

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

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 number of voting power represented by him/her shall not exceed 3% of the total number of voting shares of the company, otherwise, the portion of excessive voting power shall not be counted.

Article 13 Shareholders are entitled to a voting right for each share they hold; this, however, does not apply to those restricted or without voting rights.

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. When voting, the chairperson or the assigned person shall, proposal by proposal, announce the total number of voting rights held by attending shareholders.

When no shareholders attending the meeting expresses disagreement during consultation by the chairperson, the specific proposal is considered to have been approved; the power is the same as that of a decision made through voting. In case of disagreement, voting shall take place as required in the preceding paragraph.

Except for the proposals shown in the agenda, other proposals brought forth by shareholders or amendments or alternatives to original proposals shall be supported by endorsement from other shareholders. The number of shares held by the proposer and the endorsers combined shall account for 1% of all issued shares with voting rights.

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. Ballot counting shall take place in public within the venue of the shareholders' meeting and voting results shall be announced on the spot and records shall be produced.

Article 14 When directors are elected during a shareholders' meeting, related election regulations established by the Company shall be followed and the voting outcome shall be announced on the spot.

Ballots for the election in the preceding paragraph shall be kept properly

once they are sealed and signed off 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 distribution of meeting minutes as indicated in the preceding paragraph shall be based on the requirements of the Company Act.

The meeting minutes shall truthfully document the year, month, date, venue, name of the chairperson, decision-making method, guidelines to be followed throughout the meeting, and the results and shall be kept permanently while the Company continues to exist.

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 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 number of shares obtained by the power of attorney and that represented by the authorized proxy shall be clearly disclosed in the venue of the shareholders' meeting on the date of the shareholders' meeting through a statistical chart prepared in the format required.

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 patrols or security to help maintain order on the floor. When helping maintain order in the venue, the patrols or security shall wear the "patrol" 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 patrol 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 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 occurred on June 5, 2012.

The 2nd amendment occurred on June 18, 2020.

Syncmold Enterprise Corp.
Articles of Incorporation
(Before Revision)
Chapter I General Provisions

Article 1: The Company is incorporated in accordance with the Company Act, under the name of (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 lease
- XIV. JE01010 Lease
- XV. ZZ99999 Operations not prohibited or restricted by law besides the said approved ones

Article 3: The main office of the Company is located in New Taipei City and a branch office 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 worth NTD 10. The Board of Directors is authorized to issue the shares yet to be issued in separate batches.

Within the capital size 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' Meeting

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.

Besides 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.

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 in person or through proxies the meeting 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 else 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, the 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 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 one.

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

Article 14: The Board of Directors is formed by the directors and the Chairman and the Vice Chairman, one each, 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 case of emergency, however, it may be called for at any time.

Notification on the convening of the Company's Board of Directors' meeting may be done in writing, through email, or by 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, and

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

Article 19: Deleted.

Article 20: The Company shall set aside the remuneration in 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 90%. 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.

Syncmold Enterprise Corp.

Chairman: Chen, Chiu-Lang

Syncmold Enterprise Corp.

The procedure of Acquisition and Disposal of Assets (Before Amendment)

1. Purpose

- 1.1 These procedures are promulgated pursuant to Article 36-1 of the Taiwan Securities and Exchange Act and Regulations governing acquisition and disposal of assets.

2. Scope

- 2.1 The term "assets" as used in these Regulations includes the following:
 - 2.1.1 Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
 - 2.1.2 Real property (including land, houses and buildings, investment property, right-of-use of land and construction enterprise inventory) and equipment.
 - 2.1.3 Memberships.
 - 2.1.4 Patents, copyrights, trademarks, franchise rights, and other intangible assets.
 - 2.1.5 Right-of-use assets.
 - 2.1.6 Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
 - 2.1.7 Derivatives.
 - 2.1.8 Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
 - 2.1.9 Other major assets.

3. Definition

- 3.1 Derivatives:
 - 3.1.1 Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid

contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives.

- 3.1.2 The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
- 3.2 Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.
- 3.3 Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- 3.4 Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
- 3.5 Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
- 3.6 Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
- 3.7 Within the preceding year: refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with the Procedures need not be counted toward the transaction amount.
- 3.8 The latest financial statement: refers to the financial statement in which publicly reviewed and audit by CPA before the Company acquires or disposes the assets.

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

3.10 Securities exchange: "Domestic securities exchange" refers to the Taiwan Stock Exchange Corporation; "foreign securities exchange" refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.

3.11 Over-the-counter venue ("OTC venue", "OTC"): "Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; "foreign OTC venue" refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.

4. Content of the Procedures

4.1 The evaluation and procedures of acquiring or disposing of real property, equipment or right-of-use assets; securities and other assets

4.1.1 In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20% of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

4.1.1.1 The discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount from professional appraiser, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for

the assets to be disposed of are lower than the transaction amount, shall ask the CPA to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price.

4.1.1.2 Where the transaction amount is NT\$1 billion or more, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, appraisals from two or more professional appraisers shall be obtained. If the discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount, shall ask the CPA to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price.

4.1.1.3 No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

4.1.1.4 Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.

4.1.1.5 Except 4.1.1.4, if an appraisal report or the certified public accountant's opinions under 4.1.1.1 and 4.1.1.2 cannot be obtained in time and there is a legitimate reason for the delay, shall be obtained within 2 weeks counting inclusively from the date of occurrence and make a correction announcement for original transaction amount and appraisal result. If under any circumstances in 4.1.1.1 and 4.1.1.2 shall report after announced the discrepancy reason and the certified public accountant's opinions.

4.1.1.6 The Company's professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:

A. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.

B. May not be a related party or de facto related party of any party to the transaction.

C. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

D. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the Article 5 of Regulations Governing the Acquisition and Disposal of Assets by Public Companies.

4.1.2 The evaluation of acquiring or disposing of securities:

4.1.2.1 Before acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a CPA, for reference in appraising the transaction price

4.1.2.2 If the dollar amount of the transaction is 20% of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as

evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).

4.1.3 Acquiring or disposing of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20% or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price. Acquiring or disposing of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

4.1.4 The operation procedures of the transaction terms for acquiring or disposing the assets:

4.1.4.1 The transaction of real property, equipment, or right-of-use assets; memberships, intangible assets or other assets thereof shall handle by the regulations of the Company's cyclic process of fixed assets and this procedure. The in-charge department shall evaluate the analysis and proposes the transaction terms, the price for a single transaction with amount below NT\$200 million should be approved by levels in accordance with authorization and the chairman is authorized to make the resolution. The price for a single transaction with amount over NT\$200 million should be approved by the Board of Directors.

4.1.4.2 The transaction of the securities shall handle by the regulations of the Company's cyclic process of investment and this procedure. The application of short-term funds which invest in domestic government bonds, the bonds under repurchase and resale agreements, the money market funds, the bond funds such non-equity or non-stock investment funds issued by domestic securities investment trust enterprises, the price for a single transaction with amount below NT\$300 million, the chairman

is authorized to make the resolution. The price for a single transaction with amount over NT\$300 million should be approved by the Board of Directors. Besides, invest in the expected non-short-term sales securities or other securities, the in-charge department shall evaluate the publicly announce present value and analyze the future prospects to proposes the transaction terms, the price for a single transaction with amount below NT\$200 million, the chairman is authorized to make the resolution. The price for a single transaction with amount over NT\$200 million should be approved by the Board of Directors..

4.1.5 The limitation of acquisition of the real estate for non-operating purpose or securities:

4.1.5.1 The limitation of acquisition of the real estate for non-operating purpose or securities of the Company as follows:

- A. The total amount of acquisition of the real estate for non-operating purpose shall not exceed 20% net worth of the latest financial statements of the Company.
- B. The total amount of securities investment shall not exceed 200% net worth of the latest financial statements of the Company.
- C. The amount of individual securities investment shall not exceed 150% net worth of the latest financial statements of the Company.

4.1.5.2 The limitation of acquisition of the real estate for non-operating purpose and the right-of-use assets thereof or securities of the Company as follows:

- A. The total amount of acquisition of the real estate for non-operating purpose and the right-of-use assets shall not exceed 20% net worth of the latest financial statements of the Company.
- B. The amount of individual securities investment shall not exceed 150% net worth of the latest financial statements of the Company's subsidiaries.

4.1.6 The calculation of transaction amount of acquisition or disposals the assets based on Paragraph 4.1.1, 4.1.2 and 4.1.3 shall be in accordance with Regulations Governing the Acquisition and Disposal of Assets by Public

Companies. The "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

4.2 The evaluation and procedures of related party transaction

When the Company engages in any acquisition or disposal of assets from or to a related party, except the provisions of Article 4.1, shall also ensure that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised by the followings. When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered. If the transaction amount reaches 10% or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of Article 4.1. The calculation of the transaction amount shall be made in accordance with Article 4.1.7 herein.

4.2.1.1 When the Company intends to acquire or dispose of real property or

right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20% or more of paid-in capital, 10% or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the audit committee before those have been approved by the Board of Directors.

4.2.1.2 The reason for choosing the related party as transaction counterparty.

4.2.1.3 With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 4.2.2..

4.2.1.4 The date and price at which the related party originally acquired the

real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.

4.2.1.5 Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.

4.2.1.6 An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with Article 4.1.

4.2.1.7 With respect to the acquisition or disposal of equipment or right-of-use assets thereof held for business use or acquisition or disposal of real property right-of-use assets held for business use, when to be conducted between the Company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital, the company's Board of Directors may pursuant to delegate the board chairman to decide such matters when the transaction amount is below NT\$500 million and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting. The Company acquiring or disposing of assets meet the information disclosure standard of the Regulations shall publicly announce and report the relevant information.

4.2.1.8 Restrictive covenants and other important stipulations associated with the transaction

The calculation of transaction amount based on Paragraph 4.2.1 shall be in accordance with Regulations Governing the Acquisition and Disposal of Assets by Public Companies. The "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items adopted by passage of audit committee before being submitted to the Board of Directors and to the supervisors for ratification pursuant to these Regulations need not be counted toward the transaction amount.

4.2.2 Evaluate the reasonableness of the transaction costs

The Company that acquires real property or right-of-use assets thereof from a related party, except the description in Paragraph 4.2.3, shall evaluate the

reasonableness of the transaction costs by the following means and engage a CPA to check the appraisal and render a specific opinion:

- 4.2.2.1 Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
 - 4.2.2.2 Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70% or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.
 - 4.2.2.3 Where land and structures thereupon are purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in Paragraph 4.2.2.1 and 4.2.2.2.
- 4.2.3 Where the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with Article 4.2.1, and Article 4.2.2 does not apply:
- 4.2.3.1 The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
 - 4.2.3.2 More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.
 - 4.2.3.3 The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to

build real property, either on the company's own land or on rented land.

4.2.3.4 The real property right-of-use assets for business use are acquired by the Company with its subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital.

4.2.4 When the results of the Company's appraisal conducted in accordance with Article 4.2.2 are uniformly lower than the transaction price, the matter shall be handled in compliance with Article 4.2.5. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:

4.2.4.1 Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:

- A. Where undeveloped land is appraised in accordance with the means in Article 4.2.2, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
- B. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
- C. Completed leases by unrelated parties within the preceding year involving other floors of the same property, where the land area and

transaction terms are similar after calculation of reasonable price discrepancies in floor prices in accordance with standard property market sale.

4.2.4.2 Acquiring real property from a related party provides evidence that the terms of the transaction are similar to the terms of completed deals involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.

4.2.4.3 Completed deals involving neighboring or closely valued parcels of land in the preceding paragraph in principle refer to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refer to deals completed by unrelated parties for parcels with a land area of no less than 50% of the property in the planned transaction.

4.2.5 Where the Company acquires real property from a related party and the results of appraisals conducted in accordance with Article 4.2.2 are uniformly lower than the transaction price or if there is other evidence indicating that the acquisition was not an arm's length transaction, the following steps shall be taken:

4.2.5.1 A special reserve shall be set aside in accordance with Article 41, Paragraph 1 of the Act against the difference between the real property transaction price and the appraised cost for the real property and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, Paragraph 1 of the Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company

4.2.5.2 Members of the audit committee concurrently serving as independent directors shall comply with Article 218 of the Company Act.

4.2.5.3 Actions taken pursuant to the subparagraphs 4.2.5.1 and 4.2.5.2 shall be

reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus

4.2.5.4 The Company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the authority has given its consent.

4.2.5.5 When the Company obtains real property or right-of-use assets thereof from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was not an arm's length transaction.

4.3 The evaluation and procedures of derivatives trading

4.3.1 Trading principles and strategies:

4.3.1.1 The types of derivatives

- A. The types of derivatives may be traded of the Company will be classified into two categories based on its purpose: "Non-transactional" which is the hedge trades with non-transactional purpose and "Transactional" which is non hedge trades with transactional purpose.
- B. The types of derivatives may be traded of the Company shall averse the exchange rate and interest rate risk from the business operation and positions held of the Company.

4.3.1.2 Operating or hedging strategies

- A. The derivatives trading of the Company shall take risk aversion as the purpose and the trading products shall averse the risks from the business operation of the Company.
- B. The derivatives trading counterparty of the Company shall choose a financial institution with better conditions to conducts the hedge trades based on the operational needs of the Company to avoid credit risks.

4.3.1.3 Segregation of duties

- A. The financial unit shall record the operation details (amount, exchange rate, bank, and expiration date) on the transaction list with daily basis to stay on top of profit/loss position; and the settlement of exchange gains or losses shall be made with monthly, quarterly, semi-annual, and annual basis.
- B. The hedge trades of the Company shall follow below permissions. The cumulative net position amount of the hedge trades shall not exceed half of the total net position of the Company and its subsidiaries. If having exceed, shall report to the Board of Directors and conducts after its approval.

<u>Approved Levels</u>	<u>One-day Transaction Amount</u>
Board of Directors	Exceed 3 million USD
After approved by the chairman, shall report to the soonest meeting of the Board of Directors for ratification	3 million USD and less

- C. The total amount of other specified contracts less than 5 million USD shall have approval by the chairman and which the amount exceed 5 million USD shall report to the Board of Directors for ratification.

4.3.1.4 Specific measures:

- A. The professional person who is designated by the chairman to fill out the transaction application form of the derivative commodity and have approved by levels to release the order to the financial institution which has approval for transaction.
- B. The operator fills in the derivative commodity operation schedule according to the actual transaction documents together with the copies of each transaction document and submits them to the related accounting and financial personnel for the account registration.
- C. During the transaction period, the accounting unit shall evaluate the realized or unrealized transaction gains or losses based on the market

price of various products in accordance to the regulations and shall be accounted after approved by the head of department. If, any exceed of the maximum loss limit, shall report and take necessary measures. ◦

- D. The cash receipts and disbursement from each payment date or expiration during the transaction period shall be delivered by non-operating personnel from financial unit and submits the relative receipts to the accounting unit for the account registration.

4.3.1.5 Performance evaluation

The financial unit shall take the positions of realized net income as the performance evaluation basis after the closing of each contract expiration date. And comparing the profit/loss performance against the settled trading target to have a periodically review and reports it for the review by the chairman.

4.3.1.6 Total amount of derivatives contracts

- A. The cumulative net position amount of the hedge trades shall not exceed half of the total net position of the Company and its subsidiaries. If having exceed, shall report to the Board of Directors and conduct after its approval.
- B. Other specified contracts: The limit of the total contract amount (do not calculated by deposit amount) shall not exceed 5 million USD.

4.3.1.7 The maximum loss limit

- A. The maximum loss limit of the hedge trades shall not exceed 15% of an individual contract amount. If any losses exceed 15% of transaction amount shall report to the chairman to discuss the necessary measures.
- B. In case of a special purpose transaction contract, the stop loss point shall be set to prevent excess loss after established the position. The limit of the stop loss point shall not exceed 15% of an individual contract amount. If any losses exceed 15% of individual transaction amount shall report to the chairman to discuss the necessary

measures.

4.3.2 Risk management measures

4.3.2.1 Credit risk management- The transaction counterparty shall be a domestic and/or international financial institution with good credit and can provides professional information as the principle. The head of financial department shall be responsible for controlling the transaction amount of the financial institutions which shall not have excessive concentration. And also shall adjust the transaction amount at any time based on the changes in the market.

4.3.2.2 Market risk management- Choosing a market can fully disclose the quotation information.

4.3.2.3 Liquidity risk management- In order to ensure the liquidity, the transaction financial institution shall have sufficient equipment, information and transaction capacity to conducts the transactions in any markets.

4.3.2.4 Cash Flow risk management- In order to ensure the stability of the operating capital turnover of the Company, the source of funds for the derivative commodity transaction shall be subjected to its own funds and the operating amount shall consider the needs of future cash receipt and disbursement prediction.

4.3.2.5 Operating risk management-

- A. Shall strictly abide by the authorized quota, operating procedures and other regulation of the Company to avoid legal risks.
- B. Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.
- C. Risk measurement, monitoring, and control personnel shall be assigned to a different department that the personnel in the preceding subparagraph and shall report to the Board of Directors or senior management personnel with no responsibility for trading or position decision-making.

4.3.2.6 Legal risk management- Any documents signed with the financial

institutions must be reviewed by the head of financial department. If any necessary, shall ask the legal consultant issues the proposal first to sign formally to avoid legal risks.

4.3.3 Regular evaluation methods

Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to the Corporate Governance Supervisor.

4.3.4 Internal audit system

The Company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and audit how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and analyze the trading cycles to prepare an audit report. The Company shall enter the relevant information together with the implementation status of annual internal audit plan into the information reporting website designated by the authority by the end of February by the following year. Also the Company shall enter the tracking records of the improvement for abnormal matters into the information reporting website designated by FSC no later than end of May of the following year. If any material violation is discovered, independent directors shall be notified in writing.

4.3.5 Supervise and manage the Board of Directors

4.3.5.1 Where the Company engaging in derivatives trading, its Board of Directors shall faithfully supervise and manage such trading in accordance with the following principles:

- A. Designate the Corporate Governance Supervisor to pay continuous attention to monitoring and controlling derivatives trading risk.
- B. Periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the company's permitted scope of tolerance.

4.3.5.2 The Corporate Governance Supervisor authorized by the Board of

Directors shall manage derivatives trading in accordance with the following principles:

- A. Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these Regulations
- B. When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the Board of Directors; where a company has independent directors, an independent director shall be present at the meeting and express an opinion.

4.3.6 Log and record

The Company engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, Board of Directors' approval dates, and the matters required to be carefully evaluated shall be recorded in the log book.

4.4 Mergers and Consolidations, Splits, Acquisitions, and Assignment of Shares of the enterprise

4.4.1 Determination method of transaction price and references

The Company conducting a merger, demerger, acquisition, or transfer of shares shall take the past and future financial and business conditions, expected future benefits and the fair method of market price determination into comprehensive consideration. Also, refers to the professional opinions from a CPA, attorney, or securities underwriter to negotiate the price with the participated counterparty.

4.4.2 Engage professionals to give opinion

The Company conducting a merger, demerger, acquisition, or transfer of shares, prior to convening the Board of Directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the Board of Directors for deliberation and passage. However, the requirement

of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by the Company of a subsidiary in which it directly or indirectly holds 100% of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the Company directly or indirectly holds 100% of the respective subsidiaries' issued shares or authorized capital.

4.4.3 Resolution levels

4.4.3.1 The Company conducting in a merger, demerger, or acquisition, the transaction participating company shall convene a Board of Directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the relative authority is notified in advance of extraordinary circumstances and grants consent.

4.4.3.2 The Company conducting in a transfer of shares, the transaction participating company shall convene a Board of Directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the relative authority is notified in advance of extraordinary circumstances and grants consent.

4.4.3.3 The Company conducting in a merger, demerger, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to Article 4.4.2 when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.

4.4.3.4 Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or

pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.

4.4.3.5 After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the Board of Directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.

4.4.4 Confidentiality duty and averse insider trading

Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.

4.4.5 The Company participating in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:

4.4.5.1 Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants,

preferred shares with warrants, stock warrants, or other equity based securities.

4.4.5.2 An action, such as a disposal of major assets that affects the Company's financial operations.

4.4.5.3 An event, such as a major disaster or major change in technology that affects shareholder equity or share price.

4.4.5.4 An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.

4.4.5.5 An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.

4.4.5.6 Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.

4.4.6 The records on the contract

The contract for participation by the Company and its trading counterparty in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:

4.4.6.1 Handling of breach of contract.

4.4.6.2 Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.

4.4.6.3 The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.

4.4.6.4 The manner of handling changes in the number of participating entities or companies.

4.4.6.5 Preliminary progress schedule for plan execution, and anticipated completion date.

4.4.6.6 Scheduled date for convening the legally mandated shareholders meeting if the plan exceed the deadline without completion, and

relevant procedures.

4.4.7 When participating in a merger, demerger, acquisition, or transfer of another company's shares, the Company shall prepare a full written record of the following information and retain it for 5 years for reference:

4.4.7.1 Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.

4.4.7.2 Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a Board of Directors meeting.

4.4.7.3 Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of Board of Directors meetings.

4.5 Information reporting procedures

The Company acquires or disposes the assets shall in accordance with “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”, a public report of relevant information shall be made on the information reporting website designated by the authority within 2 days counting inclusively from the date of occurrence of the event

4.6 Procedures for managing the acquisition or disposal assets by subsidiaries

4.6.1 The subsidiaries of the Company shall formulate its procedures for acquisition or disposal the assets, same as for amended, in accordance with “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” and approved by the Company.

4.6.2 The acquisition or disposal of assets by each subsidiary shall be conducted in accordance with its own procedures for acquisition or disposal the assets

or provisions of other laws.

4.6.3 The internal auditors shall periodically perform the audit in subsidiaries to understanding the implementation of its procedures for acquisition or disposal the assets to create an audit report. The discovery and recommendations in the audit report should be noticed to the subsidiary that being audit for improvement after approved and have tracking report periodically to ensure they have appropriate improving measures.

4.7 Others

4.7.1 The Company's managers and person-in-charge shall have any violation of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" of the FSC or the "The procedure of Acquisition and Disposal of Assets" of the Company, the castigation depending on the severity of the offense is subject to the Personnel Management Procedures and Work Rules of the Company.

4.7.2 When the procedures for the acquisition and disposal of assets are submitted for discussion by the Board of Directors pursuant to the Procedures or other laws, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting and submitted to the Audit Committee in accordance with the "Management of Operation of Board Meeting" of the Company.

4.7.3 The Company shall not abandon the capital increase to Syncmold Enterprise (Samoa) Corp. in future years and Syncmold Enterprise (Samoa) Corp. also shall not abandon its capital increase to Fuzhou Fulfil Tech. Co., Ltd. and Fujian Khuan Hua Precise Mold., Ltd.. If the Company disposal of the above companies, it shall be approved by a special resolution of the Board of Directors of the Company.

4.7.4 Any other matters not set forth in the Procedures or have any doubts on application shall be dealt with in accordance with the applicable laws and rules. Without regulations by laws and rules, the Board of Directors of the

Company shall discuss for the resolution.

4.7.5 The Procedures had been approved by the Board of Directors after approval by the company's audit committee, and then to a shareholders' meeting for approval; the same applies when the Procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to the audit committee.

4.7.6 For the calculation of 10% of total assets under the Procedures, shall use the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

4.7.7 For the provisions of the net worth under the Procedures, the balance sheet shall be attributable to owners of the parent prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.

4.7.8 When handling major assets and derivatives trading following these Procedures and these Procedures for the acquisition and disposal of assets are adopted or amended they shall be approved by one-half or more of all audit committee members and submitted to the board of directors for a resolution. If approval of one-half or more of all audit committee members is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting. The terms "all audit committee members" and "all directors" shall be counted as the actual number of persons currently holding those positions.

5. Management focus

5.1 Any acquisition or disposal of assets is in line with the provisions of the Procedures shall be pursuant to the provisions of evaluation, approval, implementation and Public announcement and regulatory filing. The same applies to the subsidiaries.

5.2 Any violation of the Procedures by the employees, the castigation depending on the

severity of the offense is subject to the Personnel Management Procedures and Work Rules of the Company.

6. Reference

- 6.1 Related standards and interpretative letters published by Accounting Research and Development Foundation
- 6.2 The provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area
- 6.3 Fixed asset cycleSY2-FA-00
- 6.4 Investment cycleSY2-IV-00
- 6.5 Securities Exchange Act
- 6.6 Company Act
- 6.7 Regulations Governing the Acquisition and Disposal of Assets by Public Companies
- 6.8 Management of Operation of Board Meeting
SY3-AD-04

7.Attachment: N/A

Synemold Enterprise Corp.
Corporate Social Responsibility 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 Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies for compliance.

Article 2

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

The Company shall actively fulfill corporate social responsibility 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 corporate social responsibility.

Article 3

In fulfilling corporate social responsibility, 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 fulfill corporate social responsibility, the Company is advised to follow the principles below:

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

Article 5

The Company shall comply with laws and regulations as well as the Articles of Incorporation and is advised to take into consideration the domestic and international development trend of corporate social responsibility and corporate core business operations and the operation of individual companies and of their respective business group as a whole on stakeholders, in establishing their corporate social responsibility policies, systems, or relevant management guidelines, which shall be approved by the Board of Directors.

Article 6

The Company's directors shall exercise the due care of good administrators to urge the Company to fulfill its corporate social responsibility, examine the results of the implementation thereof from time to time, and continually make adjustments so as to ensure the thorough implementation of its corporate social responsibility policies. It is advised to fulfill corporate social responsibility through the aspects below:

- I. Making corporate social responsibility the guiding principle of the Company's operations and development.
- II. Identifying the Company's corporate social responsibility mission (or vision or value) and formulating its corporate social responsibility policy and statement.
- III. Ensuring the disclosure of corporate social responsibility information.

Article 7

For the purpose of managing corporate social responsibility initiatives, the Company is advised to establish an exclusively (or concurrently) dedicated unit for corporate social responsibility; it is responsible for proposing and enforcing the corporate social responsibility 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 corporate social responsibility 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 utilize all resources more efficiently and use renewable materials with a low impact on the environment to improve sustainability of natural resources.

Article 14

The Company shall establish a proper environment management system. Such a system shall include the following tasks:

- 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 fulfill the corporate social responsibility.

Article 28

The Company shall evaluate the impact of its business operations on the community and employ adequate local personnel, to enhance community's recognition of the Company. 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 corporate social responsibility to improve information transparency.

Information relating to corporate social responsibility disclosed by the Company shall include:

- I. The governance mechanism, strategy, policy, or relevant management guidelines on corporate social responsibility, 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 corporate social responsibility established by the Company.
- IV. Performance of fulfilling of corporate social responsibility.
- V. Other information relating to corporate social responsibility information.

Article 30

The Company is advised to prepare corporate social responsibility reports, which may cover the following:

- I. The framework, policy, and action plans for fulfilling corporate social responsibility.
- 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 corporate social responsibility systems and the change in the business environment so as to examine and improve its established corporate social responsibility framework and obtain better results from the implementation of corporate social responsibility.