Stock code： 4916

PARPRO CORPORATION

2023 Annual Shareholders' Meeting

Meeting Agenda

Meeting Date and Time:
May 30, 2023 (Tuesday), at 9:00 AM

Meeting Venue:
11F.-1, No. 88, Zhongyang E. Rd., Zhongli Dist., Taoyuan City 320676, Taiwan (R.O.C.)

PARPRO CORPORATION
2023 Annual Shareholders' Meeting

Date and Time: May 30, 2023 (Tuesday), at 9:00 AM

Venue:11F.-1, No. 88, Zhongyang E. Rd., Zhongli Dist., Taoyuan City 320676, Taiwan (R.O.C.)

Convening Method: Physical meeting

Agenda for the Meeting:

I. Report on attendance and announcement of the session.

II. The speech of the Chairman

III. Report items

1. 2022 Business Report.
2. 2022 Audit Committee's Review Report.
3. Report on the domestic unsecured conversion of corporate bonds
4. 2022 Report on Employees' and Directors' Remuneration.
5. 2022 Report on the Distribution of Earnings as Cash Dividends.

IV. Proposals

1. Adoption of the Company's 2022 Business Report and Financial Statements and subsidiaries' consolidated financial statements.
2. Adoption of the proposal for distribution of 2022 earnings of the Company.

V. Discussions

1. The amendment to some provisions of the "Articles of Incorporation".
2. The amendment to some provisions of the "Operating procedures for lending funds to others".
3. The amendment to some provisions of the "Rules for Procedure for Shareholders' Meetings".

VI. Motions

VII. Adjournment of Meeting

Report items

1. 2022 Business Report.
   Description: Please refer to Appendix 1 for 2022 Business Report.
2. 2022 Audit Committee's Review Report.
   Description: Please refer to Appendix 2 for 2022 Audit Committee's Review Report.
3. Report on the domestic unsecured conversion of corporate bonds.
   Description:

Type of corporate bonds	2nd Unsecured conversion of corporate bonds	3rd Unsecured conversion of corporate bonds
Issue date	2019/12/13	2022/3/10
Denomination (NTD)	100 thousand	100 thousand
Issue price (NTD)	100.50	100.00
Total issuance (NTD)	500,000 thousand	500,000 thousand
Interest rate	0%	0%
Term	5 years; due date: 2024/12/13	5 years; due date: 2027/3/10
Repayment method	Repayment once due	Repayment once due
Conversion price (NTD)	34.7	28.6
Issue balance (NTD)	74,400 thousand	356,400 thousand

4. 2022 Report on Employees' and Directors' Remuneration.
   Description:
   (1) Calculated in accordance with Article 19 of the company's Articles of Incorporation, it is planned to distribute employee remuneration of 2,119,983 and directors' remuneration of 1,059,991 base on profits in 2022, accounting for 2 % and 1% of the net profit before tax respectively. All payments will be paid in cash.
   (2) The above-mentioned employee remuneration and directors' remuneration have no discrepany with the estimated amount listed in the 2022 financial statements.
5. 2022 Report on the Distribution of Earnings as Cash Dividends.
   Description:
   (1) Pursuant to Article 19-1 of the Company's Articles of Incorporation , when the distribution of surplus, legal surplus reserve and capital reserve is paid in cash, the board of directors is authorized to distribute by a resolution of more than two-thirds of the directors present and more than half of the directors present, and report to the shareholders meeting.
   (2) This case has been approved by the resolution of the board of directors. The distribution of cash dividends to shareholders will be based on the shareholders' list on the dividend distribution base date, deducting the shares held by treasury shareholders. NT$ 0.4 will be distributed per share (distributed up to NT$1), totaling NT $ 34,900,141, the total amount of abnormal odd shares distributed less than NT $1 was transferred to other income of the company, and the chairman was authorized to set the base date of dividend distribution and related distribution matters.
   (3) If the number of shares in circulation is affected due to changes in laws or adjustments by competent authorities or other reasons affecting changes in shares, and the dividend rate of shareholders changes, the chairman is authorized to handle it with full authority.

Proposals

1. Adoption of the Company's 2022 Business Report and Financial Statements and subsidiaries' consolidated financial statements.
   Description:
   (1) The company's 2022 annual financial statements and the consolidated financial statements prepared in accordance with the International Financial Reporting Standards have been completed, and have been audited by Deloitte & Touch, together with the 2022 annual business report have been approved by the board of directors. The audit committee has reviewed.
   (2) Please refer to Appendix 1 and Appendice 3 for the above business report and financial statements.
   Resolution:
2. Adoption of the proposal for distribution of 2022 earnings of the Company.
   Description: Please refer to Appendix 4 for the company's 2022 profit distribution statement.
   Resolution:

Discussions

1. The amendment to some provisions of the "Articles of Incorporation".
   Description:
   To meet the needs of the company's operations, it is proposed to amend some articles of the "Articles of Incorporation ". Please refer to Appendix 5 for the comparison table for the amendments.
   Resolution:
2. The amendment to some provisions of the "Operating procedures for lending funds to others".
   Description:
   To meet the needs of the company's operations, it is proposed to amend some articles of the"Operating procedures for lending funds to others". Please refer to Appendix 6 for the comparison table for the amendments.
   Resolution:
3. The amendment to some provisions of the The amendment to some provisions of the "Rules for Procedure for Shareholders' Meetings".
   Description:
   To meet the needs of amendments to laws and regulations, it is proposed to amend some articles of the"Rules for Procedure for Shareholders' Meetings". Please refer to Appendix 7 for the comparison table for the amendments.
   Resolution:

Motions

Adjournment of Meeting

(Appendix 1)

2022 Annual Business Report

2022 operating results, 2023 year business plan and future company development strategy, affected by external competition environment, regulatory environment and overall business environment are explained as follows:

1. 2022 business results
   (1) 2022 business plan implementation results
   In 2022, due to the global shortage of raw materials, the economic restart under the control of the COVID-19 epidemic and the Ukrainian-Russian war increased the demand for military market size, resulting in an increase of 678,732 thousand in 2022 compared with 2021, an increase of 32.35 % .The overall after-tax net profit for 2022 was 99,513 thousand, and the data of each major consolidated financial statement are listed below.
   Looking forward to 2023 , although uncertain factors such as high inflation, economic slowdown, geopolitics, and the overall economy may affect changes in market demand, this will also drive the expansion of new infrastructure and defense industry product demand in various countries. Papro Corporation is expected to benefit from the economic recovery after the epidemic, which will drive the shipment of aerospace, gaming and smart retail products. The threat of geopolitical risks will also expand countries' investment in defense industry products. Papro Corporation is cautiously optimistic about the 2023 operation and development of gaming, industrial computer, aerospace, defense industry, smart retail, medical, Internet and other product lines.

Unit: NT$ thousand; %

Item	2021	2022	Increase/Decrease	Ratio of change
Operating income	2,097,948	2,776,680	678,732	32.35
Cost of goods sold	1,780,226	2,318,545	538,319	30.24
Operating profit	317,722	458,135	140,413	44.19
Operating expenses	348,901	369,217	20,316	5.82
Operating net (loss) profit	(31,179)	88,918	120,097	385.19
Net non-operating income	130,767	18,823	(111,944)	(85.61)
Net profit before tax	99,588	107,741	8,153	8.19
Net profit for the year	106,306	99,513	(6,793)	(6.39)

   (2) Budget execution status: Not applicable.
   (3) Profitability Analysis

Item		2021	2022
Financial Structure (%)	Liabilities to Assets Ratio	59.59	58.25
	Long-term funds to fixed assets Ratio	832.43	1,403.12
Solvency (%)	Current Ratio	100.20	147.29
	Quick Ratio	46.16	65.99
Profitability (%)	Return on assets	4.25	4.37
	Return on equity	8.78	7.41
	Earnings per share (NT$)	1.29	1.21

   (4) Research Development Status
   The main operations and products of Papro Corporation are divided into gaming and industrial computers, aerospace and defense industries and other fields. The operating bases are in Taiwan, Mexico and the United States. "Technology research and development, innovative development, global layout" and other strategies, through vertical and horizontal integration, continue to improve and optimize the group's production and manufacturing capacity, strengthen research and development capabilities, gradually form barriers to entry in the same industry, and develop new technologies and new products And industrial applications, widely used in gaming, industrial computers, aerospace, defense industry, Netcom, medical, Internet of Things, smart retail, automotive and other industries/product fields.
2. 2023 Annual Operation Plan
   (1) Operating strategy
      A. Maintenance and improvement of customer relationship, deep cultivation and development of gaming, industrial computer, aerospace, defense industry and other industrial applications.
      B. Group operation integration, including order receiving and production arrangement, R&D cooperation/support and joint development, so as to achieve resource sharing, more efficient operation, and share results.
      C. Intensify research and development energy with innovation, and expand new or potential products and industrial applications in the future.
      D. Effectively control operating costs and improve the overall profitability of the group.
   (2) Important Production and Marketing Policies
      A. Strengthen the relationship with existing customers, grasp existing orders and shipments, and then increase new or potential customers and orders.
      B. Strengthen the supply chain relationship and enhance the bargaining power of suppliers.
      C. To reduce material cost.
      D. Through the improvement of manufacturing process and yield rate, we can provide customers with high quality and shorten delivery time.
      E. Carry out cost control and maintain/improve stable profits.
3. Future company development strategy
   (1) Maintenance and improvement of customer relationship.
   (2) R&D energy and technology are continuously quenched to establish/enlarge the differentiated value with competitors in the same industry.
   (3) Seek for mergers and acquisitions or strategic alliances, and gradually expand the group's operating scale and realize greater profit momentum for the group through horizontal and vertical operation integration models.
   (4) Prudent financial strategy and implementation of corporate governance, strengthening and maintaining good investor relations.
   (5) Cultivate global talents and build an international team.

4. Affected by the external competitive environment, regulatory environment and overall business environment

The competition in the external environment is fierce. The company will continue to recruit outstanding talents, increase the added value of products and expand product lines to increase market share, so as to maintain the stable growth of operations. At the same time, it will continue to integrate the operations of the various operating companies of the group Configuration, in order to achieve the effect of reducing costs and enhancing competitiveness.

In addition, in the face of increasingly strict laws and regulations on environmental protection, investors, consumers, intellectual property rights, and labor rights, the company will also implement the spirit of corporate governance, fulfill corporate social responsibilities, and implement relevant laws and regulations. Changes in important policies and regulations affect finances and business. In the future, we will also keep an eye on changes in important policies and regulations at home and abroad, and propose timely measures to respond to them.

Under the operation of a globalized, conglomerate, and specialized enterprise, Papro Corporation will continue to face challenges with more stable and practical management in response to the trend of internationalization. Papro Corporation also believes that with the encouragement and encouragement of all colleagues and shareholders of the company .Under the guidance, Papro Corporation will be able to reach new heights and create greater benefits for shareholders.

(Appendix 2)

Audit Committee Review Report

The board of directors formulated the company's 2022 annual business report, financial statements (including consolidated financial statements) and profit distribution proposals, among which the financial statements (including consolidated financial statements) were audited and certified by accountants Chen Peide and Chen Junhong of Deloitte & Touche. The above-mentioned business report, financial statements (including consolidated financial statements) and profit distribution proposals have been reviewed by the audit committee and found to be inconsistency, and reported in accordance with the provisions of Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Sincerely,

PARPRO CORPORATION 2023 Annual Shareholders' Meeting

Convener (Independent Director): Shen Zhenlin

(Appendix 3)

2022 Financial Statements

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Parpro Corporation

Opinion

We have audited the accompanying financial statements of Parpro Corporation (the "Company"), which comprise the balance sheets as of December 31, 2022 and 2021, and 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 Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and 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 Company 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 check items

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

The key audit matters identified in the Company's financial statements for the year ended December 31, 2022 are stated as follows:

Investments using the equity method -Authenticity of Revenue Occurrence

Parpro Corporation mainly sells gaming and industrial computers, as well as aerospace and defense industry products. In 2022, the amount of product revenue from some customers has changed significantly compared with the amount in the same period last year. Considering that the revenue recognition has a high innate risk of fraud, and the management may be under pressure to achieve the expected financial goals, because the authenticity of such income is listed as a key verification item.

The main verification procedures performed by our auditors on the above matters are as follows:

1. Understand and test the main internal control system of these revenues, and evaluate its design and implementation effectiveness.
2. Obtain the detailed accounts of these incomes, select samples to perform detailed tests, and review documents such as orders, shipping orders, and invoices to confirm the authenticity of such incomes.
3. Obtain the sub-accounts of these incomes, and select samples to test whether there are major differences in the recipients and amounts of receivables and offsets, so as to confirm the authenticity of such incomes.

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 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 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committees, are responsible for overseeing the Company'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 Company'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 Company's ability 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 Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication. The engagement partners on the audits resulting in this independent auditors' report are Pei De Chen and Jun Hong Chen.

Parpro Corporation

Balance Sheets

December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars)

Unit: NT$ thousand

	December 31 ,2022		December 31, 2021	
Assets	Amount	%	Amount	%
Current assets				
Cash (Notes 4 and 6)	$ 47,896	2	$ 145,488	6
Accounts receivable (Notes 4, 9 and 24)	49,986	2	32,681	1
Other receivables (Notes 4 and 24)	286,267	10	71,877	3
Current tax assets	3	-	9	-
Inventories (Notes 4 and 10)	454	-	9,076	1
Prepayments	2,790	-	573	-
Total Current Assets	387,396	14	259,704	11
Non-current assets				
Financial assets at fair value through other comprehensive income (Notes 4 and 8)	10,160	-	-	-
Investments accounted for using the equity method (Notes 4, 5 and 11)	2,328,589	85	2,098,268	88
Property, plant and equipment (Notes 4 and 12)	16,309	1	23,585	1
Right-of-use asset	521	-	3,784	-
Deferred tax assets (Notes 4 and 20)	1,211	-	1,431	-
Other non-current assets	1,939	-	2,287	-
Total non-current assets	2,358,729	86	2,129,355	89
Total assets	$ 2,746,125	100	$ 2,389,059	100
Liabilities and equity				
Current liabilities				
Short-term borrowings (Note 13)	$470,000	17	$530,000	22
Financial liabilities at fair value through profit or loss (Notes 4 and 7)	11,954	-	7,948	-
Accounts payable	18,218	-	5,966	-
Other payables (Notes 15 and 24)	80,669	3	17,442	1
Provisions	1,113	-	1,113	-
Short-term lease liabilities	532	-	3,308	-
Current portion of Long-term liabilities (Notes 13 and 14)	130,041	5	562,575	24
Other current liabilities (Notes 18 and 24)	46,030	2	270	-
Total current liabilities	758,557	27	1,128,622	47
Non-current liabilities				
Corporate bonds payable (Notes 4 and 14)	463,567	17	-	-
Long-term borrowings (Note 13)	47,827	2	46,843	2
Deferred tax liabilities (Notes 4 and 20)	1,995	-	20	-
Long-term lease liabilities	-	-	532	-
Total non-current liabilities	513,389	19	47,395	2
Total liabilities	1,271,946	46	1,176,017	49
Equity (Notes 4 and 17)				
Share capital				
Ordinary shares	833,544	30	834,516	35
Share capital to be registered	-	-	28	-
Total share capital	833,544	30	834,544	35
Capital surplus	329,808	12	310,881	13
Retained earnings				
Legal surplus reserve	131,486	5	120,889	5
Special surplus reserve	137,381	5	76,537	3
Unappropriated earnings	104,145	4	105,974	5
Total retained earnings	373,012	14	303,400	13
Other equity	(33,051)	(1)	(204,059)	(9)
Treasury shares	(29,134)	(1)	(31,724)	(1)
Total equity	1,474,179	54	1,213,042	51
Total liabilities and equity	$ 2,746,125	100	$ 2,389,059	100

The accompanying notes are an integral part of the financial statements.
(With Deloitte & Touche auditors' report dated March 9, 2023)

Parpro Corporation

Statements of Comprehensive Income

For The Years Ended December 31, 2022 and 2021

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

	2022		2021	
	Amount	%	Amount	%
Operating Revenue (Notes 4, 18 and 24)	$82,345	100	$208,730	100
Operating Cost (Notes 10, 19 and 24)	82,589	100	201,239	96
Gross (loss) profit	(244)	-	7,491	4
Operating expenses (Notes 9 and 19)				
Selling and marketing expenses	13	-	1,008	1
General and administrative expenses	62,008	76	46,346	22
Research and development expenses	-	-	124	-
Expected credit loss	(835)	(1)	(201)	-
Total operating expenses	61,186	75	47,277	23
Total operating expenses	(61,430)	(75)	(39,786)	(19)
Non-operating income and expenses (Notes 19 and 24)				
Interest income	1,506	2	1,527	1
Other income	88,299	107	82,898	39
Other gains and losses	16,445	20	(410)	-
Financial costs	(35,013)	(42)	(19,280)	(9)
Share of profits (losses) of subsidiaries accounted for using the equity method	93,012	113	83,108	40
Total non-operating income and expenses	164,249	200	147,843	71
Net profit before tax	102,819	125	108,057	52
Income tax expenses (Notes 4 and 20)	(3,306)	(4)	(1,751)	(1)
Net profit for the year	99,513	121	106,306	51

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	2022		2021	
	Amount	%	Amount	%
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	($ 7,300)	(9)	$ -	-
Share of the other comprehensive (loss) income of subsidiaries accounted for using the equity method	9,144	11	(10,856)	(5)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	172,155	209	(50,320)	(24)
Other comprehensive income (loss) for the year, net of income tax	173,999	211	(61,176)	(29)
Total comprehensive profit and loss for the year	$ 273,512	332	$ 45,130	22
Earnings per share (Note 21)				
Basic	$ 1.21		$ 1.29	
Dilution	$ 1.07		$ 1.13	

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

(With Deloitte & Touche auditors' report dated March 9, 2023) (Concluded)

Parpro Corporation

Statements of Changes In Equity

For The Years Ended December 31, 2022 And 2021

(In Thousands of New Taiwan Dollars)

	Share capital			Retained earnings			Other equity			
	Ordinary Shares	Share capital to be registered	Capital surplus	Legal surplus reserve	Special surplus reserve	Unappropriated earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operation	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Shares	Total Equity
Balance at January 1, 2021	$ 834,516	$ -	$ 351,925	$ 148,508	$ 76,537	($ 27,619)	($ 143,644)	$ 429	($ 31,724)	$ 1,208,928
Legal surplus reserve offset deficit	-	-	-	(27,619)	-	27,619	-	-	-	-
Cash dividends distributed from capital surplus	-	-	(41,113)	-	-	-	-	-	-	(41,113)
Net profit for the year ended December 31, 2021	-	-	-	-	-	106,306	-	-	-	106,306
Other comprehensive loss after tax for the year ended December 31, 2021	-	-	-	-	-	(332)	(50,320)	(10,524)	-	(61,176)
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	105,974	(50,320)	(10,524)	-	45,130
Convertible corporate bond conversion	-	28	69	-	-	-	-	-	-	97
Balance at December 31, 2021	834,516	28	310,881	120,889	76,537	105,974	(193,964)	(10,095)	(31,724)	1,213,042
Surplus Distribution for the year ended December 31, 2021										
Legal surplus reserve	-	-	-	10,597	-	(10,597)	-	-	-	-
Special surplus reserve	-	-	-	-	60,844	(60,844)	-	-	-	-
Cash dividends distribution	-	-	-	-	-	(32,892)	-	-	-	(32,892)
Total surplus distribution	-	-	-	10,597	60,844	(104,333)	-	-	-	(32,892)
Net profit for the year ended December 31, 2022	-	-	-	-	-	99,513	-	-	-	99,513
Other comprehensive loss after tax for the year ended December 31, 2022	-	-	-	-	-	2,991	172,155	(1,147)	-	173,999
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	-	102,504	172,155	(1,147)	-	273,512
Issuance of convertible corporate bonds recognizes equity components	-	-	28,740	-	-	-	-	-	-	28,740
Cash dividends distributed from capital surplus	-	-	(8,223)	-	-	-	-	-	-	(8,223)
Convertible corporate bond conversion	28	(28)	-	-	-	-	-	-	-	-
Treasury Shares cancellation	(1,000)	-	(1,590)	-	-	-	-	-	2,590	-
Balance at December 31, 2022	$ 833,544	$ -	$ 329,808	$ 131,486	$ 137,381	$ 104,145	($ 21,809)	($ 11,242)	($ 29,134)	$ 1,474,179

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

(With Deloitte & Touche auditors' report dated March 9, 2023)

Parpro Corporation

Statements of Cash Flows

For The Years Ended December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from operating activities		
Income before income tax	$ 102,819	$ 108,057
Adjustments for:		
Depreciation expense	10,539	12,424
Expected credit loss recognized on accounts receivable	(835)	(201)
Net gain (loss) on fair value changes of financial assets at fair value through profit or loss	4,003	(6,099)
Financial costs	35,013	19,280
Interest income	(1,506)	(1,527)
Profit and loss shares of subsidiaries and affiliated enterprises using the equity method	(93,012)	(83,108)
Gain on disposal of property, plant and equipment	(108)	-
(Reversal) Write-downs of inventories	(2,367)	383
Unrealized foreign exchange (benefit) losses	(27,377)	6,751
Losses on repayment of convertible corporate bonds	6,175	-
Changes in operating assets and liabilities		
Accounts receivable	(12,424)	(1,135)
Other receivables	(49,799)	17,469
Inventories	10,989	153,939
Prepayments	(2,217)	(366)
accounts payable	12,170	5,978
Other payables	(1,945)	(1,059)
Other current liabilities	45,760	(75)
Cash generated from operations	35,878	230,711
Interest received	1,651	52
Interest paid	(19,247)	(10,337)
Income tax returned	13	-
Net cash generated from operating activities	18,295	220,426
Cash flows from investing activities		
Acquisition of financial assets at fair value through other comprehensive income	(17,460)	-
Payments for property, plant and equipment	-	(147)

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	2022	2021
Disposal of property, plant and equipment	$ 108	$ -
Decrease in refundable deposits	-	753
Loans lend to subsidiaries	(150,862)	-
Decrease in other non-current assets	348	1,397
Dividends received from associates	3,990	4,470
Net cash generated from (used in) investing activities	(163,876)	6,473
Cash flows from financing activities		
Decrease in short-term borrowings	(60,000)	(110,000)
Issuance of convertible corporate bonds	494,409	-
Repayment of convertible corporate bonds	(425,500)	-
Proceeds from long-term borrowings	70,000	50,000
Repayment of long-term borrowings	(101,036)	(107,197)
Increase in other payables	65,000	-
Repayment of the principal portion of lease liabilities	(3,308)	(3,254)
Cash dividends paid	(41,115)	(41,113)
Subsidiary capital reduction and return of shares	40,000	-
Net cash inflows generated from (used in) financing activities	38,450	(211,564)
Effects of exchange rate changes on the balance of cash held in foreign currencies	9,539	(3,302)
Net (decrease) increase in cash	(97,592)	12,033
Cash at the beginning of the year	145,488	133,455
Cash at the end of the year	$ 47,896	$ 145,488

The accompanying notes are an integral part of the financial statements.
(With Deloitte & Touche auditors' report dated March 9, 2023) (Concluded)

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The entities that are required to be included in the consolidated financial statements of Parpro Corporation as of and for the year ended December 31, 2022 under the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standards No. 10 "Consolidated Financial statements". In addition, the information required to be disclosed in the consolidated financial statements is included in the consolidated financial statements. Consequently, Parpro Corporation and subsidiaries did not prepare a separate set of consolidated financial statements.

Very truly yours,
Parpro Corporation
By

WEN JIA LIAO
Chairman
March 9, 2023

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Parpro Corporation

Opinion

We have audited the accompanying consolidated financial statements of Parpro Corporation and its subsidiaries (collectively referred to as the "Group") which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements"). In our opinion, based on our audits and the report of other auditors (refer to the other matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis of Audit 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key check items

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

The key audit matters identified in the Group's consolidated financial statements for the year ended December 31, 2022 are stated as follows:

<u>Authenticity of Revenue Occurrence</u>

Parpro Group mainly sells gaming and industrial computers, as well as aerospace and defense industry products. In 2022, the amount of product revenue from some customers has changed significantly compared with the amount in the same period last year. Considering that the revenue recognition has a high innate risk of fraud, and the management may be under pressure to achieve the expected financial goals, because the authenticity of such income is listed as a key verification item.

The main verification procedures performed by our auditors on the above matters are as follows:

1. Understand and test the main internal control system of these revenues, and evaluate its design and implementation effectiveness.
2. Obtain the detailed accounts of these incomes, select samples to perform detailed tests, and review documents such as orders, shipping orders, and invoices to confirm the authenticity of such incomes.
3. Obtain the sub-accounts of these incomes, and select samples to test whether there are major differences in the recipients and amounts of receivables and offsets, so as to confirm the authenticity of such incomes.

Other Matter

Parpro Corporation has prepared the individual financial statements of year 2022 and 2021, we have audited and the audit report issued with unmodified opinions.

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 the audit committees, 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.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication. The engagement partners on the audits resulting in this independent auditors' report are Pei De Chen and Jun Hong Chen.

Parpro Corporation and its subsidiaries

Consolidated Balance Sheets

December 31, 2022 And 2021

(In Thousands of New Taiwan Dollars)

	December 31 ,2022			December 31, 2021		
Asset		Amount	%		Amount	%
Current assets						
Cash (Notes 4 and 6)	$	143,828	4	$	314,524	11
Accounts receivable (Notes 4, 9 and 27)		688,004	20		361,371	12
Other receivables (Notes 4, 9 and 27)		49,501	2		1,673	-
Current income tax assets		2,616	-		978	-
Inventories (Notes 4 and 10)		1,066,199	30		775,409	26
Prepayments		49,058	1		72,682	2
Total Current Assets		1,999,206	57		1,526,637	51
Non-current assets						
Financial assets at fair value through other comprehensive income (Notes 4 and 8)		10,160	-		-	-
Investments accounted for using the equity method (Notes 4, 5 and 12)		594,576	17		552,882	18
Property, plant and equipment (Notes 4 and 13)		154,899	5		177,594	6
Right-of-use assets (Notes 4 and 14)		217,931	6		234,802	8
Goodwill (Notes 4, 5 and 15)		462,379	13		416,758	14
Intangible assets (Notes 4 and 15)		78,171	2		80,524	3
Deferred tax assets (Notes 4 and 23)		1,211	-		1,431	-
Other non-current assets		12,197	-		11,342	-
Total non-current assets		1,531,524	43		1,475,333	49
Total assets	$	3,530,730	100	$	3,001,970	100
Liabilities and equity						
Current liabilities						
Short-term borrowings (Note 16)		620,479	17		654,560	22
Financial liabilities at fair value through profit or loss (Notes 4 and 7)		11,954	-		7,948	-
Accounts payable		282,266	8		170,829	6
Other payables (Notes 18 and 27)		166,584	5		62,253	2
Current tax liabilities		10,979	-		12,467	-
Provisions		1,113	-		1,113	-
Lease liabilities (Notes 4 and 14)		37,083	1		34,571	1
Current portion of long-term borrowings(Notes 16 and 17)		130,041	4		562,575	19
Other current liabilities (Notes 21 and 27)		96,808	3		17,300	1
Total current liabilities		1,357,307	38		1,523,616	51
Non-current liabilities						
Corporate bonds payable (Notes 4 and 17)		463,567	13		-	-
Long-term borrowings (Note 16)		47,827	2		64,298	2
Deferred tax liabilities (Notes 4 and 23)		1,995	-		20	-
Lease liabilities (Notes 4 and 14)		185,855	5		200,994	7
Total non-current liabilities		699,244	20		265,312	9
Total liabilities		2,056,551	58		1,788,928	60
Equity (Notes 4 and 20)						
Share capital						
Ordinary shares		833,544	24		834,516	28
Share capital to be registered		-	-		28	-
Total share capital		833,544	24		834,544	28
Capital surplus		329,808	9		310,881	10
Retained earnings						
Legal surplus reserve		131,486	4		120,889	4
Special surplus reserve		137,381	4		76,537	3
Unappropriated earnings		104,145	3		105,974	3
Total retained earnings		373,012	11		303,400	10
Other equity		(33,051)	(1)		(204,059)	(7)
Treasury shares		(29,134)	(1)		(31,724)	(1)
Total equity		1,474,179	42		1,213,042	40
Total liabilities and equity	$	3,530,730	100	$	3,001,970	100

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' report dated March 9, 2023)

Parpro Corporation and its subsidiaries

Consolidated Statements of Comprehensive Income

For The Years Ended December 31, 2022 And 2021

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

	2022		2021	
	Amount	%	Amount	%
Operating revenue (Notes 4, 21 and 27)	$ 2,776,680	100	$2,097,948	100
Operating costs (Notes 9, 10 and 22)	2,318,545	84	1,780,226	85
Operating profit	458,135	16	317,722	15
Operating expenses (Notes 9 and 22)				
Selling and marketing expenses	31,433	1	36,307	2
General and administrative expenses	319,434	12	282,978	13
Research and development expenses	7,594	-	20,374	1
Expected credit loss	10,756	-	9,242	-
Total operating expenses	369,217	13	348,901	16
Net operating profit (loss)	88,918	3	(31,179)	(1)
Non-operating income and expenses (Notes 22 and 27)				
Interest income	428	-	66	-
Other income	23,003	1	145,578	7
Other gains and losses	18,981	1	(1,353)	-
Financial costs	(54,009)	(2)	(27,683)	(1)
Share of profits (losses) of subsidiaries accounted for using the equity method	30,420	1	14,159	-
Total non-operating income and expenses	18,823	1	130,767	6
Net profit before tax	107,741	4	99,588	5
Income tax (expense) benefit (Notes 4 and 23)	(8,228)	-	6,718	-
Net profit for the year	99,513	4	106,306	5

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	2022		2021	
	Amount	%	Amount	%
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	($ 7,300)	-	$ -	-
Share of the other comprehensive (loss) income of subsidiaries accounted for using the equity method	9,144	-	(10,856)	(1)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	172,155	6	(50,320)	(2)
Other comprehensive income (loss) for the year, net of income tax	173,999	6	(61,176)	(3)
Total comprehensive profit and loss for the year	$ 273,512	10	$ 45,130	2
Earnings per share (Note 24)				
Basic	$ 1.21		$ 1.29	
Dilution	$ 1.07		$ 1.13	

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

(With Deloitte & Touche auditors' report dated March 9, 2023) (Concluded)

Parpro Corporation and its subsidiaries

Consolidated Statements of Changes In Equity

For The Years Ended December 31, 2022 And 2021

(In Thousands of New Taiwan Dollars)

	Share capital			Retained earnings			Other equity			
	Ordinary Shares	Share capital to be registered	Capital surplus	Legal surplus reserve	Special surplus reserve	Unappropriated earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operation	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Shares	Total Equity
Balance at January 1, 2021	$ 834,516	$ -	$ 351,925	$ 148,508	$ 76,537	($ 27,619)	($ 143,644)	$ 429	($ 31,724)	$ 1,208,928
Legal surplus reserve offset deficit	-	-	-	(27,619)	-	27,619	-	-	-	-
Cash dividends distributed from capital surplus	-	-	(41,113)	-	-	-	-	-	-	(41,113)
Net profit for the year ended December 31, 2021	-	-	-	-	-	106,306	-	-	-	106,306
Other comprehensive loss after tax for the year ended December 31, 2021	-	-	-	-	-	(332)	(50,320)	(10,524)	-	(61,176)
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	105,974	(50,320)	(10,524)	-	45,130
Convertible corporate bond conversion	-	28	69	-	-	-	-	-	-	97
Balance at December 31, 2021	834,516	28	310,881	120,889	76,537	105,974	(193,964)	(10,095)	(31,724)	1,213,042
Surplus Distribution for the year ended December 31, 2021										
Legal surplus reserve	-	-	-	10,597	-	(10,597)	-	-	-	-
Special surplus reserve	-	-	-	-	60,844	(60,844)	-	-	-	-
Cash dividends distribution	-	-	-	-	-	(32,892)	-	-	-	(32,892)
Total surplus distribution	-	-	-	10,597	60,844	(104,333)	-	-	-	(32,892)
Net profit for the year ended December 31, 2022	-	-	-	-	-	99,513	-	-	-	99,513
Other comprehensive loss after tax for the year ended December 31, 2022	-	-	-	-	-	2,991	172,155	(1,147)	-	173,999
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	-	102,504	172,155	(1,147)	-	273,512
Issuance of convertible corporate bonds recognizes equity components	-	-	28,740	-	-	-	-	-	-	28,740
Cash dividends distributed from capital surplus	-	-	(8,223)	-	-	-	-	-	-	(8,223)
Convertible corporate bond conversion	28	(28)	-	-	-	-	-	-	-	-
Treasury Shares cancellation	(1,000)	-	(1,590)	-	-	-	-	-	2,590	-
Balance at December 31, 2022	$ 833,544	$ -	$ 329,808	$ 131,486	$ 137,381	$ 104,145	($ 21,809)	($ 11,242)	($ 29,134)	$ 1,474,179

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' report dated March 9, 2023)

Parpro Corporation and its subsidiaries

Consolidated Statements of Cash Flows

For The Years Ended December 31, 2022 And 2021

(In Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from operating activities		
Income before income tax	$ 107,741	$ 99,588
Adjustments for:		
Depreciation expense	81,919	71,079
Amortization expense	10,838	10,185
Expected credit loss recognized on accounts receivable	10,756	9,242
Net gain (loss) on fair value changes of financial assets at fair value through profit or loss	4,003	(6,099)
Financial costs	54,009	27,683
Interest income	(428)	(66)
Profit and loss shares of subsidiaries and affiliated enterprises using the equity method	(30,420)	(14,159)
Gain on disposal of property, plant and equipment	(108)	-
Write-downs of inventories	34,362	17,884
Unrealized foreign exchange (benefit) losses	(3,261)	1,005
Losses on repayment of convertible corporate bonds	6,175	-
Government grant income	(18,113)	(141,321)
Changes in operating assets and liabilities		
Accounts receivable	(285,266)	(34,001)
Other receivables	(46,342)	2,197
Inventories	(236,871)	(131,988)
Prepayments	6,323	(3,520)
Accounts payable	88,357	55,041
Other payables	28,772	(26,121)
Other current liabilities	78,119	(1,497)
Cash generated from (used in) operations	(109,435)	(64,868)
Interest received	428	66
Interest paid	(38,243)	(18,740)
Income tax returned	(8,487)	9,738
Net cash generated from (used in) operating activities	(155,737)	(73,804)

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	2022	2021
Cash flows from investing activities		
Acquisition of financial assets at fair value through other comprehensive income	($ 17,460)	$ -
Payments for property, plant and equipment	(2,302)	(37,817)
Disposal of property, plant and equipment	108	-
Increase in refundable deposits	(206)	-
Decrease in refundable deposits	-	636
Decrease in other non-current assets	349	1,396
Dividends received from associates	3,990	4,713
Net cash generated from (used in) investing activities	(15,521)	(31,072)
Cash flows from financing activities		
Decrease in short-term borrowings	(48,078)	(10,896)
Issuance of convertible corporate bonds	494,409	-
Repayment of convertible corporate bonds	(425,500)	-
Proceeds from long-term borrowings	70,000	123,767
Repayment of long-term borrowings	(101,036)	(107,197)
Increase in other payables	65,000	-
Repayment of the principal portion of lease liabilities	(36,971)	(34,434)
Cash dividends paid	(41,115)	(41,113)
Net cash generated from (used in) from financing activities	(23,291)	(69,873)
Effects of exchange rate changes on the balance of cash held in foreign currencies	23,853	(10,886)
Net (decrease) increase in cash	(170,696)	(185,635)
Cash at the beginning of the year	314,524	500,159
Cash at the end of the year	$ 143,828	$ 314,524

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

(With Deloitte & Touche auditors' report dated March 9, 2023) (Concluded)

(Appendix 4)

2022 Earning distribution statement

PARPRO CORPORATION
Earning distribution statement

Unit: NT$

Opening Unappropriated Earnings	1,641,296
Investments accounted for using the equity method - defined benefit plan remeasurement recognized in retained earnings	2,991,494
Adjusted Unappropriated Earnings	4,632,790
Net profit for the period	99,512,857
Legal surplus reserve (10%)	(10,250,435)
Special surplus reserve (withdrawal)	104,329,488
Distributable surplus for the current period	198,224,700
Assigned items:	
Less: cash dividend (NT$ 0.4 /share)	(34,900,141)
Unappropriated Earnings at the end of the period	163,324,559

Note: The number of shares calculated for shareholder dividends is the actual number of 87,250,353 shares in circulation as of March 31, 2023 (1,125,000 treasury shares have been deducted).

(Appendix 5)

The amendment to provisions of the Articles of Incorporation

Articles	Amended provisions	Current provisions	Amendment instructions
Article 5	The total capital of the company is NT$ 2 billion, which is divided into 200 million shares, all of which are ordinary shares. The amount of each share is NT$10. Among them, 500 thousand shares are reserved for the exercise of stock warrants.	The total capital of the company is NT$ 1.2 billion, which is divided into 120 million shares, all of which are ordinary shares. The amount of each share is NT$10. Among them, 500 thousand shares are reserved for the exercise of stock warrants.	To meet the company's operational needs, increase the rated share capital to NT$2 billion.
Article 22	This charter was established on December 20, 2001. First revision to nineteenth revision: omitted. The twentieth revision was made on May 30, 2023.	This charter was established on December 20, 2001. First revision to nineteenth revision: omitted.	Add revision times and dates.

(Appendix 6)

Operating procedures for lending funds to others

Amended provisions	Current provisions	Amendment instructions
Article 5 Limits on the total amount of loans and individual objects I. Fund loan and total amount: The total amount of the company's funds lent to others shall not exceed 50% of the company's equity worth, of which: (i) For companies or firms that have business dealings with this company, the total amount of capital loans shall not exceed 10% of the company's equity. (ii) For companies or firms that need short-term financing, the total loan amount shall not exceed 40% of the company's equity. II. Limits for capital loans to individual objects: (i) For companies or firms that have business dealings with this company, the amount of funds loaned to individual objects shall not exceed the amount of business dealings between the two parties. The so-called business transaction amount refers to the higher of the estimated actual purchase and sales amount of both parties in the last year or the next year, and shall not exceed 10% of the	Article 5 Limits on the total amount of loans and individual objects I. Fund loan and total amount: The total amount of the company's funds lent to others shall not exceed 50% of the company's equity worth, of which: (i) For companies or firms that have business dealings with this company, the total amount of capital loans shall not exceed 10% of the company's equity. (ii) For companies or firms that need short-term financing, the total loan amount shall not exceed 40% of the company's equity. II. Limits for capital loans to individual objects: (i) For companies or firms that have business dealings with this company, the amount of funds loaned to individual objects shall not exceed the amount of business dealings between the two parties. The so-called business transaction amount refers to the higher of the estimated actual purchase and sales amount of both parties in the last year or the next year, and shall not exceed 10% of the company's equity.	According to the needs of the company's operations and to increase the flexibility of capital allocation, adding that the company can lend to the foreign company which the company directly and indirectly hold 100% of the voting shares.

company's equity. (ii) For companies or firms that need short-term financing, the amount of funds loaned to individual objects shall not exceed 20% of the company's equity. III. When the company directly or indirectly holds 100% of the voting shares between foreign companies, or the company directly or indirectly holds 100% of the voting shares to the company, the total amount and the limit of individual objects shall not exceed the loan amount. The limit is 100% of the company's equity, and the loan period should not exceed 3 years in principle.	(ii) For companies or firms that need short-term financing, the amount of funds loaned to individual objects shall not exceed 20% of the company's equity. III. When the company directly or indirectly holds 100% of the voting shares between foreign companies, the total amount and the limit of individual objects shall not exceed the loan amount. The limit is 100% of the company's equity, and the loan period should not exceed 3 years in principle.	
Article 17: This operating procedure was established on June 30, 2009. The first revision was on May 26, 2010. The second revision was on July 16, 2010. The third revision was on April 18, 2013. The fourth revision was on May 30, 2014 The fifth revision was on May 26, 2017. The sixth revision was on May 30, 2018. The seventh revision was on July 2, 2021. The eighth revision was made on May 30, 2023.	Article 17: This operating procedure was established on June 30, 2009. The first revision was on May 26, 2010. The second revision was on July 16, 2010. The third revision was on April 18, 2013. The fourth revision was on May 30, 2014 The fifth revision was on May 26, 2017. The sixth revision was on May 30, 2018. The seventh revision was on July 2, 2021.	Add revision times and dates.

(Appendix 7)

Rules for Procedure for Shareholders' Meetings

Amended provisions	Current provisions	Amendment instructions
Article 3 Shareholders' meeting convening and meeting notice The shareholders' meeting of the company shall be convened by the board of directors unless there are other laws and regulations. The company shall hold a video conference of the shareholders' meeting, unless there are other stipulation in the stock affairs handling guidelines, which shall be specified in the articles of association and shall be resolved by the board of directors. A resolution approved by more than half of the directors shall be implemented. The following is omitted.	Article 3 Shareholders' meeting convening and meeting notice The shareholders' meeting of the company shall be convened by the board of directors unless there are other laws and regulations. The following is omitted.	According to the Taiwan Stock Exchange Taiwan Governance No. 11200041671, the second item of this article is added.
Article 6-1 Convene the shareholders meeting via video conference , and the matters to be included in the convening notice The company holds a shareholders meeting via video conference, the following items shall be specified in the shareholders meeting convening notice: I,II : Omitted III: Convene a video-conference shareholders meeting, and shall specify appropriate alternative measures for shareholders who have difficulty participating in video conferencing. Except for the circumstances stipulation in Item 6, Article 44-9, of the Standards for the Handling guidelines, at least shareholders shall be provided with connection equipment and necessary assistance, and the	Article 6-1 Convene the shareholders meeting via video conference , and the matters to be included in the convening notice The company holds a shareholders meeting via video conference, the following items shall be specified in the shareholders meeting convening notice: I,II : Omitted III: Convene a video-conference shareholders meeting, and shall specify appropriate alternative measures for shareholders who have difficulty participating in video conferencing.	According to the Taiwan Stock Exchange Taiwan Governance No. 11200041671, the third item of this article is amended.

<u>period during which shareholders may apply to the company and other relevant notices shall be specified.</u>		
Article 22 Handling of digital gaps When the company holds a video-conference shareholders meeting, it shall provide appropriate alternative measures for shareholders who have difficulties in attending video conference**.** <u>Except for the circumstances stipulated in Item 6, Article 44-9, of the Standards for the Handling guidelines, at least shareholders shall be provided with connection equipment and necessary assistance, and the period during which shareholders may apply to the company and other relevant notices shall be specified.</u>	Article 22 Handling of digital gaps When the company holds a video-conference shareholders meeting, it shall provide appropriate alternative measures for shareholders who have difficulties in attending video conference**.**	According to the Taiwan Stock Exchange Taiwan Governance No. 11200041671, amend this article.
Article 24 This operating procedure is established in June 30, 2009. First to seventh revision: omitted. <u>The eighth revision was made on May 30, 2023.</u>	Article 24 This operating procedure is established in June 30, 2009. First to seventh revision: omitted.	Add revision times and dates.

(Annex 1)

Articles of Incorporation (Before Amendment)

Chapter 1: General Principles

Article 1: The company is organized in accordance with the provisions of the Company Law and named as PARPRO CORPORATION.

Article 2: The business of the company is as follows:

1. CC01060 Wired communication machinery and equipment manufacturing industry
2. CC01070 Wireless communication machinery and equipment manufacturing industry
3. CC01080 Electronic component manufacturing industry
4. F401010 International trade
5. F113020 Wholesale of electrical appliances
6. F213010 Retailing of electrical appliance
7. F113070 Wholesale of telecommunication equipment
8. F213060 Retailing of telecommunications equipment
9. CC01101 Telecommunications control radio frequency equipment manufacturing industry

Article 2-1: The amount invested by the company is not restricted by Article 13 of the Company Law.

Article 2-2: The company may provide external guarantee due to business needs, and its operation shall be handled in accordance with the company's endorsement guarantee operation procedures.

Article 3: The head office of the company is located in Taoyuan County. When necessary, it may establish branch offices in Taiwan and abroad with the resolution of the board of directors and the approval of the competent authority.

Article 4: The company's announcement method shall be handled in accordance with the Company Law and related laws and regulations.

Chapter 2: Shares

Article 5: The total capital of the company is NT$ 1.2 billion, which is divided into 120 million shares, all of which are ordinary shares, and each share is NT$10. Among them, 500 thousand shares are reserved for the exercise of stock warrants.

Article 6: The stock certificates of the company shall be in registered form, and shall be numbered and signed or sealed by the director representing the company, and then issued after the bank visa of the person who issued the stock certificate according to law. Shares issued by the company may be exempted from printing stock certificates, and shall be registered with a centralized securities depository institution.

Article 7: Changes to the records in the company's shareholder register shall not be made within 60 days before the regular shareholders' meeting, or within 30 days before the extraordinary shareholders' meeting.

Article 8: The stock affairs of the company shall be handled in accordance with the "Standards for the Handling of Stock Affairs of Public Offering Companies" promulgated by the competent authority.

Chapter 3: Shares Shareholders' meeting

Article 9: There are two types of shareholder meetings: regular meetings and extraordinary meetings. The regular meeting is convened once a year, and is convened by the board of directors within six months after the end of each fiscal year. The interim meeting shall be convened according to law when necessary.

When the company's shareholders' meeting is held, it may be held in the form of a video conference or other methods announced by the central competent authority.

Article 10: When a shareholder is unable to attend the shareholders' meeting for any reason, he or she shall issue a power of attorney issued by the company specifying the scope of authorization, sign and seal the proxy to attend the meeting. The use of the power of attorney shall be handled in accordance with the Company Law and the rules for the use of power of attorney for public companies attending shareholders' meetings promulgated by the competent authority.

Article 11: Each shareholder of the company has one voting right; however, those who are restricted or have no voting right as listed in Item 2 of Article 179 of the Company Law are not subject to this restriction.

Article 12: Unless other stipulated by the relevant laws and regulations, the resolutions of the shareholders' meeting shall be attended by shareholders representing more than half of the total number of issued shares, and shall be carried out with the consent of more than half of the voting rights of the present shareholders.

Article 12-1: When the shareholders meeting is convened by the board of directors, the chairman shall be the chairman. When the chairman is absent, the chairman shall designate a director to act as an agent; If the convening authority is called, the chairman shall be the convening authority. When there are more than two convening authority persons, one of them shall be elected from each other.

Article 12-2: Minutes of the resolutions of the shareholders' meeting shall be prepared, signed or sealed by the chairman of the shareholders' meeting, and distributed to all shareholders within 20 days after the meeting. The distribution of the minutes of the proceedings referred to in the preceding paragraph may be done in the form of an announcement.

Article 12-3: When the company intends to revoke the public offering of its stocks, it shall submit a resolution of the shareholders' meeting.

Chapter 4: Directors and Audit Committee

Article 13: The company has three to seven directors with a term of three years. The election of directors adopts the candidate nomination system in Article 192 of the Company Law. The shareholders' meeting selects from the list of director candidates. Elected for re-election.

The company may purchase liability insurance for directors during their term of office in respect of their legal liability for compensation in the scope of their business.

Among the above-mentioned number of directors of the company, the number of independent directors shall not be less than 3, and the professional qualifications, shareholding, part-time restrictions, nomination and selection methods, and other compliance matters of independent directors shall be handled in accordance with the relevant regulations of the securities regulatory authority.

Article 13-1: The company shall set up an audit committee in accordance with the provisions of Article 14-4 of the Securities Exchange Law, and the audit committee shall replace the duties and powers of the supervisors stipulated in the Company Law, the Securities Exchange Law and other laws and regulations. The Audit Committee shall consist of all independent directors. composition. The exercise of powers of the Audit Committee and other matters to be complied with shall be handled in accordance with relevant laws and regulations.

Article 14: The board of directors is organized by directors, and more than two-thirds of the directors are present, and more than half of the directors present agree to elect a chairman, who represents the company externally.

Article 14-1: The convening of the board of directors of the company shall be notified to all directors seven days before the meeting, except in case of emergency. The convening of the board of directors can be done in writing, electronic mail (E-mail) or fax.

Article 15: When the chairman asks for leave or is unable to exercise his powers for some reason, his agency shall be handled in accordance with the provisions of Article 208 of the Company Law.

When a director asks for leave or is unable to attend the board meeting for any reason, he may entrust another director to attend the meeting on his behalf in accordance with Article 205 of the Company Law.

Article 16: Regardless of the company's operating profit or loss, the company may pay remuneration to all directors. The remuneration is authorized to the board of directors according to the extent of their participation in the company's operations and the value of their contributions, and with reference to the usual industry standards.

Chapter 5: Manager

Article 17: The company may have a manager, whose appointment, dismissal and remuneration shall be handled in accordance with Article 29 of the Company Law.

Chapter 6: Accounting

Article 18: The company shall, at the end of each fiscal year, make a resolution issued by the board of directors

(1) Business report

(2) Financial statements

(3) Proposal on profit distribution or loss compensation

For Audit Committee for review 30 days before the regular shareholders' meeting, and submitted to the shareholders' regular meeting for approval.

Article 19: If the company makes an annual profit, it shall allocate 1% to 15% as employee remuneration, which shall be distributed in the form of stock or cash by the resolution of the board of directors. The above-mentioned amount of profit shall be allocated no more than 5% by the resolution of the board of directors as remuneration for directors. Proposals on the distribution of employee remuneration and director remuneration shall be reported to the shareholders' meeting. However, if the company still has accumulated losses, it shall reserve the compensation amount in advance, and then allocate employee remuneration and director remuneration in proportion to the preceding paragraph.

Article 19-1: The company will consider the company's environment and growth stage, respond to future capital needs and long-term financial planning, and meet shareholders' needs for cash inflows. If there is a surplus in the annual final accounts, it should pay taxes first. Donations to make up for previous years' losses, and 10% of the statutory surplus reserve, except when the statutory surplus reserve has reached the total capital, and may be appropriated or transferred according to business needs or regulations of the competent authority. The board of directors shall draw up a distribution plan according to the following proportions, and submit it to the general meeting of shareholders for approval.

Shareholders' dividends: It takes into account the current year's after-tax surplus and the accumulated undistributed surplus in the previous period, and the amount of surplus to be distributed should not be less than 10% of the current year's after-tax surplus. Cash dividends should not be lower than the total of cash dividends and stock dividends However , if the cash dividend per share is less than NT$0.1, it can be paid as stock dividend instead, but the distribution ratio can be adjusted depending on the company's future earnings and capital status . When the company has no profit, no dividends and bonuses will be distributed.

When the company distributes surplus, legal surplus reserve and capital reserve in cash, it authorizes the board of directors to make distributions with the presence of more than two-thirds of the directors and a resolution of more than half of the directors present, and report to the shareholders' meeting.

Article 20: The company issues new shares with restricted rights to employees, issues stock option certificates to employees, employees who issue new shares to purchase shares, and the objects of share purchase and transfer may include employees of controlling or subordinate companies that meet the conditions set by the board of directors.

Chapter 7: Supplementary Provisions

Article 21: Matters not stipulated in this Articles of Association shall be handled in accordance with the provisions of the Company Law and relevant laws and regulations.

Article 21-1: The company's organizational regulations and operating rules authorize the board of directors to formulate them.

Article 22: This constitution was established on December 20, 2001.

First revised on August 15, 2002

The second revision was on February 27, 2003

The third revision was on July 2, 2003

The fourth revision was made on September 25, 2003

The fifth revision was on September 30, 2004

The sixth revision was on August 9, 2006

The seventh revision was on August 25, 2006

The eighth revision was made on September 30, 2008

The ninth revision was made on June 30, 2009

The tenth revision was made on August 31, 2009

The eleventh revision was made on May 26, 2010
The twelfth revision was made on June 28, 2011
The thirteenth revision was made on May 30, 2012
The fourteenth revision was made on April 18, 2013
The fifteenth revision was made on May 30, 2014
The sixteenth revision was made on May 27, 2016
The seventeenth revision was made on May 31, 2019
The eighteenth revision was made on May 28, 2020
The nineteenth revision was made on May 31, 2022

PARPRO CORPORATION

Chairman:
Liao Wenjia

(Annex 2)

PARPRO CORPORATION
Rules for Procedure for Shareholders' Meetings (Before Amendment)

Article 1: Purpose and Legal Basis

In order to establish a good shareholder governance system, improve the supervisory function, and strengthen the management function of the company, this rule is formulated in accordance with Article 5 of the Code of Practice for Governance of Listed OTC Companies for compliance.

Article 2: Scope of Application

The rules of procedure for the company's shareholders' meeting shall be in accordance with the provisions of these rules, unless otherwise stipulated by laws or the articles of incorporation.

Article 3: Shareholders' meeting convening and meeting notice

The shareholders' meeting of the company shall be convened by the board of directors unless otherwise provided by laws and regulations.

Changes in the method of convening the shareholders' meeting of the company shall be resolved by the board of directors, and shall be implemented no later than the dispatch of the notice of the shareholders' meeting.

Thirty days before the regular shareholders' meeting or fifteen days before the extraordinary shareholders' meeting, the company shall submit the notice of the shareholders' meeting, the paper of the power of attorney, the reasons and explanatory materials for various proposals such as acknowledgment, discussion, election or dismissal of directors, etc. Make an electronic file and send it to the Public Information Observatory. And 21 days before the regular shareholders' meeting or 15 days before the extraordinary shareholders' meeting, the shareholders' meeting manual and supplementary materials for the meeting will be prepared and sent to the public information observation station as electronic files. However, the company's paid-in capital amounted to NT$10 billion or more at the end of the most recent fiscal year, or the company held a general meeting of shareholders in the most recent fiscal year, and the total shareholding ratio of foreign capital and mainland capital listed in the register of shareholders reached 30% or more , the transmission of the pre-opened electronic file shall be completed 30 days before the regular meeting of shareholders . Fifteen days before the shareholders' meeting, prepare the manual of the shareholders' meeting and supplementary materials for the meeting for shareholders to request at any time, and display them in the company and the professional stock affairs agency appointed by the company.

On the day of the general meeting of shareholders, the Company shall provide shareholders with reference to the procedural manual and meeting supplementary materials mentioned in the preceding paragraph in the following manner:

1. When a physical shareholders' meeting is held, it shall be issued on the spot of the

shareholders' meeting.

2. When convening a video-assisted shareholders' meeting, it shall be distributed at the site of the shareholders' meeting and sent to the video conference platform as an electronic file.
3. When convening a video conference, the electronic file shall be sent to the video conference platform.

The notification and announcement shall specify the reason for the convening; the notification may be done electronically if the counterparty agrees.

Appointment or dismissal of directors, change of articles of association, capital reduction, application for cessation of public offering, directors' non-competition permit, capital increase from surplus, capital increase from public reserve , company dissolution, merger, division, or subparagraphs 1 of Article 185 of the Company Law, Article 26-1, Article 43-6 of the Securities and Exchange Law , Issuer's Handling Guidelines for Offering and Issuing Securities Article 56-1 and Article 60-2 shall be listed in the reason for the call And explain its main content , which cannot be proposed as an interim motion;its main content may be placed on the website designated by the securities regulatory authority or the company, and its website address shall be stated in the notice .

The reason for the convening of the shareholders' meeting has stated the overall re-election of directors and the date of their inauguration. After the re-election of the shareholders' meeting is completed, the same meeting shall not change the date of their inauguration by temporary motion or other means.

Shareholders who hold more than 1% of the total number of issued shares may submit to the company a resolution for the general meeting of shareholders, and no more than one proposal shall be included in the proposal. However, if a shareholder's proposal is a suggestion to urge the company to promote public interests or fulfill social responsibilities, the board of directors may still include it in the proposal. In addition, if a proposal proposed by a shareholder falls under any of the circumstances in Item 4 of Article 172-1 of the Company Law, the board of directors may not include it as a proposal.

Announce the acceptance of shareholders' proposals , written or electronic acceptance method , acceptance location, and acceptance period before the stockholders' general meeting closes; the acceptance period shall not be less than ten days .

Proposals proposed by shareholders are limited to 300 words, and those exceeding 300 words will not be included in the proposal; the proposing shareholder should attend the general meeting of shareholders in person or entrust others to participate in the discussion of the proposal.

The company shall notify the proposing shareholders of the results of the handling before the notice date for the convening of the shareholders' meeting, and list the proposals that meet the provisions of this article in the meeting notice. For shareholder proposals that are not included in the proposal, the board of directors shall explain the reasons for not including them at the shareholders' meeting.

Article 4: Entrusted to attend the shareholders' meeting and authorize

Shareholders may, at each shareholders' meeting, issue a power of attorney issued by the company, specifying the scope of authorization, and entrust a proxy to attend the shareholders' meeting.

A shareholder shall issue a power of attorney, limited to one person, and shall deliver it to the company five days before the shareholders' meeting. If there are duplicate powers of attorney, the one delivered first shall prevail. However, this does not apply to those entrusted before the declaration is revoked.

After the power of attorney is delivered to the company, if the shareholder wishes to attend the shareholders' meeting in person or exercise voting rights in writing or electronically, he or she shall notify the company in writing of the cancellation of the proxy no later than two days before the shareholders' meeting; The voting rights performed by the authorized proxy shall prevail.

After the power of attorney is delivered to the company, shareholders wishing to attend the shareholders' meeting by videoconference shall notify the company in writing of the cancellation of the proxy two days before the shareholders' meeting;

Article 5: Principles for the location and time of the shareholders meeting

The place where the shareholders' meeting is held shall be the location of the company or a place that is convenient for shareholders to attend and is suitable for holding the shareholders' meeting. The starting time of the meeting shall not be earlier than 9:00 am or later than 3:00 pm. Opinions of independent directors.

The company holds a video-conference shareholders meeting , it is not subject to the restriction on the venue of the preceding paragraph.

The Company shall specify in the notice of the meeting the time and place of registration of the accepting shareholders, solicitors, and authorized agents (hereinafter referred to as “shareholders”) , and other matters to be noted.

The time for accepting shareholder registration in the preceding paragraph shall be handled at least 30 minutes before the meeting starts; the registration office shall be clearly marked, and adequate and competent personnel shall be assigned to handle it; the shareholders meeting video meeting shall be held 30 minutes before the meeting starts at the shareholders meeting The meeting platform accepts registration, and shareholders who complete the registration are deemed to have attended the shareholders' meeting in person.

Shareholders should present their attendance certificates, attendance cards or other attendance certificates to attend the shareholders' meeting. The company shall not arbitrarily add other certificates to the certificates that shareholders rely on for attendance ; the solicitor who is a solicitation letter of attorney shall bring his or her identity certificate , for verification.

Article 6: Preparation of signature book and other documents

The company shall set up a signature book for the attendance of shareholders to sign in, or the attendance card shall be submitted by the attending shareholder to sign in. The company shall deliver the meeting manual, annual report, attendance certificate, speech slips, votes and other meeting materials to the shareholders attending the shareholders' meeting; if there are directors to be elected, the ballots shall be attached.

When the government or legal person is the shareholder, the representative attending the shareholders meeting is not limited to one person. When a legal person is entrusted to attend a shareholders' meeting, it may only designate one representative to attend.

If the shareholders meeting is convened by videoconference , shareholders who wish to attend by videoconference shall register with the company two days before the shareholders meeting.

If the shareholders' meeting is held by video conference , the company shall upload the procedure manual, annual report and other relevant materials to the shareholders' meeting video conference platform at least 30 minutes before the start of the meeting, and continue to disclose them until the end of the meeting.

Article 6-1 Convene the shareholders meeting via video conference , and the matters to be included in the convening notice

The company holds a shareholders meeting via videoconference, the following items shall be specified in the shareholders meeting convening notice:

1. Shareholders participate in the video conference and exercise their rights.
2. The method of dealing with obstacles caused by natural disasters, accidents or other force majeure events to the video conferencing platform or to participate in the form of video, at least including the following items:
   A. The time when the meeting must be postponed or resumed due to the occurrence of previous obstacles that cannot be ruled out, and the date when the meeting must be postponed or continued.
   B. Who have not registered to participate in the original shareholders' meeting via video conference shall not participate in the adjourned or continued meeting .
   C. Assisted shareholders’ meeting is convened , if the video conference cannot be continued, after deducting the number of shares attending the shareholders’ meeting via video conference , the total number of shares attended reaches the statutory quota for the shareholders’ meeting, and the shareholders’ meeting shall continue. The number of shares attended shall be included in the total number of shareholders' shares present, and all resolutions at the shareholders' meeting shall be regarded as abstention.
   D. How to deal with the situation where all the motions have been announced and no provisional motions have been made.
3. When convening a video-conference shareholders meeting, it shall specify appropriate alternative measures for shareholders who have difficulty participating in video-conferencing.

Article 7: The Chairman of the Shareholders' Meeting and Attendees

If the shareholders' meeting is convened by the board of directors, the chairman shall be the chairman. If the chairman is on leave or unable to exercise his powers for some reason, he shall designate a director to act as his representative.

The chairman of the preceding paragraph shall be represented by a director who has served for more than six months and who understands the company's financial and business conditions. The same applies if the chairman is the representative of the corporate director. of the board of directors should preside over the shareholders’ meeting convened by the board of directors in person, and more than half of the board of directors and at least one member of various functional committees should attend the meeting , and the attendance status should be recorded in the minutes of the shareholders’ meeting .

If the shareholders' meeting is convened by a person with the right to convene other than the board of directors, the person with the right to convene shall act as the chairman. The company may appoint lawyers, accountants or related personnel to attend the shareholders' meeting.

Article 8: Evidence of recording or video recording of the shareholder meeting

The company shall record and record the shareholder registration process, the meeting process, and the vote counting process continuously and uninterruptedly from the time the shareholder registration process is accepted.

The audio-visual materials mentioned in the preceding paragraph shall be kept for at least one year. However, if a shareholder files a lawsuit in accordance with Article 189 of the Company Law, it shall be preserved until the lawsuit is concluded.

If the shareholders' meeting is held by video conference , the company shall keep records of shareholders' registration, registration , registration, questioning, voting , and company vote counting results, etc., and record and video the entire process of the video conference continuously .

The company shall properly keep the materials and audio and video recordings in the preceding paragraph during the period of existence, and provide the audio and video recordings to the person entrusted to handle the video conferencing affairs for storage.

If the shareholders' meeting is held by video conference , the company should make audio and video recordings of the background operation interface of the video conference platform .

Article 9: Calculation and meeting of shareholders meeting

Attendance at the shareholders' meeting shall be calculated on the basis of shares. The number of shares attended is calculated based on the number of shares registered on the signature book or attendance card and video conferencing platform , plus the number of shares that exercise voting rights in written or electronic means. When the meeting time has expired, the chairman shall announce the opening of the meeting immediately. However, if shareholders representing more than half of the total issued shares are not present, the chairman may announce the postponement of the meeting. The number of postponements shall be limited to two times, and the total delay shall not exceed one Hour. If there are still not enough shareholders representing more than one-third of the total issued shares to attend after two delays, the chairman will announce the adjournment ; if the shareholders’ meeting is held by video conference , the company shall also announce the adjournment on the shareholders’ meeting video conference platform.

If the preceding paragraph is postponed twice and the amount is still insufficient and there are shareholders representing more than one-third of the total issued shares present, a false resolution may be made in accordance with Article 175, Paragraph 1 of the Company Law, and the false resolution shall be notified to all parties. Shareholders shall convene a shareholders' meeting again within one month ; if the shareholders' meeting is convened by videoconference , shareholders who wish to attend by videoconference shall re-register with the company in accordance with Article 6. Before the end of the current meeting, if the number of shares represented by the attending shareholders reaches more than half of the total number of issued shares, the chairman may resubmit the false resolution made to the shareholders' meeting for voting in accordance with Article 174 of the Company Law.

Article 10: Proposal Discussion

If the shareholders meeting is convened by the board of directors, the agenda shall be set by the board of directors . Relevant proposals (including interim motions and amendments to original proposals) shall be voted on case by case. The meeting shall be conducted in accordance with the scheduled agenda, and shall not be changed without a resolution of the shareholders meeting. .

If the shareholders' meeting is convened by a person other than the board of directors who has the right to convene, the provisions of the preceding paragraph shall apply mutatis mutandis.

Before the end of the agenda (including temporary motions) scheduled in the first two items, the chairman shall not announce the adjournment of the meeting without a resolution; if the chairman violates the rules of procedure and announces the adjournment of the meeting, other members of the board of directors shall promptly assist the attending shareholders in accordance with legal procedures to More than half of the voting rights of the present shareholders agree to elect one person as the chairman to continue the meeting.

The chairman shall give full explanations and opportunities for discussion on proposals and amendments or extraordinary motions proposed by shareholders. When he thinks that the proposals have reached the level that can be voted on, he may announce the suspension of discussions, put them up for voting, and arrange adequate voting time .

Article 11: Speeches by Shareholders

Before presenting a shareholder's speech, a statement must be filled out to specify the gist of the speech, shareholder account number (or attendance card number) and account name, and the order of speeches will be determined by the chairman.

Shareholders attending the meeting who only put forward speech slips but did not make a speech shall be deemed as having not made a speech. If the content of the speech is inconsistent with the record of the speech, the content of the speech shall prevail.

Each shareholder's speech on the same proposal shall not exceed two times without the consent of the chairman, and each time shall not exceed five minutes. However, if a shareholder's speech violates the regulations or exceeds the scope of the topic, the chairman may stop the speech.

When a shareholder present speaks, other shareholders are not allowed to interfere with the speech unless the chairman and the shareholder who speaks agree, and the chairman should stop the violation.

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

After attending shareholders' speeches, the chairman may reply in person or by designating relevant personnel.

If the shareholders meeting is convened by video conference , shareholders who

participate in the video conference may ask questions in text on the shareholders meeting video conference platform after the chairman announces the meeting and before the meeting is closed. The number of questions for each proposal shall not exceed two times. The limit is 200 characters, and the provisions of items 1 to 5 do not apply.
If the question in the preceding paragraph does not violate the regulations or exceed the scope of the proposal, it is advisable to disclose the question on the video conferencing platform of the shareholders meeting for public awareness.

Article 12: Calculation of voting shares and avoidance system

Voting at the shareholders' meeting shall be based on shares.
The number of shares of non-voting shareholders shall not be included in the total number of issued shares for the resolutions of the shareholders' meeting.
Shareholders who have their own interests in matters at the meeting that may harm the interests of the company may not participate in voting, and may not exercise their voting rights on behalf of other shareholders.
The number of shares for which voting cannot be exercised in the preceding paragraph shall not be included in the number of voting rights of shareholders present.
Except for a trust enterprise or a stock affairs agency approved by the competent securities authority, when one person is entrusted by two or more shareholders at the same time, the voting rights of the agent shall not exceed 3% of the total number of issued shares. Not counted.

Article 13: Proposal voting, scrutiny and counting methods

Shareholders have one voting right per share; however, this restriction does not apply to those who are restricted or have no voting rights as listed in Article 179, Item 2 of the Company Law.
When the company convenes a general meeting of shareholders, it shall exercise its voting rights electronically and may exercise its voting rights in written form; when exercising its voting rights in written or electronic form, the method of exercise shall be specified in the shareholders' meeting convening notice. Shareholders who exercise their voting rights in writing or electronically shall be deemed to have attended the shareholders' meeting in person. However, the interim motions and amendments to the original proposals at the shareholders' meeting are deemed as abstentions , so the company should avoid proposing interim motions and amendments to the original proposals.
For those who exercise their voting rights in writing or electronically in the preceding paragraph, their declaration of intent shall be delivered to the company two days before the shareholders' meeting. However, this does not apply to those who express their intention before the declaration is revoked.
After shareholders exercise their voting rights in writing or electronically, if they wish to attend the shareholders' meeting in person or by videoconference, they shall revoke the declaration of intention to exercise voting rights in the preceding paragraph in the same way as exercising voting rights two days before the shareholders' meeting ; Voting rights

exercised in writing or electronically shall prevail. If voting rights are exercised in written or electronic means and a proxy is authorized to attend the shareholders' meeting with a power of attorney, the voting rights performed by the proxy shall prevail.

Unless otherwise provided for by the Company Law and the Articles of Association of the company, voting on proposals shall be passed with the consent of more than half of the voting rights of the shareholders present. When voting, the chairman or the person designated by him shall announce the total number of voting rights of the attending shareholders on a case-by-case basis, and the shareholders shall vote on a case-by-case basis, and on the day after the shareholders' meeting, the shareholders' approval, objection and abstention results shall be entered into the Public Information Observatory.

When there is an amendment or alternative to the same proposal, the chairman shall determine the order of voting with the original proposal. If one of the proposals has been passed, the other proposals shall be deemed to be rejected, and there is no need to vote again.

The scrutiny and counting personnel for voting on proposals shall be designated by the chairman, but the scrutiny personnel shall have the status of shareholders.

The counting of votes or election proposals at the shareholders' meeting shall be done in a public place at the shareholders' meeting, and after the counting of votes is completed, the voting results shall be announced on the spot, including the counting weights, and shall be recorded .

The company holds a video meeting of the shareholders meeting. Shareholders who participate in the video conference shall vote on various proposals and election proposals through the video conference platform after the chairman announces the opening of the meeting. deemed a waiver.

If the shareholders' meeting is convened by videoconference , after the chairman announces that the voting is over , the votes shall be counted at one time , and the voting and election results shall be announced .

When the company holds a video-assisted shareholders' meeting, shareholders who have registered to attend the shareholders' meeting via videoconference in accordance with the provisions of Article 6, and wish to attend the physical shareholders' meeting in person, shall cancel the registration in the same manner as the registration two days before the shareholders' meeting; Those who cancel after the deadline can only attend the shareholders' meeting via video conference.

Those who exercise voting rights in writing or electronically without revoking their declaration of intention and participate in the shareholders' meeting by videoconference shall not exercise voting rights on the original proposals, propose amendments to the original proposals, or exercise voting rights on amendments to the original proposals, except for ad hoc motions.

Article 14: Election Matters

When the shareholders' meeting elects directors, it shall follow the director election procedures stipulated by the company, and shall announce the election results on the spot, including the list of elected directors and their voting rights.

The ballots for the elections mentioned in the preceding paragraph shall be sealed and signed by the scrutineers, and shall be kept in a safe place for at least one year. However, if a shareholder files a lawsuit in accordance with Article 189 of the Company Law, it shall be preserved until the lawsuit is concluded.

Article 15: Meeting Minutes and Signatures

Minutes of the resolutions of the shareholders' meeting shall be prepared and signed or sealed by the chairman, and the minutes shall be distributed to all shareholders within 20 days after the meeting. The production and distribution of the meeting minutes may be done electronically.

The distribution of the minutes of the proceedings referred to in the preceding paragraph may be done in the form of an announcement.

The minutes of the meeting shall accurately record the year, month, day, place, name of the chairman, method of resolution, essentials of the proceedings and voting results (including the weight of statistics) of the meeting . When there is an election of directors, the votes of each candidate shall be disclosed. Weights. During the existence of the company, it shall be permanently preserved.

Meeting is convened by videoconference , in addition to the matters that shall be recorded in accordance with the provisions of the preceding paragraph, the minutes shall also record the start and end time of the shareholders meeting, the method of convening the meeting, the name of the chairman and the minutes, and records of events caused by natural disasters , accidents or other force majeure . The handling method and handling situation when there is an obstacle to the video conferencing platform or participation in the form of video.

The Company shall hold a video-conference shareholders meeting, in addition to following the provisions of the preceding paragraph, and shall state in the minutes of the meeting that there are alternative measures provided by shareholders who have difficulties participating in video-conferencing.

Article 16: Public Announcement

The number of shares acquired by the solicitor , the number of shares represented by the entrusted agent, and the number of shares attended by shareholders in written or electronic form, the company shall, on the day of the shareholders' meeting, compile a statistical table in accordance with the prescribed format, and make it clear at the shareholders' meeting If the shareholders meeting is held by video conference , the company shall upload the aforementioned information to the shareholders meeting video conference platform at least 30 minutes before the start of the meeting, and continue to disclose it until the end of the meeting .

The company holds a video conference of the shareholders' meeting and announces the meeting, the total number of shareholders' shares present shall be disclosed on the video conference platform. The same shall apply if the total number of shares and voting rights of shareholders present are counted separately during the meeting .

For the resolutions of the shareholders' meeting, if there is any major information required by the laws and regulations of the Taiwan Stock Exchange Co., Ltd. .

Article 17: Maintenance of order in the venue

Personnel handling the shareholders' meeting shall wear identification badges or armbands.

The chairman may direct pickets or security personnel to assist in maintaining order at the venue. When pickets or security personnel are present to help maintain order, they should wear armbands or identification cards with the words "Pickets".

If the venue is equipped with sound amplification equipment, the chairman may stop the shareholders from speaking through the equipment provided by the company.

Shareholders who violate the rules of procedure and refuse to obey the chairman's correction, obstruct the progress of the meeting and refuse to comply, may be ordered by the chairman to ask the pickets or security personnel to leave the meeting place.

Article 18: Rest and continued assembly

When the meeting is in progress, the chairman may announce a break at a discretionary time. In the event of an irresistible event, the chairman may rule to temporarily suspend the meeting and announce the time for the continuation of the meeting as appropriate.

Before the conclusion of the agenda scheduled by the shareholders' meeting (including extraordinary motions), the venue for the meeting cannot continue to be used at that time, and the shareholders' meeting may resolve to find another venue to continue the meeting.

The shareholders' meeting may, in accordance with Article 182 of the Company Law, resolve to postpone or continue the meeting within five days.

Article 19: Information disclosure of video conferencing

If the shareholders' meeting is held by video conference , the company shall immediately disclose the voting results of various proposals and election results on the shareholders' meeting video conference platform in accordance with regulations after the voting ends , and shall continue to disclose at least 15 minutes after the chairman announces the adjournment of the meeting. minutes .

Article 19: The location of the chairman of the videoconference shareholder meeting and the recording personnel

The company holds a video-conference shareholders meeting, the chairman and recorder shall be at the same place in China , and the chairman shall announce the address of the place when the meeting is held .

Article 21: Handling of Suspension of Judgment

Shareholders ' meeting is held by video conference , the company may provide shareholders with a simple connection test before the meeting, and provide relevant services immediately before the meeting and during the meeting to assist in dealing with technical problems in communication.

Shareholders ' meeting is convened by videoconference , the chairman shall, when announcing the opening of the meeting, separately announce that there is no need to postpone or continue the meeting except for the circumstances specified in Item 24, Article 44 of the Standards for the Handling of Stock Affairs of Public Offering Companies. Before the adjournment of the meeting, due to natural disasters , accidents or other force majeure, if the video conferencing platform or participation in video conferencing is obstructed and lasts for more than 30 minutes , the date of the meeting shall be postponed or continued within five days , and the company law does not apply. Article 182 .

Shareholders who have not registered to participate in the original shareholders' meeting via video conference shall not participate in the postponed or continued meeting in the event of the occurrence of the preceding paragraph.

The meeting shall be postponed or resumed according to the provisions of Paragraph 2. Shareholders who have registered to participate in the original shareholders' meeting and completed the registration through video conference, and those who have not participated in the postponed or continued meeting, the number of shares attended at the original shareholders' meeting, the voting rights exercised and Voting rights shall be included in the total number of shares, voting rights and voting rights of shareholders present at the postponed or resumed meeting.

When adjourning or adjourning a general meeting of shareholders in accordance with the provisions of Paragraph 2, no re-discussion and resolution is required for proposals that have completed voting and counting, and announced the voting results or lists of directors and supervisors .

When the company convenes a video-assisted shareholders' meeting, and the video conference cannot be continued under Paragraph 2, if the total number of shares present after deducting the number of shares attending the shareholders' meeting by video-conference still reaches the statutory quota for the shareholders' meeting, the shareholders' meeting shall continue There is no need to postpone or continue the meeting in accordance with the provisions of the second paragraph.

In the event that the meeting should continue as mentioned in the preceding paragraph, the shareholders who participate in the shareholders meeting via video conference shall count the number of shares present in the total number of shares of the shareholders present, but shall be deemed as abstaining from voting on all the resolutions of the shareholders meeting.

When the company postpones or continues the meeting in accordance with the provisions of the second paragraph, it shall follow the provisions listed in Article 44-27 of the Standards for the Handling of Share Affairs of Public Offering Companies , and handle relevant matters in accordance with the original date of the shareholders' meeting and the provisions of each article. Preliminary work .

second paragraph of Article 12 and Item 3 of Article 13 of the Rules for the Use of Power of Attorneys for Attending Shareholders' Meetings by Public Offering Companies, the Second Item of Article 44-5 , and Article 44-10 of the Guidelines for the Handling of Stock Affairs of Public Offering Companies 5. During the period specified in Paragraph 1 of Article 44-17 , the company shall postpone or continue the date of the shareholder meeting in accordance with the provisions of Paragraph 2 .

Article 22: Handling of digital gaps

When the company holds a video-conference shareholders meeting, it shall provide appropriate alternative measures for shareholders who have difficulties in attending via video-conferencing .

Article 23 : Supplementary Provisions

These rules shall be implemented after the resolution of the board of directors of the company and the approval of the shareholders' meeting, and the same shall be true for amendments.

Article 24 : This operating procedure is established in June 30, 2009

The first revision was on July 16, 2010.
The second revision was on June 28, 2011.
The third revision was on May 30, 2012.
The fourth revision was on April 18, 2013.
The fifth revision was on June 3, 2015.
The sixth revision was on May 28, 2020.
The seventh revision was on May 31, 2022.

(Annex 3)

PARPRO CORPORATION
Operating procedures for lending funds to others (Before Amendment)

Article 1: Purpose and Legal Basis

In order to follow the company's operating procedures for lending funds to others , this procedure is formulated in accordance with the " Guidelines for Handling Fund Loans and Endorsement Guarantees of Public Offering Companies" issued by the Financial Supervisory Commission (hereinafter referred to as the "Financial Supervisory Commission").

Article 2: Scope of Application

The company's conduct of capital lending to others is handled in accordance with this operating procedure.

Article 3: Loan to Object

1. The company or line number with which the company has business dealings.
2. Companies or firms that need short-term financing with the company. The term "short term" refers to one year; the term "financing amount" refers to the cumulative balance of short-term financing funds .

Article 4: Evaluation Standards for Fund Loans to Others

If the company engages in capital lending due to business relations with other companies or firms, it shall comply with the provisions of Article 5, Paragraph 2; if it is necessary to conduct short-term financing, it shall be limited to the following circumstances:

1. The company directly and indirectly holds more than 20% of the voting shares and needs short-term financing due to business needs.
2. Other companies or firms need short-term financing due to the purchase of materials or operating turnover needs.
3. The company engages in capital lending among foreign companies that directly or indirectly hold 100% of the voting shares.
4. Other fund lenders approved by the board of directors of the company.

Article 5: Limits on the total amount of capital loans and individual objects

1. Fund loan and total amount:
   The total amount of the company's funds lent to others shall not exceed 50% of the company's equity, of which:
   A. For companies or firms that have business dealings with this company, the total amount of capital loans shall not exceed 10% of the company's equity.
   B. For companies or firms that need short-term financing, the total loan amount shall not exceed 40% of the company's equity.
2. Fund loan limit for individual objects
   A. For companies or firms that have business dealings with this company, the amount of funds loaned to individual objects shall not exceed the amount of business dealings between the two parties.
      The so-called business transaction amount refers to the higher of the estimated actual purchase and sales amount of both parties in the last year or the next year, and shall not exceed 10% of the company's equity.

B. For companies or firms that need short-term financing, the amount of funds loaned to individual objects shall not exceed 20% of the company's equity.

3. When the company directly and indirectly holds 100% of the voting shares of foreign companies, when engaging in fund lending, the total amount and the limit of individual objects shall not exceed 100% of the net value of the loan company, and the loan period shall not exceed 3 year is the principle.

Article 6: Fund loan and handling procedures

1. Application and Review Process

   When a borrower applies for a loan from the company, the finance department should make preliminary contact with it to first understand the use of funds and the latest business and financial status, conduct a detailed review in accordance with the provisions of Article 7, and submit a credit investigation and review report to the general manager and chairman for review , and submit to the board of directors for approval, and no other person shall be authorized to make the decision.

   The loan of funds between the company and its subsidiaries, or between its subsidiaries, shall be subject to the resolution of the board of directors in accordance with the provisions of the preceding paragraph, and the chairman may authorize the chairman of the board of directors to distribute the loan to the same loan object within a certain amount and within a period not exceeding one year. subloan or revolving. The company or its subsidiaries shall not exceed 10% of the in the most recent financial statements equity unless it meets the provisions of Article 4 (3).

   When the company's funds are lent to others, the opinions of independent directors shall be fully considered, and the clear opinions of their approval or disapproval and the reasons for objection shall be included in the board of directors' records.

2. Loan and notice

   After the capital loan case is signed and approved, the financial personnel should notify the borrower by letter or telegram as soon as possible, detailing the company's capital loan conditions, including the amount, term, interest rate, collateral and guarantor, etc., and ask the borrower to sign the contract within the time limit. After completing the guarantee quality (mortgage) right setting and the guarantor's guarantee procedures, the funds will be allocated.

3. Signing and guaranteeing

   For lending cases, financial personnel should draw up the contract terms, which should be reviewed by the supervisor of power and responsibility, and sent to legal personnel or legal consultants for review, and then go through the signing procedures.

   The content of the contract should be consistent with the approved loan conditions. After the borrower and the joint guarantor sign the contract, the financial personnel should complete the guarantee procedures.

4. Collateral Acquisition and Preservation

   (1) Loan conditions If there is a collateral, the borrower shall provide the collateral and go through the formalities of setting up the pledge or mortgage to ensure the company's creditor's rights.

   (2) Except for land and securities, all collaterals should be covered by fire insurance, and ships and vehicles should be covered by all risks. The insurance amount should not be lower than the mortgage value of the collateral.

   (3) The financial personnel should pay attention to notify the borrower to continue to purchase insurance before the expiration of the insurance period.

5. Appropriation

   After the lending case has been approved, the borrower has signed the contract and delivered the deposit slip (or installment repayment) promissory note, and the registration of collateral (pledge) setting has been completed, and all procedures have been checked and correct, the funds can be allocated.

6. Arrangement and storage of documents
   The Company shall establish a reference book when handling capital lending matters, and shall record in detail in the reference book for reference the object of the loan, the amount, the date of approval by the board of directors, the date of the loan, and the matters that should be carefully evaluated in accordance with the provisions of Article 7.

Article 7: Detailed Examination Procedure

When the company handles the loan of funds, the following review procedures should be carried out:

1. Necessity and rationality assessment of capital loan to others
   The borrower should fill in the application form for loaning funds to others to apply for a loan from the company. The financial department should first understand the purpose of the funds and evaluate the necessity and rationality of the loan.
2. Credit investigation and risk assessment of loan objects (loans to subsidiaries are exempt from assessment)
   (1) For the first-time borrower, the borrower shall present the Ministry of Economic Affairs' change registration approval letter and change registration form, profit-seeking business registration certificate, photocopies of the person in charge's ID card and other company information and necessary financial information, and apply for a financing line in writing to the company .
   After the company accepts the application, the financial personnel shall investigate and evaluate the loan recipient's business, financial status, solvency and credit, profitability and purpose of the loan, and prepare a report.
   (2) If it is a continuous borrower, in principle, the credit investigation should be conducted once a year. If it is a major case, depending on the actual needs, a credit investigation will be conducted every six months.
   (3) If the borrower's financial status is good, and the annual financial statement has appointed an accountant to complete the financing visa, the investigation report of more than one year but less than two years can be used, and the audit report of the accountant can be referred to.
3. Evaluation of the impact on the company's operating risks, financial status and shareholders' equity
   (1) After the credit investigation and evaluation, if the borrower’s credit evaluation is not good and the borrower does not intend to lend, the financial personnel should sign and approve the reason for the refusal, and sign back to the borrower as soon as possible.
   (2) For cases where the credit investigation results show that the credit evaluation is good and the purpose of the loan is legitimate, the financial personnel should fill out a credit investigation and review report to evaluate the reason, purpose, purpose, case amount, benefit, value of collateral provided, and credit and operating conditions, and assess the impact on the company's operating risks, financial status, and shareholders' equity, after drafting the interest rate and period, submit it to the general manager and chairman for review, and then submit it to the board of directors for resolution.
4. Acquisition of Collateral and Appraisal Value of Collateral
   When the company handles capital lending matters, except for subsidiaries, it shall obtain guaranteed promissory notes of the same amount. If necessary, it shall also handle

the mortgage setting of movable or real property, and shall evaluate the value of the movable or real property to be mortgaged in advance.
As for the guarantee of creditor's rights mentioned in the preceding paragraph, if the debtor provides an individual or company with considerable financial strength and credit as a guarantee instead of providing the guarantee, the board of directors may refer to the credit investigation report of the financial personnel; if the company is used as the guarantee, it should pay attention to whether its articles of association stipulate terms of guarantee.

Article 8: Loan term and interest calculation method
The term of each fund loan shall be less than one year in principle, but if the business cycle of the company is longer than one year, the business cycle shall prevail.
The interest rate for capital loans shall not be lower than the highest interest rate for short-term borrowing from financial institutions by the Company. The calculation and collection of the company's loan interest is based on the principle of paying the interest once a month. In case of special circumstances, it can be adjusted according to the actual situation after the approval of the board of directors.

Article 9: Follow-up control measures for the loaned amount and procedures for handling overdue creditor's rights
After the loan is granted, always pay attention to the financial, business and related credit status of the borrower and the guarantor. If there is any collateral provided, you should also pay attention to whether there is any change in the value of the guarantee. In case of any major changes, you should immediately notify the chairman , and deal with it appropriately in accordance with the instructions.
When the borrower repays the loan on or before the loan is due, the interest payable shall be calculated first, and the principal shall be paid off together before the promissory note loan is canceled and returned to the borrower or the mortgage right is written off.
When the loan is due, the borrower shall pay off the principal and interest immediately.

Article 10: Internal Control
When handling capital lending matters, the company shall establish a reference book, which shall be recorded in detail for future reference regarding the object of the capital loan, the amount, the date of approval by the board of directors, the date of the capital loan, and matters that should be carefully evaluated in accordance with regulations.
The company's internal auditors should at least quarterly audit the operating procedures and implementation of funds lent to others, and make written records. If major violations are found, they should immediately notify the Audit Committee in writing.
Due to changes in circumstances, when the loan and the object of the loan do not comply with the operating procedures or the balance exceeds the limit, an improvement plan shall be drawn up, and the relevant improvement plan shall be submitted to the Audit Committee , and the improvement shall be completed according to the planned schedule, so as to strengthen the company's internal control.

Article 11: The company shall assess the situation of capital loans and provide adequate allowance for bad debts, and properly disclose the relevant information in the financial report, and provide relevant information for the accountant to perform the necessary verification procedures and issue a proper verification Report.

Article 12: When a subsidiary of the company intends to lend funds to others, the company shall order the subsidiary to formulate operating procedures for lending funds to others in accordance with regulations, and shall handle the operation in accordance with the established operating procedures .

If a subsidiary of the company intends to lend funds to others, it shall also formulate operating procedures for lending funds to others in accordance with the "Guidelines for Handling Fund Lending and Endorsement Guarantees of Public Offering Companies".

If a subsidiary of the company intends to lend funds to others, it shall first obtain the approval of the board of directors of the company before proceeding, except that the subsidiary is a domestic public offering company and its subsidiary's relevant funds are loaned to others (the public offering company and its subsidiaries are authorized to do so) Subsidiaries shall handle it in accordance with the operating procedures and approval authority for capital lending to others stipulated by them) . In addition, the subsidiary should report to the company on a monthly basis the situation of lending funds to others. At the beginning of each month, the financial unit shall obtain a detailed list of each subsidiary's funds loaned to others in the previous month .

Article 13: Announcement and Declaration

1. The company shall announce and report the capital loan and balance of the company and its subsidiaries for the previous month before the tenth day of each month.
2. If the company's capital loan reaches one of the following standards, it shall be counted from the day when the fact occurs.
   Intraday announcement declaration:
   (1) The balance of the company and its subsidiaries' capital loans to others is more than 20% of the company's latest financial statement net value.
   (2) The balance of the company's and its subsidiaries' capital loans to a single enterprise is more than 10% of the company's net value in the latest financial statement.
   (3) The company's or its subsidiary's new capital loans amount to more than NT$10 million and more than 2% of the company's latest financial statement equity.
3. If the subsidiary company of the company is not a domestic public offering company, the company shall do so if the subsidiary company has matters that should be announced and reported in Subparagraph 3 of the preceding paragraph .
   Refers to the date of signing the transaction, the date of payment, the date of the resolution of the board of directors, or the date when sufficient funds are used to determine the transaction partner and the transaction amount, whichever is earlier.

Article 14 : Entry into Force and Amendment

After this procedure is approved by the board of directors, it shall be submitted to the audit committee and submitted to the shareholders' meeting for approval. If any director expresses objection and there is a record or written statement, the company shall submit the objection to the audit committee and the shareholders' meeting for discussion. same. When this procedure is submitted to the board of directors for discussion, the opinions of independent directors shall be fully considered, and the clear opinions of their approval or disapproval and the reasons for their disapproval shall be included in the records of the board of directors.

Article 15: Penalties

When the company's managers and related contractors violate the operating procedures, they will be punished according to the seriousness of the case, included in the annual performance appraisal or dismissed.

Article 16: Supplementary Provisions

Matters not covered in this operating procedure shall be handled in accordance with relevant laws and regulations.

Article 17: This operating procedure was established on June 30, 2009.

The first revision was on May 26, 2010.
The second revision was on July 16, 2010.
The third revision was on April 18, 2013.
The fourth revision was on May 30, 2014.
The fifth revision was on May 26, 2017.
The sixth revision was on May 30, 2018.
The seventh revision was on July 2, 2021.

(Annex 4)

PARPRO CORPORATION
Shareholding of directors

The status of the number of shares held by individual and all directors recorded in the shareholder register as of the closing date of the shareholders meeting (April 1, 2023) is as follows:

Base date: April 1, 2023

Title	Name	Number of shares held	Shareholding ratio
Chairman	Liao Wenjia	8,071,942	9.13%
Director	Jieshi Investment Co., Ltd. Representative: Yu Shaoyin	5,830,415	6.60%
Director	Zeng Xueqing	0	0%
Director	Wu Xiupi	109,765	0.12%
Independent director	Shen Zhenlin	0	0%
Independent director	Zhang Naiwen	0	0%
Independent director	Feng Zhiqing	0	0%
Total directors		14,012,122	15.85%

Note:

1. As of April 1, 2023, the closing date of the general meeting of shareholders, the company has issued 88,375,353 shares. According to the "Public offering company directors, supervisors and supervisors shareholding ratio and inspection implementation rules", the statutory minimum shareholding of all directors is 7,070,029 shares.
2. As of April 1, 2023, the number of shares held by all non-independent directors was 14,012,122 shares.
3. The company has an audit committee, so there is no statutory number of shares held by supervisors.

(Annex 5)

PARPRO CORPORATION
Description of other matters

1. According to Article 172-1 of the Company Law, shareholders who hold more than 1% of the total number of issued shares may submit to the company a writing proposal application for general meeting of shareholders, but only one proposal, and the proposed proposal must be less than 300 words.
2. The company accepts shareholders' proposal applications for shareholders' general meeting this year, and the period is from March 24, 2023 to April 6, 2023.
3. The Company has not received any shareholder proposals.