

Stock code : 4916



PARPRO CORPORATION

2025 Annual Shareholders' Meeting

Meeting Agenda

Meeting Date and Time:

May 27, 2025 (Tuesday), at 9:00 AM

Meeting Venue:

No. 188, Sec. 3, Linghang S. Rd., Zhongli Dist., Taoyuan City 320, Taiwan (R.O.C.)

PARPRO CORPORATION

2025 Annual Shareholders' Meeting

Date and Time: May 27, 2025 (Tuesday), at 9:00 AM

Venue: No. 188, Sec. 3, Linghang S. Rd., Zhongli Dist., Taoyuan City 320, Taiwan

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. 2024 Business Report.
 2. 2024 Audit Committee's Review Report.
 3. Report on the domestic unsecured conversion of corporate bonds
 4. 2024 Report on Employees' and Directors' Remuneration.
 5. 2024 Report on the Distribution of Earnings as Cash Dividends.
- IV. Proposals
 1. Adoption of the Company's 2024 Business Report and Financial Statements and subsidiaries' consolidated financial statements.
 2. Adoption of the proposal for distribution of 2024 earnings of the Company.
- V. Discussion and Election
 1. Proposal to amend certain provisions of the Articles of Incorporation.
 2. Proposal for election of Directors (including Independent Directors).
 3. Proposal to lift the non-competition restrictions on newly elected Directors (including Independent Directors) and their representatives.
- VI. Motions
- VII. Adjournment of Meeting

Report items

1. 2024 Business Report.

Description: Please refer to Appendix 1 for 2024 Business Report.

2. 2024 Audit Committee's Review Report.

Description: Please refer to Appendix 2 for 2024 Audit Committee's Review Report.

3. Report on the domestic unsecured conversion of corporate bonds.

(1) Status of Domestic Unsecured Convertible Corporate Bonds (as of March 31, 2025)

Type of corporate bonds	3 rd Unsecured conversion of corporate bonds	4 th Unsecured conversion of corporate bonds
Issue date	2022/3/10	2023/5/31
Denomination (NTD)	100 thousand	100 thousand
Issue price (NTD)	100.00	100.00
Total issuance (NTD)	500,000 thousand	400,000 thousand
Interest rate	0%	0%
Term	5 years; due date: 2027/3/10	5 years; due date: 2028/5/31
Repayment method	Repayment once due	Repayment once due
Conversion price (NTD)	27.9	34.46
Issue balance (NTD)	12,700 thousand	46,900 thousand

(2) As resolved by the Board of Directors on March 11, 2025, the Company plans to issue its fifth domestic unsecured convertible corporate bonds to repay bank loans and strengthen its financial structure. The planned issuance will consist of 5,000 bonds, each with a par value of NT\$100 thousand, for a total issuance amount of NT\$500 million. The bonds will have a maturity period of five years, a coupon rate of 0%, and will be issued at par value. The Company has submitted an application to the competent securities authority in accordance with relevant regulations.

4. 2024 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 223,245 and directors' remuneration of 111,622, accounting for 2 % and 1% of the net profit before tax respectively in 2024. All payments will be paid in cash.

(2) The above-mentioned employee remuneration and directors' remuneration have no discrepancy with the estimated amount listed in the 2024 financial statements.

5. 2024 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 \$ 42,013,554, 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 2024 Business Report and Financial Statements and subsidiaries' consolidated financial statements.

Description:

- (1) The company's 2024 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 2024 annual business report have been approved by the board of directors. The audit committee has reviewed.
- (2) Please refer to Appendix 1 and Appendix 3 for the above business report and financial statements.

Resolution:

2. Adoption of the proposal for distribution of 2024 earnings of the Company.

Description: Please refer to Appendix 4 for the company's 2024 profit distribution statement.

Resolution:

Discussion and Election

1. Proposal to amend certain provisions of the Articles of Incorporation.

Description:

To comply with regulatory amendments, certain provisions of the Company's Articles of Incorporation are proposed to be amended. Please refer to Appendix 5 for the comparison table of the amended articles.

2. Election of Directors (including Independent Directors)

Description:

(1) The term of office for the 9th Board of Directors (including Independent Directors) will expire on May 30, 2025. In line with the convening of the 2025 Annual Shareholders' Meeting, it is proposed that the 10th Board of Directors (including Independent Directors) be elected at this meeting.

(2) According to the Company's Articles of Incorporation, a total of seven directors (including three Independent Directors) shall be elected, with a three-year term commencing from May 27, 2025 to May 26, 2028. The current directors (including Independent Directors) shall be discharged from their positions upon the election of the new directors on May 27, 2025.

(3) The election of directors (including Independent Directors) shall adopt a candidate nomination system. The shareholders shall elect directors from the list of nominated candidates. Re-election is permitted. The list of director (including Independent Director) candidates has been reviewed and approved by the Board of Directors on March 11, 2025. Please refer to Appendix 6 for candidate information

3. Proposal to Lift the Non-Competition Restrictions on Newly Elected Directors (Including Independent Directors) and Their Representatives

(1) In view of the Company's business development needs, and considering the possibility that the newly elected Directors (including Independent Directors) may concurrently hold positions in affiliated enterprises or other companies with similar or overlapping business scopes, there may be concerns regarding potential conflicts of interest. Therefore, in accordance with Article 209 of the Company Act, it is proposed to lift the non-competition restrictions on the newly elected Directors (including Independent Directors).

(2) For details regarding the lifting of non-competition restrictions on the newly elected Directors (including Independent Directors) and their representatives, please refer to Appendix 7.

Motions

Adjournment of Meeting

(Appendix 1)

2024 Annual Business Report

2024 operating results, 2025 year business plan and future company development strategy, affected by external competition environment, regulatory environment and overall business environment are explained as follows:

1. 2024 business results

(1) 2024 business plan implementation results

Unit: NT\$ thousand; %				
Item	2023	2024	Increase/Decrease	Ratio of change
Operating income	3,414,371	3,573,442	159,071	4.66
Cost of goods sold	2,935,555	3,067,878	132,323	4.51
Operating profit	478,816	505,564	26,748	5.59
Operating expenses	321,708	401,100	79,392	24.68
Operating net (loss) profit	157,108	104,464	(52,644)	(33.51)
Net non-operating income	(16,437)	(58,358)	(41,921)	(255.04)
Net profit before tax	140,671	46,106	(94,565)	(67.22)
Net profit for the year	80,320	1,477	(78,843)	(98.16)
Net profit attributable to the owners of the Company	80,320	1,514	(78,806)	(98.12)
Net profit attributable to the non-controlling interest	0	(37)	(37)	(100.00)
Earnings per share	0.87	0.02	(0.85)	(97.70)

(2) Budget execution status: Not applicable.

(3) Profitability Analysis

Item		2023	2024
Financial Structure (%)	Liabilities to Assets Ratio	44.89	39.30
	Long-term funds to fixed assets Ratio	2,010.12	2,020.78
Solvency (%)	Current Ratio	221.23	248.06
	Quick Ratio	91.67	142.72
Profitability (%)	Return on assets	3.25	0.97
	Return on equity	4.62	0.07
	Earnings per share (NT\$)	0.87	0.02

(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. 2024 Annual Operation Plan

(1) Operating strategy

- A. Maintenance and enhancement of customer relationships, with a focus on deepening and developing applications in industries such as gaming, industrial computers, aerospace, defense, telecommunications, healthcare, and edge AI 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 2024 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 2025 Annual Shareholders' Meeting

Convener (Independent Director): Shen Zhenlin

2024 Financial Statements

Independent Auditor's Report

To PARPRO CORPORATION,

Audit opinion

We have audited the accompanying parent company only balance sheet of PARPRO CORPORATION (the "Company") for the years ended December 31, 2024 and 2023 and the relevant parent company only statements of comprehensive income, changes in equity, and cash flows for the years then ended, and relevant notes, including a summary of significant accounting policies (collectively referred to as the "parent company only financial statements").

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the Company's individual financial position as of December 31, 2024 and 2023 and for the years then ended, and its individual financial performance and cash flows for the years then ended in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for audit opinion

We conducted our audits in accordance with the Regulations Governing the Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the parent company only financial statements" paragraph 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 have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that we have acquired enough and appropriate audit evidence to serve as the basis for our audit opinion.

Key audit matters

Key audit matters refer to the most vital matters in our audit of the Company's parent company only financial statements for the year ended December 31, 2024 based on our professional judgment. These matters were addressed in our audit of the parent company only financial statements as a whole, and in forming our audit opinion. We do not express a separate opinion on these matters.

Key audit matters of the Company's parent company only financial statements for the year ended December 31, 2024, are stated as follows:

Authenticity of investments using the equity method – operating revenue from subsidiaries' certain customers

The Company's subsidiaries mainly sell gaming and industrial computers as well as aerospace and national defense products. In 2024, the amount of product revenue from certain customers changed significantly on a year-on-year basis; as we considered revenue recognition to bear a higher inherent risk of fraud and that the management might be pressured to achieve planned financial targets, we listed the authenticity of such revenue as a key audit matter.

We performed for the following audit procedures for the above matter:

1. Learned about and tested the key internal control systems for the sales revenue and evaluated the design and implementation effectiveness;
2. Obtained the statements of the account of the revenue, selected samples for testing of the details, and reviewing documents, such as orders, shipping orders, and invoices to confirm the authenticity of the revenue;
3. Obtain the statements of the account of the revenue and selected samples to test if there was a significant difference in the write-offs and amounts of receivables to confirm the authenticity of the revenue.

Responsibilities of the management and the governing bodies for the parent company only financial statements

The management's responsibilities are to prepare the parent company only financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and to maintain necessary internal control associated with the preparation in order to ensure that the parent company only financial statements are free from material misstatement arising from fraud or error.

In preparing the parent company only financial statements, the management is also responsible for assessing the ability of the Company in continuing as a going concern, disclosing relevant matters, and adopting the going concern basis of accounting unless the management intends to liquidate the Company or cease the operations without other viable alternatives.

The Company's governing bodies (including the Audit Committee) are responsible for supervising the financial reporting process.

Auditor's responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance on whether the parent company only financial statements as a whole are free from material misstatement arising from fraud or error and to issue an independent auditors' report. Reasonable assurance is a high-level assurance but is not a guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement when it exists. Misstatement may arise from frauds or error. If the amounts of misstatements, either separately or in aggregate, could reasonably be expected to influence the economic decisions of the users of the parent company only financial statements, they are considered material.

We have exercised our professional judgment and professional skepticism when performing the audit work in accordance with the auditing standards. We also performed the following tasks:

1. Identified and assessed the risks of material misstatement arising from fraud or error within the parent company only financial statements; designed and executed countermeasures in response to said risks, and obtained sufficient and appropriate audit evidence to provide a basis for our opinion. Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Therefore, the risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error.
2. Understood the internal control related to the audit in order to design appropriate audit procedures under the circumstances, while not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluated the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and relevant disclosures made by the management.
4. Concluded on the appropriateness of the management's adoption of the going concern basis of accounting based on the audit evidence obtained and whether a material uncertainty exists for events or conditions that may cast significant doubt over the Company's ability to continue as a going concern. If we are of the opinion that a material uncertainty exists, we shall remind users of the parent company only financial statements to pay attention to relevant disclosures in the said statements within our audit report. If such disclosures are inadequate, we need to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluated the overall presentation, structure, and content of the parent company only financial statements (including relevant notes), and whether the parent company only financial statements adequately present the relevant transactions and events.
6. Obtained sufficient and appropriate audit evidence concerning the financial information of entities within the Company, to express an opinion on the parent company only financial statements. We were responsible for guiding, supervising, and performing the audit and forming an audit opinion on the Company.

The matters communicated between us and the governing bodies included the planned scope and times of the audit and material audit findings (including any material defects in internal control identified during the audit).

We also provided the governing bodies with a declaration that we have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence and communicated with them all relations and other matters that may possibly be regarded as detrimental to our independence (including relevant protective measures).

From the matters communicated with the governing bodies, we determined the key audit matters for the audit of the Company’s parent company only financial statements for the year ended December 31, 2023. We have clearly indicated such matters in the auditors’ report. Unless legal regulations prohibit the public disclosure of specific matters, or in extremely rare cases, where we decided not to communicate specific items in the auditors’ report for it could be reasonably anticipated that the negative effects of such disclosure would be greater than the public interest it brings forth.

Deloitte & Touche
CPA Chen, Pei-Te

CPA Chen, Chun-Hung

Financial Supervisory Commission Approval
Document No.
Jin-Guan-Zheng-Shen-Zi No. 1080321204

Financial Supervisory Commission Approval
Document No.
Jin-Guan-Zheng-Shen-Zi No. 0990031652

March 11, 2025

PARPRO CORPORATION
Parent Company Only Balance Sheet
December 31, 2024 and 2023

Unit: NTD thousand

Code	Assets	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
	Current assets				
1100	Cash (Note 6)	\$ 97,484	3	\$ 90,254	3
1110	Financial assets at fair value through profit or loss (Note 7)	-	-	8	-
1172	Accounts receivable (Notes 9 and 23)	46,827	2	31,769	1
1200	Other receivables (Note 23)	123,289	4	110,945	4
1220	Current income tax assets	3	-	3	-
1410	Prepayments	3,654	-	1,009	-
11XX	Total current assets	<u>271,257</u>	<u>9</u>	<u>233,988</u>	<u>8</u>
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income (Note 8)	29,982	1	48,448	2
1550	Investments using the equity method (Notes 5 and 10)	2,683,680	89	2,569,639	89
1600	Property, plant and equipment (Note 11)	10,374	1	13,410	1
1755	Right-of-use assets	6,391	-	11,528	-
1840	Deferred tax assets (Note 19)	742	-	1,536	-
1990	Other non-current assets	3,158	-	3,158	-
15XX	Total non-current assets	<u>2,734,327</u>	<u>91</u>	<u>2,647,719</u>	<u>92</u>
1XXX	Total assets	<u>\$ 3,005,584</u>	<u>100</u>	<u>\$ 2,881,707</u>	<u>100</u>
	Liabilities and equity				
	Current liabilities				
2100	Short-term borrowings (Note 12)	\$ 260,000	9	\$ 180,000	6
2110	Short-term notes payable	49,868	2	30,000	1
2120	Financial liabilities at fair value through profit or loss (Note 7)	8,328	-	7,880	-
2170	Accounts payable	-	-	62	-
2219	Other payables (Notes 14 and 23)	21,430	1	48,567	2
2230	Current income tax liabilities	3,571	-	14,719	1
2250	Provisions	1,113	-	1,113	-
2280	Lease liabilities	4,745	-	5,090	-
2320	Long-term liabilities – current portion (Notes 12 and 13)	130,814	4	90,621	3
2399	Other current liabilities (Note 17)	161	-	150	-
21XX	Total current liabilities	<u>480,030</u>	<u>16</u>	<u>378,202</u>	<u>13</u>
	Non-current liabilities				
2530	Corporate bonds payable (Note 13)	358,665	12	422,685	15
2540	Long-term borrowings (Note 12)	61,667	2	71,156	2
2570	Deferred tax liabilities (Note 19)	938	-	20	-
2580	Lease liabilities	1,764	-	6,519	-
25XX	Total non-current liabilities	<u>423,034</u>	<u>14</u>	<u>500,380</u>	<u>17</u>
2XXX	Total liabilities	<u>903,064</u>	<u>30</u>	<u>878,582</u>	<u>30</u>
	Equity (Note 16)				
3110	Ordinary share capital	984,888	33	983,789	34
3200	Capital surplus	647,009	21	642,138	23
	Retained earnings				
3310	Legal reserve	149,746	5	141,737	5
3320	Special reserve	23,125	1	33,051	1
3350	Undistributed earnings	191,103	6	225,535	8
3300	Total retained earnings	<u>363,974</u>	<u>12</u>	<u>400,323</u>	<u>14</u>
3400	Other equity	106,649	4	(23,125)	(1)
3XXX	Total equity	<u>2,102,520</u>	<u>70</u>	<u>2,003,125</u>	<u>70</u>
	Total liabilities and equity	<u>\$ 3,005,584</u>	<u>100</u>	<u>\$ 2,881,707</u>	<u>100</u>

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

Chairman: Liao, Wen-Chia

Managerial Officer: Yen, Tsung-Chien

Chief Accounting Officer: Wu, Hsiu-Pi

PARPRO CORPORATION
Parent Company Only Statement of Comprehensive Income

December 31, 2024 and 2023

Unit: In NTD thousand, except for earnings per share in NTD

Code		2024		2023	
		Amount	%	Amount	%
4100	Operating revenue (Notes 17 and 23)	\$ 155,876	100	\$ 78,170	100
5110	Operating costs (Note 23)	<u>152,846</u>	<u>98</u>	<u>76,686</u>	<u>98</u>
5900	Gross profit	<u>3,030</u>	<u>2</u>	<u>1,484</u>	<u>2</u>
	Operating expenses (Note 18)				
6100	Selling expense	23	-	154	-
6200	Administrative expenses	<u>50,658</u>	<u>33</u>	<u>47,414</u>	<u>61</u>
6000	Total operating expenses	<u>50,681</u>	<u>33</u>	<u>47,568</u>	<u>61</u>
6900	Net operating loss	(<u>47,651</u>)	(<u>31</u>)	(<u>46,084</u>)	(<u>59</u>)
	Non-operating income and expenses (Notes 18 and 23)				
7100	Interest income	974	1	2,000	3
7010	Other income	94,354	61	91,764	117
7020	Other gains and losses	10,605	7	5,957	8
7050	Financial costs	(18,575)	(12)	(18,459)	(24)
7070	Share of profit and loss of subsidiaries and associates using the equity method	(<u>28,880</u>)	(<u>19</u>)	<u>58,770</u>	<u>75</u>
7000	Total non-operating income and expenses	<u>58,478</u>	<u>38</u>	<u>140,032</u>	<u>179</u>
7900	Net income before tax	10,827	7	93,948	120
7950	Income tax expense (Note 19)	(<u>9,313</u>)	(<u>6</u>)	(<u>13,628</u>)	(<u>17</u>)
8200	Net income for 2024	<u>1,514</u>	<u>1</u>	<u>80,320</u>	<u>103</u>

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Code		2024		2023	
		Amount	%	Amount	%
8310	Other comprehensive income Items not reclassified to profit or loss:				
8316	Unrealized gains or losses on investment in equity instruments at fair value through other comprehensive income	(\$ 188)	-	\$ 8,306	10
8330	Share of other comprehensive income of subsidiaries and associates using the equity method	5,984	4	5,432	7
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange Differences in Translating the Financial Statements of Foreign Operations	<u>126,616</u>	<u>81</u>	(<u>4,037</u>)	(<u>5</u>)
8300	Other comprehensive income after tax	<u>132,412</u>	<u>85</u>	<u>9,701</u>	<u>12</u>
8500	Total comprehensive income for 2024	<u>\$ 133,926</u>	<u>86</u>	<u>\$ 90,021</u>	<u>115</u>
	Earnings per share (Note 20)				
9750	Basic	<u>\$ 0.02</u>		<u>\$ 0.87</u>	
9850	Diluted	<u>\$ 0.02</u>		<u>\$ 0.73</u>	

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

Chairman: Liao, Wen-Chia

Managerial Officer:
Yen, Tsung-Chien

Chief Accounting Officer:
Wu, Hsiu-Pi

PARPRO CORPORATION
Parent Company Only Statement of Changes in Equity
December 31, 2024 and 2023

Unit: NTD thousand

Code		Ordinary share capital	Capital surplus	Retained earnings			Other equity items		Treasury shares	Total equity
				Legal reserve	Special reserve	Undistributed earnings	Exchange Differences in Translating the Financial Statements of Foreign Operations	Unrealized gain (loss) on financial assets at fair value through other comprehensive income		
A1	Balance as at January 1, 2023	\$ 833,544	\$ 329,808	\$ 131,486	\$ 137,381	\$ 104,145	(\$ 21,809)	(\$ 11,242)	(\$ 29,134)	\$ 1,474,179
	Earnings distribution for 2022									
B1	Legal reserve provided	-	-	10,251	-	(10,251)	-	-	-	-
B17	Special reserve reversed	-	-	-	(104,330)	104,330	-	-	-	-
B5	Common stock cash dividends	-	-	-	-	(34,900)	-	-	-	(34,900)
	Total earnings distributed	-	-	10,251	(104,330)	59,179	-	-	-	(34,900)
D1	Net income for 2023	-	-	-	-	80,320	-	-	-	80,320
D3	Other comprehensive income after tax for 2023	-	-	-	-	(225)	(4,037)	13,963	-	9,701
D5	Total comprehensive income for 2023	-	-	-	-	80,095	(4,037)	13,963	-	90,021
C5	Components of convertible corporate bonds issued by the Company recognize in equity	-	31,291	-	-	-	-	-	-	31,291
I1	Convertible corporate bonds converted	161,495	281,039	-	-	-	-	-	-	442,534
L3	Treasury shares canceled	(11,250)	-	-	-	(17,884)	-	-	29,134	-
Z1	Balance as at December 31, 2023	983,789	642,138	141,737	33,051	225,535	(25,846)	2,721	-	2,003,125
	Earnings distribution for 2023									
B1	Legal reserve provided	-	-	8,009	-	(8,009)	-	-	-	-
B17	Special reserve reversed	-	-	-	(9,926)	9,926	-	-	-	-
B5	Common stock cash dividends	-	-	-	-	(39,352)	-	-	-	(39,352)
	Total earnings distributed	-	-	8,009	(9,926)	(37,435)	-	-	-	(39,352)
D1	Net income for 2024	-	-	-	-	1,514	-	-	-	1,514
D3	Other comprehensive income after tax for 2024	-	-	-	-	1,821	126,616	3,975	-	132,412
D5	Total comprehensive income for 2024	-	-	-	-	3,335	126,616	3,975	-	133,926
C7	Changes in associates using the equity method	-	2,757	-	-	-	-	-	-	2,757
Q1	Disposal of financial assets at fair value through other comprehensive income	-	-	-	-	817	-	(817)	-	-
I1	Convertible corporate bonds converted	1,099	2,114	-	-	-	-	-	-	3,213
M5	The difference between the price of acquiring the shares of the subsidiary and the book value	-	-	-	-	(1,149)	-	-	-	(1,149)
Z1	Balance as at December 31, 2024	\$ 984,888	\$ 647,009	\$ 149,746	\$ 23,125	\$ 191,103	\$ 100,770	\$ 5,879	\$ -	\$ 2,102,520

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

Chairman: Liao, Wen-Chia

Managerial Officer: Yen, Tsung-Chien

Chief Accounting Officer: Wu, Hsiu-Pi

PARPRO CORPORATION
Parent Company Only Statement of Cash Flows
December 31, 2024 and 2023

Unit: NTD thousand

Code		2024	2023
	Net cash flow of operating activities		
A10000	Net income before tax	\$ 10,827	\$ 93,948
A20010	Income and expenses		
A20100	Depreciation expense	8,128	8,334
A20400	Net (gain) loss on financial instruments measured at fair value through profit or loss	479	(7,834)
A20900	Financial costs	18,575	18,459
A21200	Interest income	(974)	(2,000)
A22300	Share of profit and loss of associates using the equity method	28,880	(58,770)
A23700	Recovery of inventory valuation loss and obsolescence	-	(749)
A24100	Unrealized foreign exchange gain	(12,500)	(2,511)
A30000	Net changes in operating assets and liabilities		
A31150	Accounts receivable	(12,641)	18,476
A31180	Other receivables	(4,977)	11,107
A31200	Inventory	-	1,203
A31230	Prepayments	(2,645)	1,781
A32150	Accounts payable	(65)	(18,161)
A32180	Other payables	(27,399)	33,260
A32230	Other current liabilities	<u>11</u>	<u>(45,880)</u>
A33000	Cash inflow from operations	5,699	50,663
A33100	Interest received	1,221	3,240
A33300	Interest paid	(8,095)	(8,702)
A33500	Income tax paid	<u>(18,749)</u>	<u>(107)</u>
AAAA	Net cash inflows (outflows) from operating activities	<u>(19,924)</u>	<u>45,094</u>
	Net cash flow of investing activities		
B00010	Financial assets at fair value through other comprehensive income acquired	-	(29,982)
B00200	Disposal of financial assets at fair value through other comprehensive income	18,278	-
B02700	Property, plant and equipment acquired	-	(1,500)
B04400	Loans to subsidiaries recovered	-	165,495

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Code		2024	2023
B06800	Increase in other non-current assets	\$ -	(\$ 1,219)
B07600	Dividends from associates received	<u>3,990</u>	<u>3,990</u>
BBBB	Net cash inflows from investing activities	<u>22,268</u>	<u>136,784</u>
	Net cash flow of financing activities		
C00200	Increase (decrease) in short-term borrowings	80,000	(290,000)
C00500	Increase in short-term notes payable	20,000	30,000
C01200	Convertible corporate bonds issued	-	394,488
C01300	Convertible corporate bonds repaid	(40,400)	-
C01600	Long-term borrowings	50,000	100,000
C01700	Long-term borrowings repaid	(50,076)	(85,105)
C03700	Decrease in other payables	-	(65,000)
C04020	Lease principal repaid	(5,055)	(3,865)
C04500	Dividends paid to owners of the Company	(39,352)	(34,900)
C05400	Equity in subsidiary acquired	(<u>12,703</u>)	(<u>184,875</u>)
CCCC	Net cash inflows (outflows) from financing activities	<u>2,414</u>	(<u>139,257</u>)
DDDD	Effect of exchange rate changes on cash	<u>2,472</u>	(<u>263</u>)
EEEE	Net increase in cash	7,230	42,358
E00100	Opening balance of cash	<u>90,254</u>	<u>47,896</u>
E00200	Ending balance of cash	<u>\$ 97,484</u>	<u>\$ 90,254</u>

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

Chairman: Liao, Wen-Chia

Managerial Officer:
Yen, Tsung-Chien

Chief Accounting Officer:
Wu, Hsiu-Pi

Representation Letter

The affiliates that are required to be included in the Company's consolidated financial statements as of and for the year ended December 31, 2024, under the Criteria Governing the 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 Standard No. 10. In addition, the information required to be disclosed in the combined financial statements of affiliates is included in the said consolidated financial statements. Consequently, a separate set of combined financial statements of affiliates will not be prepared.

It is hereby certified that the information disclosed herein is true and correct.

Name of Company: PARPRO CORPORATION

Person-in-charge: Liao, Wen-Chia

March 11, 2025

Independent Auditor’s Report

To PARPRO CORPORATION,

Audit opinion

We have audited the accompanying consolidated balance sheets of PARPRO CORPORATION (the “Company”) and its subsidiaries (collectively, the “Group”) for the years ended December 31, 2024 and 2023 and the relevant consolidated statements of comprehensive income, changes in equity, and cash flows for the years then ended, and relevant notes, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023 and for the years then ended, and its consolidated financial performance and its consolidated cash flows for the years then ended in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the 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 (FSC) of the Republic of China.

Basis for audit opinion

We conducted our audits in accordance with the Regulations Governing the Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards. Our responsibilities under those standards are further described in the “Auditor’s responsibilities for the audit of the consolidated financial statements” paragraph 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 have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that we have acquired enough and appropriate audit evidence to serve as the basis for our audit opinion.

Key audit matters

Key audit matters refer to the most vital matters in our audit of the Group’s consolidated financial statements for the year ended December 31, 2024 based on our professional judgment. These matters were addressed in our audit of the consolidated financial statements as a whole, and in forming our audit opinion. We do not express a separate opinion on these matters.

Key audit matters of the Group’s consolidated financial statements for the year ended December 31, 2024, are stated as follows:

Authenticity of revenue – operating revenue from certain customers

The Group mainly sells gaming and industrial computers as well as aerospace and national defense products. In 2024, the amount of product revenue from certain customers changed significantly on a year-on-year basis; as we considered revenue recognition to bear a higher inherent risk of fraud and that the management might be pressured to achieve planned financial targets, we listed the authenticity of such revenue as a key audit matter.

We performed for the following audit procedures for the above matter:

1. Learned about and tested the key internal control systems for the sales revenue and evaluated the design and implementation effectiveness;
2. Obtained the statements of the account of the revenue, selected samples for testing of the details, and reviewing documents, such as orders, shipping orders, and invoices to confirm the authenticity of the revenue;
3. Obtain the statements of the account of the revenue and selected samples to test if there was a significant difference in the write-offs and amounts of receivables to confirm the authenticity of the revenue.

Other matters

The Company has also prepared the parent company only financial statements for the years ended December 31, 2024 and 2023, for which we have issued an audit report, with an unqualified opinion, for reference.

Responsibilities of the management and the governing bodies for the consolidated financial statements

The management’s responsibilities are to prepare the consolidated financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively referred to as “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China and to maintain necessary internal control associated with the preparation in order to ensure that the consolidated financial statements are free from material misstatement arising from fraud or error.

In preparing the consolidated financial statements, the management is responsible for assessing the ability of the Group in continuing as a going concern, disclosing relevant matters, and adopting the going concern basis of accounting unless the management intends to liquidate the Group or cease the operations without other viable alternatives.

The Group’s governing bodies (including the Audit Committee) are responsible for supervising the financial reporting process.

Auditor’s responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance on whether the consolidated financial statements as a whole are free from material misstatement arising from fraud or error and to issue an independent auditors’ report. Reasonable assurance is a high-level assurance but is not a guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement when it exists. Misstatement may arise from frauds or error. If the amounts of misstatements, either separately or in aggregate, could reasonably be expected to influence the

economic decisions of the users of the consolidated financial statements, they are considered material.

We have exercised our professional judgment and professional skepticism when performing the audit work in accordance with the auditing standards. We also performed the following tasks:

1. Identified and assessed the risks of material misstatement arising from fraud or error within the consolidated financial statements; designed and executed countermeasures in response to said risks, and obtained sufficient and appropriate audit evidence to provide a basis for our opinion. Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Therefore, the risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error.
2. Understood the internal control related to the audit in order to design appropriate audit procedures under the circumstances, while not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluated the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and relevant disclosures made by the management.
4. Concluded on the appropriateness of the management's adoption of the going concern basis of accounting based on the audit evidence obtained and whether a material uncertainty exists for events or conditions that may cast significant doubt over the Group's ability to continue as a going concern. If we are of the opinion that a material uncertainty exists, we shall remind users of the consolidated financial statements to pay attention to relevant disclosures in the said statements within our audit report. If such disclosures are inadequate, we need to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluated the overall presentation, structure, and content of the consolidated financial statements (including relevant notes), and whether the consolidated financial statements adequately present the relevant transactions and events.
6. Obtained sufficient and appropriate audit evidence concerning the financial information of entities within the Group, to express an opinion on the consolidated financial statements. We were responsible for guiding, supervising, and performing the audit and forming an audit opinion on the Group.

The matters communicated between us and the governing bodies included the planned scope and times of the audit and material audit findings (including any material defects in internal control identified during the audit).

We also provided the governing bodies with a declaration that we have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence and communicated with them all relations and other matters that may possibly be regarded as detrimental to our independence (including relevant protective measures).

From the matters communicated with the governing bodies, we determined the key audit matters for the audit of the Group's consolidated financial statements for the year ended December 31, 2024. We have clearly indicated such matters in the auditors' report. Unless legal regulations prohibit the public disclosure of specific matters, or in extremely rare cases, where we decided not to communicate specific items in the auditors' report for it could be reasonably anticipated that the negative effects of such disclosure would be greater than the public interest it brings forth.

Deloitte & Touche

CPA Chen, Pei-Te

CPA Chen, Chun-Hung

Financial Supervisory Commission Approval
Document No.

Jin-Guan-Zheng-Shen-Zi No. 1080321204

Financial Supervisory Commission Approval
Document No.

Jin-Guan-Zheng-Shen-Zi No. 0990031652

March 11, 2025

PARPRO CORPORATION and Its Subsidiaries

Consolidated Balance Sheet

December 31, 2024 and 2023

Unit: NTD thousand

Code	Assets	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
	Current assets				
1100	Cash (Note 6)	\$ 496,857	14	\$ 195,552	5
1110	Financial assets at fair value through profit or loss (Note 7)	-	-	8	-
1172	Accounts receivable (Notes 9 and 27)	663,060	19	650,982	18
1200	Other receivables (Note 27)	6,246	-	1,090	-
1220	Current income tax assets	5,469	-	11,863	-
130X	Inventories (Note 10)	815,658	23	1,195,798	33
1410	Prepayments	57,519	2	66,777	2
11XX	Total current assets	<u>2,044,809</u>	<u>58</u>	<u>2,122,070</u>	<u>58</u>
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income (Note 8)	29,982	1	48,448	1
1550	Investments using the equity method (Notes 5 and 12)	553,995	16	590,166	16
1600	Property, plant and equipment (Note 13)	132,339	4	133,121	4
1755	Right-of-use assets (Note 14)	164,832	5	189,491	5
1805	Goodwill (Notes 5 and 15)	493,621	14	462,304	13
1821	Intangible assets (Note 15)	59,609	2	66,993	2
1840	Deferred tax assets (Note 23)	3,867	-	1,536	-
1990	Other non-current assets	15,538	-	20,972	1
15XX	Total non-current assets	<u>1,453,783</u>	<u>42</u>	<u>1,513,031</u>	<u>42</u>
1XXX	Total assets	<u>\$ 3,498,592</u>	<u>100</u>	<u>\$ 3,635,101</u>	<u>100</u>
	Liabilities and equity				
	Current liabilities				
2100	Short-term borrowings (Note 16)	\$ 260,000	8	\$ 293,608	8
2110	Short-term notes payable	49,868	1	30,000	1
2120	Financial liabilities at fair value through profit or loss (Note 7)	8,328	-	7,880	-
2170	Accounts payable	200,648	6	310,868	9
2219	Other payables (Notes 18 and 27)	108,222	3	126,385	3
2230	Current income tax liabilities	14,248	-	25,790	1
2250	Provisions	1,113	-	1,113	-
2280	Lease liabilities (Note 14)	45,764	1	40,018	1
2320	Long-term liabilities – current portion (Notes 16 and 17)	130,814	4	90,621	2
2399	Other current liabilities (Note 21)	5,311	-	32,922	1
21XX	Total current liabilities	<u>824,316</u>	<u>23</u>	<u>959,205</u>	<u>26</u>
	Non-current liabilities				
2530	Corporate bonds payable (Note 17)	358,665	10	422,685	12
2540	Long-term borrowings (Note 16)	61,667	2	92,650	3
2570	Deferred tax liabilities (Note 23)	938	-	20	-
2580	Lease liabilities (Note 14)	129,357	4	157,416	4
25XX	Total non-current liabilities	<u>550,627</u>	<u>16</u>	<u>672,771</u>	<u>19</u>
2XXX	Total liabilities	<u>1,374,943</u>	<u>39</u>	<u>1,631,976</u>	<u>45</u>
	Equity attributable to the owners of the Company (Note 20)				
3110	Ordinary share capital	984,888	28	983,789	27
3200	Capital surplus	647,009	19	642,138	18
	Retained earnings				
3310	Legal reserve	149,746	4	141,737	4
3320	Special reserve	23,125	1	33,051	1
3350	Undistributed earnings	191,103	5	225,535	6
3300	Total retained earnings	<u>363,974</u>	<u>10</u>	<u>400,323</u>	<u>11</u>
3400	Other equity	106,649	3	(23,125)	(1)
31XX	Total owners' equity of the Company	<u>2,102,520</u>	<u>60</u>	<u>2,003,125</u>	<u>55</u>
36XX	Non-controlling interest	21,129	1	-	-
3XXX	Total equity	<u>2,123,649</u>	<u>61</u>	<u>2,003,125</u>	<u>55</u>
	Total liabilities and equity	<u>\$ 3,498,592</u>	<u>100</u>	<u>\$ 3,635,101</u>	<u>100</u>

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

Chairman: Liao, Wen-Chia

Managerial Officer: Yen, Tsung-Chien

Chief Accounting Officer: Wu, Hsiu-Pi

PARPRO CORPORATION and Its Subsidiaries
Consolidated Statement of Comprehensive Income

December 31, 2024 and 2023

Unit: In NTD thousand, except for earnings per share in NTD

Code		2024		2023	
		Amount	%	Amount	%
4100	Operating revenue (Notes 21 and 27)	\$ 3,573,442	100	\$ 3,414,371	100
5110	Operating costs (Notes 10, and 22)	<u>3,067,878</u>	<u>86</u>	<u>2,935,555</u>	<u>86</u>
5900	Gross profit	<u>505,564</u>	<u>14</u>	<u>478,816</u>	<u>14</u>
	Operating expenses (Notes 9, 22, and 27)				
6100	Selling expense	43,054	1	39,073	1
6200	Administrative expenses	360,241	10	300,205	9
6300	Research and development expenses	-	-	1,899	-
6450	Gain on reversal of expected credit impairment	(<u>2,195</u>)	<u>-</u>	(<u>19,469</u>)	(<u>1</u>)
6000	Total operating expenses	<u>401,100</u>	<u>11</u>	<u>321,708</u>	<u>9</u>
6900	Net operating profit	<u>104,464</u>	<u>3</u>	<u>157,108</u>	<u>5</u>
	Non-operating income and expenses (Notes 22 and 27)				
7100	Interest income	1,124	-	898	-
7010	Other income	5,058	-	31,655	1
7020	Other gains and losses	10,921	-	5,892	-
7050	Financial costs	(41,618)	(1)	(44,996)	(2)
7060	Share of profit and loss of associates using the equity method	(<u>33,843</u>)	(<u>1</u>)	(<u>9,886</u>)	<u>-</u>
7000	Total non-operating income and expenses	(<u>58,358</u>)	(<u>2</u>)	(<u>16,437</u>)	(<u>1</u>)
7900	Net income before tax	46,106	1	140,671	4
7950	Income tax expense (Note 23)	(<u>44,629</u>)	(<u>1</u>)	(<u>60,351</u>)	(<u>1</u>)
8200	Net income for 2024	<u>1,477</u>	<u>-</u>	<u>80,320</u>	<u>3</u>

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Code		2024		2023	
		Amount	%	Amount	%
	Other comprehensive income				
8310	Items not reclassified to profit or loss:				
8316	Unrealized gains or losses on investment in equity instruments at fair value through other comprehensive income	(\$ 188)	-	\$ 8,306	-
8330	Share of other comprehensive income of associates using the equity method	5,999	-	5,432	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange Differences in Translating the Financial Statements of Foreign Operations	<u>126,618</u>	<u>4</u>	(<u>4,037</u>)	<u>-</u>
8300	Other comprehensive income after tax for 2024	<u>132,429</u>	<u>4</u>	<u>9,701</u>	<u>-</u>
8500	Total comprehensive income for 2024	<u>\$ 133,906</u>	<u>4</u>	<u>\$ 90,021</u>	<u>3</u>
	Net income (loss) attributable to:				
8610	Owners of the Company	\$ 1,514	-	\$ 80,320	3
8620	Non-controlling interest	(<u>37</u>)	<u>-</u>	<u>-</u>	<u>-</u>
8600		<u>\$ 1,477</u>	<u>-</u>	<u>\$ 80,320</u>	<u>3</u>
	Total comprehensive income attributable to:				
8710	Owners of the Company	\$ 133,926	4	\$ 90,021	3
8720	Non-controlling interest	(<u>20</u>)	<u>-</u>	<u>-</u>	<u>-</u>
8700		<u>\$ 133,906</u>	<u>4</u>	<u>\$ 90,021</u>	<u>3</u>
	Earnings per share (Note 24)				
9750	Basic	<u>\$ 0.02</u>		<u>\$ 0.87</u>	
9850	Diluted	<u>\$ 0.02</u>		<u>\$ 0.73</u>	

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

Chairman: Liao, Wen-Chia

Managerial Officer:
Yen, Tsung-Chien

Chief Accounting Officer:
Wu, Hsiu-Pi

PARPRO CORPORATION and Its Subsidiaries
Consolidated Statement of Changes in Equity
December 31, 2024 and 2023

Unit: NTD thousand

		Equity attributable to the owners of the Company					Other equity items					
		Retained earnings					Exchange Differences in Translating the Financial Statements of Foreign Operations	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Treasury shares	Total	Non-controlling interest	Total equity
Code		Ordinary share capital	Capital surplus	Legal reserve	Special reserve	Undistributed earnings						
A1	Balance as at January 1, 2023	\$ 833,544	\$ 329,808	\$ 131,486	\$ 137,381	\$ 104,145	(\$ 21,809)	(\$ 11,242)	(\$ 29,134)	\$ 1,474,179	\$ -	\$ 1,474,179
	Earnings distribution for 2022											
B1	Legal reserve provided	-	-	10,251	-	(10,251)	-	-	-	-	-	-
B17	Special reserve reversed	-	-	-	(104,330)	104,330	-	-	-	-	-	-
B5	Common stock cash dividends	-	-	-	-	(34,900)	-	-	-	(34,900)	-	(34,900)
	Total earnings distributed	-	-	10,251	(104,330)	59,179	-	-	-	(34,900)	-	(34,900)
D1	Net income for 2023	-	-	-	-	80,320	-	-	-	80,320	-	80,320
D3	Other comprehensive income after tax for 2023	-	-	-	-	(225)	(4,037)	13,963	-	9,701	-	9,701
D5	Total comprehensive income for 2023	-	-	-	-	80,095	(4,037)	13,963	-	90,021	-	90,021
C5	Components of convertible corporate bonds issued by the Company recognize in equity	-	31,291	-	-	-	-	-	-	31,291	-	31,291
I1	Convertible corporate bonds converted	161,495	281,039	-	-	-	-	-	-	442,534	-	442,534
L3	Treasury shares canceled	(11,250)	-	-	-	(17,884)	-	-	29,134	-	-	-
Z1	Balance as at December 31, 2023	983,789	642,138	141,737	33,051	225,535	(25,846)	2,721	-	2,003,125	-	2,003,125
	Earnings distribution for 2023											
B1	Legal reserve provided	-	-	8,009	-	(8,009)	-	-	-	-	-	-
B17	Special reserve reversed	-	-	-	(9,926)	9,926	-	-	-	-	-	-
B5	Common stock cash dividends	-	-	-	-	(39,352)	-	-	-	(39,352)	-	(39,352)
	Total earnings distributed	-	-	8,009	(9,926)	(37,435)	-	-	-	(39,352)	-	(39,352)
D1	Net income for 2024	-	-	-	-	1,514	-	-	-	1,514	(37)	1,477
D3	Other comprehensive income after tax for 2024	-	-	-	-	1,821	126,616	3,975	-	132,412	17	132,429
D5	Total comprehensive income for 2024	-	-	-	-	3,335	126,616	3,975	-	133,926	(20)	133,906
C7	Changes in associates using the equity method	-	2,757	-	-	-	-	-	-	2,757	-	2,757
Q1	Disposal of financial assets at fair value through other comprehensive income	-	-	-	-	817	-	(817)	-	-	-	-
I1	Convertible corporate bonds converted	1,099	2,114	-	-	-	-	-	-	3,213	-	3,213
M5	The difference between the price of acquiring the shares of the subsidiary and the book value	-	-	-	-	(1,149)	-	-	-	(1,149)	1,149	-
O1	Change in non-controlling interest	-	-	-	-	-	-	-	-	-	20,000	20,000
Z1	Balance as at December 31, 2024	\$ 984,888	\$ 647,009	\$ 149,746	\$ 23,125	\$ 191,103	\$ 100,770	\$ 5,879	\$ -	\$ 2,102,520	\$ 21,129	\$ 2,123,649

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

Chairman: Liao, Wen-Chia

Managerial Officer: Yen, Tsung-Chien

Chief Accounting Officer: Wu, Hsiu-Pi

PARPRO CORPORATION and Its Subsidiaries

Consolidated Statement of Cash Flows

December 31, 2024 and 2023

Unit: NTD thousand

Code		2024	2023
	Net cash flow of operating activities		
A10000	Net income before tax	\$ 46,106	\$ 140,671
A20010	Income and expenses		
A20100	Depreciation expense	79,285	82,476
A20200	Amortization expense	11,677	11,329
A20300	Gain on reversal of expected credit impairment	(2,195)	(19,469)
A20400	Net (gain) loss on financial instruments measured at fair value through profit or loss	479	(7,834)
A20900	Financial costs	41,618	44,996
A21200	Interest income	(1,124)	(898)
A22300	Share of profit and loss of associates using the equity method	33,843	9,886
A22500	Gain on disposal of property, plant and equipment	(727)	(78)
A23700	Inventory valuation loss and obsolescence (recovery gain)	8,897	(22)
A24100	Unrealized foreign exchange loss (gain)	2,855	(1,612)
A30000	Net changes in operating assets and liabilities		
A31150	Accounts receivable	34,197	56,355
A31180	Other receivables	(5,156)	48,411
A31200	Inventory	450,016	(140,385)
A31230	Prepayments	(1,673)	(9,989)
A32150	Accounts payable	(129,219)	28,702
A32180	Other payables	(31,918)	14,855
A32230	Other current liabilities	(29,203)	(56,465)
A33000	Cash inflow from operations	507,758	200,929
A33100	Interest received	1,124	898
A33300	Interest paid	(31,138)	(35,239)
A33500	Income tax paid	(50,534)	(56,121)
AAAA	Net cash inflow from operating activities	<u>427,210</u>	<u>110,467</u>

(Continued from the next page)

(Continued from the previous page)

Code		2024	2023
	Net cash flow of investing activities		
B00010	Financial assets at fair value through other comprehensive income acquired	\$ -	(\$ 29,982)
B00020	Disposal of financial assets at fair value through other comprehensive income	18,278	-
B02700	Property, plant and equipment acquired	(21,966)	(16,691)
B02800	Proceeds from disposal of property, plant and equipment	803	249
B03700	Increase in guarantee deposits paid	-	(5,773)
B03800	Decrease in guarantee deposits paid	3,294	-
B07100	Increase in prepayments for business facilities	-	(3,070)
B07600	Dividends from associates received	<u>3,990</u>	<u>3,990</u>
BBBB	Net cash inflows (outflows) from investing activities	<u>4,399</u>	(<u>51,277</u>)
	Net cash flow of financing activities		
C00200	Decrease in short-term borrowings	(38,814)	(327,386)
C00500	Increase in short-term notes payable	20,000	30,000
C01200	Convertible corporate bonds issued	-	394,488
C01300	Convertible corporate bonds repaid	(40,400)	-
C01600	Long-term borrowings	82,112	274,468
C01700	Long-term borrowings repaid	(104,666)	(237,765)
C03700	Decrease in other payables	-	(65,000)
C04020	Lease principal repaid	(43,635)	(40,945)
C04500	Dividends paid to owners of the Company	(39,352)	(34,900)
C05800	Change in non-controlling interest	<u>20,000</u>	<u>-</u>
CCCC	Net cash outflow from financing activities	(<u>144,755</u>)	(<u>7,040</u>)
DDDD	Effect of exchange rate changes on cash	<u>14,451</u>	(<u>426</u>)
EEEE	Net increase in cash	301,305	51,724
E00100	Opening balance of cash	<u>195,552</u>	<u>143,828</u>
E00200	Ending balance of cash	<u>\$ 496,857</u>	<u>\$ 195,552</u>

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

Chairman: Liao, Wen-Chia

Managerial Officer:
Yen, Tsung-Chien

Chief Accounting Officer:
Wu, Hsiu-Pi

2024 Earning distribution statement

PARPRO CORPORATION
Earning distribution statement

Unit: NT\$

Opening Unappropriated Earnings	188,100,000
Investments accounted for using the equity method - defined benefit plan remeasurement recognized in retained earnings	1,821,356
Disposal of equity instrument investments measured at fair value through other comprehensive income (FVOCI)	816,833
Difference between the acquisition cost and book value of subsidiary shares.	(1,148,858)
Adjusted Unappropriated Earnings	189,589,331
Net profit for the period	1,514,320
Legal surplus reserve (10%)	(300,365)
Special surplus reserve (withdrawal)	23,124,764
Distributable surplus for the current period	213,928,050
Assigned items:	
Less: cash dividend (NT\$ 0.4 /share)	(42,013,554)
Unappropriated Earnings at the end of the period	171,914,496

Note: The number of shares calculated for shareholder dividends is the actual number of 105,033,884 shares in circulation as of February 28, 2025.

PARPRO CORPORATION

Comparison Table of Amended Articles of Incorporation

Art. No.	Amended Provisions	Current Provisions	Description of Revisions
Article 19	<p>If the Company has earnings for the year, it shall allocate 1% to 15% of the profit as employee compensation, with no less than 0.1% of the total amount allocated to employees at the grassroots level. The definition of "grassroots employees" shall be based on the relevant regulations of the competent authorities. The compensation shall be distributed in stock or cash as resolved by the Board of Directors. The recipients may include employees of the Company's subsidiaries who meet certain criteria. The Company may also allocate, as resolved by the Board of Directors, up to 5% of the profit as directors' compensation. The distribution plans for employee and directors' compensation shall be reported to the shareholders' meeting. However, if the Company has accumulated losses, such losses shall be offset before any allocation of employee and directors' compensation is made in accordance with the above percentages.</p>	<p>If the Company has earnings for the year, it shall allocate 1% to 15% of the profit as employee compensation, which shall be distributed in stock or cash as resolved by the Board of Directors. The recipients may include employees of the Company's subsidiaries who meet certain criteria. The Company may also allocate, as resolved by the Board of Directors, up to 5% of the profit as directors' compensation. The distribution plans for employee and directors' compensation shall be reported to the shareholders' meeting. However, if the Company has accumulated losses, such losses shall be offset before any allocation of employee and directors' compensation is made in accordance with the above percentages.</p>	<p>Amended in accordance with Article 14, Paragraph 6 of the Securities and Exchange Act.</p>
Article 22	<p>This Articles of Incorporation was established on December 20, 2001. First Amendment to the Twentieth Amendment dates: omitted. The twenty-first amendment was made on May 27, 2025</p>	<p>This Articles of Incorporation was established on December 20, 2001. First Amendment to the Twentieth Amendment dates: omitted.</p>	<p>Add the revision number and date.</p>

Director (including Independent Director) candidate information

In accordance with the provisions of Article 192-1 of the Company Act, the list of candidates for director is hereby proposed as follows,

Number	Identity	Name	Number of shares	Main experience (Education)	Current positions in the company and other companies
1	Director	Liao Wen-Jia	7,971,942	Boston University/Master of Electronic Commerce National Taiwan University Bachelor	Parpro Corporation./General Manager Parpro Holdings Co., Ltd./Legal Person Director Representative AP Parpro, Inc./Legal Person Director Representative Parpro System Corporation /Legal Person Director Representative Paide Investment Co., Ltd. / Chairman Jieshi Investment Co., Ltd. / Chairman Yunyong Investment Co., Ltd./Chairman Anderson Industrial Corp. /Chairman Rayder Machinery Corporation / Chairman Shengde Co., Ltd. / Chairman Anderson Merchandise Corporation / Chairman Giben Holdings Ltd.(SAMOA)/Director Giben Holdings Ltd.(BVI)/Director
2	Director	Jieshi Investment Co., Ltd.	5,830,415	-	-
3	Director	Zeng, Xueqing	0	Shih Chien College/Fashion Design Department Head of Fangdeng International Trading Co., Ltd. Manager of Fufeng Engineering Company Anderson Industrial Corp./Legal person director representative	Changchi Co., Ltd./Consultant
4	Director	Wu, Hsiupi	109,765	Shih Chien College Director of Materials, Yulin Technology Co., Ltd. Parpro Corporation/financial manager, special assistant Anderson Industrial Corp. /legal person director representative Parpro Corporation/Chief Financial Officer, Deputy General Manager	Parpro Corporation/Chief Financial Officer, Deputy General Manager AP Parpro, Inc./Legal Person Director Representative Parpro(Nevada) Inc./Representative of corporate director Pilot (Las Vegas) Inc./Corporate Director Representative Parpro Technologies, Inc. / Legal Person Director Representative Parpro Quality Inc/Legal Person Director Representative Parpro System Corporation /Legal Person Director Representative Shengde Co., Ltd./Director Anderson Merchandise Corporation/Director

5	Independent director	Shen, Zhenlin	0	Master of Economics, National Chung Hsing University Motech Co., Ltd. / Chief Financial Officer Sincere Information (Shares) Company/Chief Financial Officer and Senior Deputy General Manager Taiwan Semiconductor Manufacturing Co., Ltd./Deputy Director of Finance Kanglian Holdings Limited / Independent Director	Parade Technologies, Ltd./Independent Director
6	Independent director	Zhang, Naiwen	0	Chung Yuan University/Master of Accounting, Tunghai University/Bachelor of Business Administration, Financial Manager of Changyuan Technology Industrial Co., Ltd. Zhang Naiwen Certified Public Accountants	Think-Do Better CPAS Office Director of Maiber Co., Ltd. Independent Director of ENLight Corporation
7	Independent director	Feng, Zhiqing	0	National Taiwan University/Master of Accounting, National Chengchi University/Bachelor of Accounting, Associate Director of Deloitte & Touche Audit Firm Certified Public Accountants of Deloitte & Touche Audit Firm Certified Public Accountants of Yuanshi Audit Firm	CPA of Yuanshi Audit Firm

Note: Mr. Shen Zhenlin has served as an independent director of the Company for more than three consecutive terms. Considering that Mr. Shen possesses financial expertise, is well-versed in relevant regulations, corporate governance, and has extensive experience, as well as being familiar with the operations and development of the Group, he is still nominated as a candidate for independent director. In the future, in exercising his duties as an independent director, Mr. Shen will be able to leverage his expertise and provide professional advice to the Board for better oversight.

Lifting of non-competition restrictions on newly appointed directors.

Title	Name	Holding concurrent positions in other companies.
Director	Liao Wen-Jia	Parpro Corporation./General Manager Parpro Holdings Co., Ltd./Legal Person Director Representative AP Parpro, Inc./Legal Person Director Representative Parpro System Corporation /Legal Person Director Representative Paide Investment Co., Ltd. / Chairman Jieshi Investment Co., Ltd. / Chairman Yunyong Investment Co., Ltd./Chairman Anderson Industrial Corp. /Chairman Rayder Machinery Corporation / Chairman Shengde Co., Ltd. / Chairman Anderson Merchandise Corporation / Chairman Giben Holdings Ltd.(SAMOA)/Director Giben Holdings Ltd.(BVI)/Director
Director	Zeng, Xueqing	Changchi Co., Ltd./Consultant
Director	Wu, Hsiupi	Parpro Corporation/Chief Financial Officer, Deputy General Manager AP Parpro, Inc./Legal Person Director Representative Parpro(Nevada) Inc./Representative of corporate director Pilot (Las Vegas) Inc./Corporate Director Representative Parpro Technologies, Inc. / Legal Person Director Representative Parpro Quality Inc/Legal Person Director Representative Parpro System Corporation /Legal Person Director Representative Shengde Co., Ltd./Director Anderson Merchandise Corporation/Director
Independent director	Shen, Zhenlin	Parade Technologies, Ltd./Independent Director
Independent director	Zhang, Naiwen	Think-Do Better CPAS Office Director of Maiber Co., Ltd. Independent Director of ENLight Corporation
Independent director	Feng, Zhiqing	Certified Public Accountants of Yuanshi Audit Firm

Articles of Incorporation

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
The tenth revision was made on May 30, 2023

PARPRO CORPORATION

Chairman:
Liao Wenjia

PARPRO CORPORATION

Rules for Procedure for Shareholders' Meetings

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.

The eighth revision was on May 30, 2023.

PARPRO CORPORATION

Director election method

Article 1: Purpose and Legal Basis

In order to select directors fairly, impartially and openly, the Company shall comply with the provisions of the "Company Law" and the "Articles of Association", and with reference to Article 41 of the "Code of Practice for Governance of Listed Overseas Companies" and "The Establishment of Independent Directors of Publicly Offering Companies and What to Follow" "Matter Regulations" stipulates that these regulations are formulated..

Article 2: Scope of Application

The election of directors of the company shall be conducted in accordance with these regulations, unless otherwise provided by laws or articles of association.

Article 3: The selection of directors of the company shall take into account the overall configuration of the board of directors. The composition of the board of directors should consider diversity and formulate appropriate diversity policies based on its own operations, operating types and development needs, which should include but not be limited to the following two major standards:

1. Basic conditions and values: gender, age, nationality and culture, etc.
2. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industrial experience, etc. Board members should generally possess the knowledge, skills and qualities necessary to perform their duties. Their overall abilities should be as follows:

1. Operational judgment ability.
2. Accounting and financial analysis skills.
3. Operation and management capabilities.
4. Crisis handling capabilities.
5. Industrial knowledge.
6. International market outlook.
7. Leadership skills.
8. Decision-making ability.

There should be more than half of the seats among the directors, and they should not be related to spouses or relatives within the second degree.

The company's board of directors should consider adjusting the composition of the board of directors based on the results of the performance evaluation.

Article 4: The company's independent directors should meet the following conditions:

1. Honesty and down-to-earth.
2. Fair judgment.
3. Professional knowledge.
4. Rich experience.
5. Ability to read financial statements.

Article 5: When the company should appoint independent directors, or when the company voluntarily appoints independent directors, the qualifications of independent directors should comply with Articles 2, 3 and 4 of the "Regulations on the Establishment of Independent Directors of Publicly Offering Companies and Matters to be Observed".

The selection of independent directors of the company shall comply with the provisions of Articles 5, 6, 7, 8 and 9 of the "Regulations on the Establishment and Matters to be Observed of Independent Directors of Publicly Offered Companies" and shall be based on the "Listing and Listing Regulations". Article 24 of the "Code of Practice on Corporate Governance".

Article 6: When the company should set up independent directors, or when the company voluntarily sets up independent directors, the election of independent directors shall be conducted in accordance with the candidate nomination system procedures stipulated in Article 192-1 of the Company Law. In order to review the director candidates' qualifications, academic background, and whether they have any of the circumstances listed in Article 30 of the Company Law, etc., no other additional qualifications documents proving shall be arbitrarily added, and the review results shall be provided to shareholders for reference to elect qualified directors.

Article 7: The election of directors of the company shall adopt a cumulative voting system. Each share has the same voting rights as the number of directors to be elected. One person may be elected centrally, or several persons shall be elected.

Article 8: The board of directors shall prepare electoral votes equal to the number of directors to be elected, add their weights, and distribute them to shareholders attending the shareholders' meeting. The names of the electors may be replaced by the attendance certificate numbers printed on the electoral votes.

Article 9: The company's directors shall calculate the voting rights of independent directors and non-independent directors according to the quota specified in the company's articles of association. According to the results of the electoral vote statistics, the electoral votes obtained represent the larger number of voting rights, and shall be elected as independent directors or non-independent directors respectively. Independent Director. If two or more people have the same number of rights and exceed the prescribed quota, the person with the same number of rights will draw lots. For those who are not present, the chairman will draw lots on his behalf.

If the personal information of the elected director is verified to be inconsistent or the election is invalid in accordance with relevant laws and regulations, the vacancy will be filled by the majority of the electees originally elected. If an elected director renounces the position before the company submits the change registration to the competent authority, the vacancy will be filled by the next-largest number of candidates originally elected.

After the election of directors, the unsuccessful candidates shall be ranked according to the number of votes they received, as the order in which the elected directors will be filled if there is a vacancy for any reason during the term of office.

When the vacancy reaches one-third of the number of directors, an extraordinary meeting of shareholders shall be convened immediately to elect by-elections. If the vacancy of directors is not sufficient for a by-election and it is necessary, the person elected with the second-largest majority in the original election may act on his behalf.

Article 10: Before the election begins, the chairman shall designate a number of scrutineers and vote counters with shareholder status to perform various relevant duties. Ballot boxes are prepared by the board of directors and open for inspection by the scrutineers in public before voting.

Article 11: If the electee is a shareholder, the elector must fill in the electee's account name and shareholder account number in the elector column of the election ticket; if the elector is not

a shareholder, the elector must fill in the electee's name and Identity document number. However, when a government or legal person shareholder is the electee, the name of the electee in the election ticket should be filled in with the name of the government or legal person, and the name of the government or legal person and the name of its representative may also be filled in; when there are several representatives, The name of the representative should be added separately.

Article 12: An electoral vote shall be invalid if it falls under any of the following circumstances:

1. No ballot papers prepared by the board of directors are used.
2. Putting a blank ballot into the ballot box.
3. The handwriting is illegible or has been altered.
4. If the electee filled in is a shareholder, his or her account name and shareholder account number do not match the shareholder list; if the elector filled in is not a shareholder, his or her name and identity document number do not match upon verification.
5. In addition to filling in the electee's account name (name) or shareholder account number (identity document number) and the number of allocated voting rights, other words are included.
6. The name of the elector filled in is the same as that of other shareholders but the shareholder account number or identity document number is not filled in for identification.

Article 13: After the voting is completed, the votes will be counted on the spot. The results of the voting shall be announced by the chairman on the spot, including the list of elected directors and the number of elected directors.

The electoral votes for the election matters mentioned in the preceding paragraph shall be sealed and signed by the scrutineers, and then properly kept for at least one year. However, if a shareholder files a lawsuit in accordance with Article 189 of the Company Law, the lawsuit shall be preserved until the lawsuit is concluded.

Article 14: Any election that does not comply with the provisions of Paragraph 3 and Paragraph 4 of Article 26-3 of the Securities and Exchange Act shall lose its validity.

Article 15: The elected directors shall be issued a notice of election by the company's board of directors.

Article 16: Supplementary Provisions

The formulation and amendment of these regulations shall be approved by the company's board of directors and shall come into effect after being approved by the shareholders' meeting.

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

The first revision was on April 18, 2013.

The second revision was on June 3, 2015.

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 (March 29, 2025) is as follows:

Base date: March 29, 2025

Title	Name	Number of shares held	Shareholding ratio
Chairman	Liao Wenjia	7,971,942	7.21%
Director	Jieshi Investment Co., Ltd. Representative: Yu Shaoyin	5,830,415	5.27%
Director	Zeng Xueqing	0	0%
Director	Wu Hsiupi	109,765	0.10
Independent director	Shen Zhenlin	0	0%
Independent director	Zhang Naiwen	0	0%
Independent director	Feng Zhiqing	0	0%
Total directors		13,912,122	12.58%

Note:

- As of March 29, 2025, the closing date of the general meeting of shareholders, the company has issued 110,602,900 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 8,000,000 shares.
- As of March 29, 2025, the number of shares held by all non-independent directors was 13,912,122 shares.
- The company has an audit committee, so there is no statutory number of shares held by supervisors.

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 21, 2025 to March 31, 2025. The Company has not received any shareholder proposals.