

Stock Code: : 3511



Simula Technology Inc.

Annual General Shareholders' Meeting
Handbook 2023

Time: June 09, 2023

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Simula Technology Inc.
Meeting Procedure of 2023 Annual Shareholders' Meeting

I .Call the Meeting to Order (Report Total Shares Attended)

II .Chairman Remarks

III .Report Items

IV .Election Item

V . Ratification and Discussion Items

VI .Extemporary Motion

VII .Adjournment

Simula Technology Inc.

Meeting Agenda of 2023 Annual Shareholders' Meeting

I . **Date:** 9:00 am, Friday, June 09, 2023

II . **Place:** No.300, Sec. 1, Zhuangjing Rd., Taoyuan Dist., Taoyuan City 330, Taiwan (R.O.C.)
Monarch Plaza Hotel

III . **Method of Convening the Meeting:** Physical shareholders' meeting

IV . **Call the Meeting to Order** (Report Total Shares Attended)

V . **Chairman Remarks**

VI . **Report Items**

1. To report the Operation Report of 2022
2. Audit Committee's Review Report
3. To report the distribution of employees' and directors' remuneration of 2022
4. To report the cash dividend distribution of 2022 earnings

VII . **Election Item**

1. To elect 7 directors (including 3 independent directors)

VIII **Ratification and Discussion Items**

1. To recognize 2022 Business Report and Financial Statements.
2. To recognize the proposal for the distribution of 2022 earnings.
3. To approve the amendments to "the Rules and Procedures for Shareholders' Meeting".
4. To lift non-competition restrictions on newly-elected directors and their representatives

IX . **Extemporary Motion**

X . **Adjournment**

Report Items

Item I

Subject: To report the Operation Report of 2022.

Explanation: The 2022 Operation Report of the Company, please refer to Attachment I (pages 7-8).

Item II

Subject: The 2022 Audit Committee Review Report.

Explanation: The Audit Committee's Review Report please refer to Attachment II (page 9).

Item III

Subject: To report the distribution of employees' and directors' remuneration of 2022.

Explanation:

1. On July 29, 2020, the Company's board of directors had resolved that the distribution of employee and director remuneration is calculated on the basis of pre-tax benefits deducting the benefits before distribution of employee and director remuneration, and the principle of provision ratios is 6% and 0.75% respectively.
2. The actual distribution ratios of employee' and director' remuneration in 2022 were both 6% and 0.75%; the amounts were NT\$17,253,236 and NT\$2,156,654 respectively, all of which were paid in cash.

Item VI

Subject: To report the cash dividend distribution of 2022 earnings.

Explanation:

1. According to Article 24-1 of the Company's Article of Incorporation, if earnings distribution plan is performed by means of cash dividends, it is proposed the Board of Directors be authorized for resolution. The resolution thereof shall be reported in the Shareholders' Meeting.
2. The proposed distribution is allocated from the 2022 earnings available for distribution, and cash dividends amounting to NT\$199,932,363 were distributed to shareholders at NT\$2.5 per share. It is approved by the meeting of board of directors proposed that the Chairman of the Board of Directors is authorized to determine the ex-dividend date and payment date for the cash dividend distribution and other related matters.
3. The cash dividends for shareholders this time are calculated according to the distribution ratio up to be rounded down to the nearest New Taiwan Dollar, and the total amount of odds and zeros less than NTD 1 is adjusted from the decimal point to the smallest and the account number from front to back, until it meets the total amount of cash dividend distribution.
4. If the cash dividend distribution ratio is adjusted and need to be modified due to change of the Company's total number of outstanding common shares it is proposed to authorized the Chairman of Board of Directors with full power to adjust the distribution ratio.

Election Item

Proposal I

(Proposed by the Board of Directors)

Subject: To elect 7 directors (including 3 independent directors).

Explanation:

1. The term of the office of the directors will be expired on June 08, 2023. Thus, it is proposed to elect 7 directors (including 3 independent directors) at the 2023 Annual Shareholders' Meeting. The term of the office of the new directors (including independent directors) is three years from the date on which the completion of the 2023 Annual Shareholders' Meeting. The new Directors should be appointed for a term on the date July 09, 2023 and ending on June 08, 2026.
2. According to the Company's Articles of Incorporation and the Article 192-1 of the Company Act, the company's directors (including independent directors) shall be elected by adopting candidate nomination system. The list of candidates of the director and independent directors has been approved by the Board on February 21, 2023. Shareholders should select Directors from the list of candidates. For the relevant information of the nominated candidates, please refer to Attachment III (pages 10-11).
3. The election is handled in accordance with the company's " Rules for the Election of Directors", please refer to Appendix III (P.48~P.49).
4. Please to elect.

Result:

Ratification and Discussion Items

Proposal I

(Proposed by the Board of Directors)

Subject: To recognize 2022 Operation Report and Financial Statements .

Explanation:

1. The 2022 Operation Report and Financial Statements were approved by the board of directors. And the Financial Statements were audited by the independent auditors, CPA Chen, Guo-Shuai and Hong, Mao-I of EY-Taiwan. And it has been reviewed completely by the Audit Committee and issued a review report on record.
2. For the 2022 Operation Report ,Independent Auditors' Report, and the 2022 Financial Statements, please refer to Attachment I (pages 7-8) and Attachment IV(pages 12-31).
3. Ratification is respectfully requested.

Resolution:

Proposal II

(Proposed by the Board of Directors)

Subject: To recognize the proposal for the distribution of 2022 earnings.

Explanation:

1. The Proposal for 2022 Earnings Distribution were approved by the board of directors and submitted to the Audit Committee, which has audited the same. Please refer to the table below.

Simula Technology Inc.
Earnings Distribution Proposal for 2022

Unit : NT\$

Net income of 2022	249,234,714
Add: Rotation of special reserve	1,050,177
Less: Provisioned as Legal reserve	(24,547,329)
Retained earnings available for distribution in 2022	225,737,562
Add: Unappropriated retained earnings from previous years	51,861,003
Less: Disposal the subsidiaries of financial assets measured at fair value through other comprehensive income by investment accounted for using the equity	(10,857,765)
Add: OCI Recognized in Retained Earnings -Re-measurements of Defined Benefit Plans	7,096,340
Retained earnings available for distribution as of 2022	273,837,140
Distributable Items:	
Cash Dividend (NT\$2,500 for every 1,000 common shares)	(199,932,363)
Unappropriated retained earnings after earnings distribution	73,904,777

Chairman: Huang, Han-Chou



President: Hu, Jo-Yao



Chief Accountant: Huang, Tuo-wen



2. Ratification is respectfully requested.

Resolution:

Proposal 3

(Proposed by the Board of Directors)

Subject: To approve the amendments to the “Rules and Procedures for Shareholders’ Meeting”.

Explanation:

To comply with the article of the “Rules of Procedure for Shareholders Meetings” amended order Financial-Supervisory-Securities-Corporate-NO.1110004250 on March 8, 2022, it is proposed to amend the Rules and Procedures for Shareholders’ Meeting.

1. The comparison table for the amendment are attached hereto as Attachment V (pages 32-34).
2. Approval is respectfully requested.

Resolution:

Proposal 4

(Proposed by the Board of Directors)

Subject: To lift non-competition restrictions on newly-elected directors and their representatives.

Explanation:

1. According to Article 209 of the Company Act, any Director conducting business for himself/herself/itself or on another’s behalf, the scope of which business is within the scope of the Company’s business, shall explain at the Shareholders’ Meeting the essential contents of such conduct, and obtain approval from shareholders in the Meeting.
2. It is proposed for the annual shareholders’ meeting to approve lifting non-competition restrictions on directors as who may invest or operate a business which is similar to the business scope of the Company.
3. List of non-competition restrictions proposed to be lifted in the 2023 annual shareholders’ meeting is as Attachment VI (page 35).
4. Approval is respectfully requested.

Resolution:

Extemporary Motion

Adjournment

Attachment I

Simula Technology Inc. 2022 Operation Report

Despite the impact of COVID-19 on the global economy this year, the world's major countries have gradually lifted restrictions and opened their borders, leading to a stabilization or even a return to pre-pandemic levels. As a result, the Company's order situation has benefited greatly, with total shipments in the first three quarters of 2022 surpassing the total shipments for the full year of 2021. Although the fourth quarter shipments were slightly affected by slow inventory turnover from our major customers, resulting in a slight decrease in quarterly shipment amounts, overall, our company's combined sales and profit for the full year of 2022 have shown significant growth compared to the full year of 2021.

The following is a brief report on the operating results for 2022 and the operational plan for 2023:

1. Report on operating results for the year 2022

1) Results of Business Plan Implementation

Benefiting from the lifting of the epidemic in major countries and the rapid recovery of the global economy, the Company's consolidated turnover for 2022 was NT\$4,231,024 thousand. A significant increase of NT\$1,162,537 thousand, or 38%, over the consolidated turnover of NT\$3,068,487 thousand for 2021. Net income after tax was NT\$361,317 thousand, a significant increase of NT\$235,056 thousand, or 186%, over the net income after tax of NT\$126,261 thousand for 2021. Net income after tax was NT\$361,317 thousand, a significant increase of NT\$235,056 thousand or 186% from NT\$126,261 thousand in 2021. Earnings per share (EPS) for 2022 reached NT\$3.12.

2) Analysis of Financial Income and Expenditure and Profitability

Please refer to the attached financial statements for the Company's financial results for 2022.

3) R&D Development

In 2022, the Company spent NT\$104,912 thousand on R&D, an increase of 29% to NT\$23,755 thousand compared to NT\$81,157 thousand in 2021. The main focus was on developing high-frequency connectors, cables and connectors for automotive, medical, and industrial applications. Additionally, the Company also developed a new product, (the Docking Station) for expanding our 3C product line. The Company is also actively expanding and improving the quality of the R&D team to meet future product development needs.

2. Summary of Business Plan for 2023

1) Business Policy

Under the basic policy of customer-oriented and design-oriented, the company is committed to developing niche products, mastering key technologies, developing new technologies and applications, enhancing the added value of products and the integrity and competitive advantages of product lines, satisfying customer needs, and continuously generating maximum profits.

2) Sales Quantity and Its Basis Expectation

Based on the market development trend of our products, the development of our customer's business, the revenue results of 2022, and the operational target of 2023, the Company expects that all major countries in the world have adopted the unsealing policy and returned to everyday life. The impact brought by the epidemic has subsided. The Company expects the sales volume for 2023 will increase compared to 2022.

3) Significant Production and Marketing Policies

The company will continue actively pursuing high-value-added industries such as automotive, medical, and industrial, in addition to its existing industries. It will strive for customer cooperation opportunities through its Front-End Design-in advantage. Under the premise of maintaining reasonable profits, the company will continue to actively develop automated production methods for related important components to reduce overall production costs and increase operating profits.

3. The External Competitive Environment, the Regulatory Environment, and the Overall Business Environment will Affect the Company's Future Development Strategy.

In response to the trend of fast-changing product markets and short life cycles, the Company will maintain close cooperation with its customers to jointly develop new products and grasp development opportunities to achieve stable growth in operations. At the same time, in response to changes in the regulatory environment, the Company will comply with regulations and adjust internal operating mechanisms as necessary.

Looking ahead, the Company will continue to work with its existing customers to develop new products further. It will continue to innovate its product development and design strengths and effectively utilize its current production capacity to reduce production costs and increase profitability to achieve its proposed operating plans and goals.

The Company would like to thank the shareholders for their support and guidance in the past, and ask for the continued support and guidance.

Thank you!

Chairman: Huang, Han-Chou



President: Hu, Jo-Yao



Chief Accountant: Huang, Tuo-wen



Attachment II

Simula Technology Inc. Audit Committee's Review Report

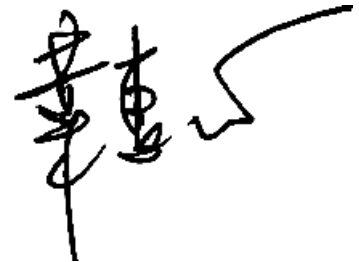
The Board of Directors has prepared the Company's Financial Statements (including consolidated financial statement) for the year of 2022. Mr. Chen, Guo-Shuai and Hong, Mao-I of the Certified Public Accountants of EY-Taiwan, have audited the Financial Statements. The 2022 Financial Statements, Business Report, Independent Auditors Report and the Company's 2022 Earnings Distribution Proposal have been reviewed and determined to be correct and accurate by the Audit Committee of the Company. I, as the Chair of the Audit Committee, hereby submit this report according to the Article 219 of the Company Act.

Sincerely,

2023 Annual Shareholders' Meeting

Simula Technology Inc.

Audit committee convener: Yeh, Hui-Hsin

A handwritten signature in black ink, consisting of stylized Chinese characters and a long horizontal stroke extending to the right.

February 21, 2023

Attachment III

Simula Technology Inc. List of Director Candidates

Director Candidates	Representative of Qisda Corp./ Huang, Han-Chou	Representative of Qisda Corp./ Lin, Yu-Chin	Representative of Qisda Corp./ Cheng, Yin-Shiang	Representative of Qisda Corp./ Hu, Jo-Yao
Education	<ul style="list-style-type: none"> - EMBA, Tsing Hua University in Beijing - MBA, Greenwich University 	<ul style="list-style-type: none"> - EMBA, College of Technology Management of National Tsing Hua University - Bachelor, Electronic and Communication Engineering of Meiji University, Japan 	<ul style="list-style-type: none"> - Mechanical Engineering, National Taiwan University 	<ul style="list-style-type: none"> - Business Administration, National Taiwan University
Experience	<ul style="list-style-type: none"> - General Manager, Global Supply Chain, Qisda - Chief Operating Officer, BenQ China - Vice President of Manufacturing, Global Manufacturing, BenQ 	<ul style="list-style-type: none"> - General Manager, Alpha Networks Inc. - General Manager, LAN/MAN BU, Alpha Networks Inc. - Senior Director, Japan Sales Division, Alpha Networks Inc. - Director, Japan Sales Division, D-Link Corp. - Director, Alpha Networks Inc. - Vice Chairman, Hitron Technologies Inc. - Director, Interactive Digital Technologies Inc. - Director, Alpha Networks Foundation. 	<ul style="list-style-type: none"> - Executive Assistant to GM, Qisda Corp. - Minister of Automotive BU, Qisda Corp. - Minister of Communication BU, Qisda Corp. 	<ul style="list-style-type: none"> - BLM VP, BenQ America Corp. - BU Head, Ultrasound BU, MDG - Executive Assistant to GM, President Office of Qisda Corp.
Current Positions	<ul style="list-style-type: none"> - General Manager, Qisda Corp. 	<ul style="list-style-type: none"> - GM of Commercial & Industrial Products Group, Qisda Corp. 	<ul style="list-style-type: none"> - Chief Operating Officer, Action Star Technology Co., Ltd. 	<ul style="list-style-type: none"> - General Manager, Simula Technology Inc.
No. of Shareholding	30,000,000	30,000,000	30,000,000	30,000,000

Simula Technology Inc.
List of Independent Director Candidates

Independent Director Candidates	Yeh, Hui-Hsin	Tan, Tang-O	Chen, Jin-ji
Education	- Accounting, Tunghai University	- EMBA Master, International Business, National Taiwan University - Master, Institute of Physics, Tamkang University - Bachelor, Department of Physics, Tamkang University	- PhD, Industrial Economics, Tamkang University - MSc, Economics (Research), London School of Economics and Political Science - MSc, Industrial Economics (Research), National Tsing Hua University - Bachelor, Department of Economics, National Taiwan University
Experience	- Partner CPA. / Ernst & Young Global Limited	-	- Independent Director, Fubon Financial Holding. - Director of Finance Bureau, YunLin County Government. - Independent Director, Fubon Financial Holding, Fubon Life Insurance, Fubon Insurance. - Independent Director/ Taiwan Financial Holdings, Bank Taiwan Life Insurance.
Current Positions	- CPA, Wei Chin CPAs & Co. - Independent Director, Acter Group Corp. Limited. - Director, Wei Xin Financial Consultancy Co., Ltd. - Independent Director, Data Image Corp.	- President, IQE Taiwan Corp.	- Professor, CTBC Business School. - Adjunct Professor National Chung Hsing University, Chinese Culture University, Tamkang University. - Independent Director, TransGlobe Life Insurance Inc. - Independent Director, Taiwan Land Development Corp. - Independent Director, Century Iron and Steel Industrial Co., Ltd. - Director, TCM Biotech International Corp.
No. of Shareholding	0	0	0



Attachment IV

Independent Auditors' Report and 2022 Financial Statements

English Translation of an Audit Report Originally Issued in Chinese

INDEPENDENT AUDITORS' REPORT

To: The Board of Directors and Shareholders of
Simula Technology Inc.

Opinion

We have audited the accompanying parent-company-only balance sheets of Simula Technology Inc. (the "Company") as of December 31, 2022 and 2021, and the related parent-company-only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent-company-only financial statements, including the summary of significant accounting policies (together referred as "the parent-company-only financial statements").

In our opinion, the parent-company-only financial statements referred to above present fairly, in all material respects, the parent-company-only financial position of the Company as of December 31, 2022 and 2021, and the parent-company-only financial performance and cash flows for the years then ended, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of the most significance in our audit of parent-company-only financial statements for the year ended December 31, 2022.

These matters were addressed in the context of our audit of the parent-company-only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

We determine that revenue recognition is one of the key audit matters. The Company's revenue amounting to NT\$1,122,031 thousand for the year ended December 31, 2022 is a significant account to the Company's financial statements. The Company has conducted these sale activities in multi-marketplace, including Taiwan, China, USA, etc. Furthermore, the timing of fulfilling performance obligation needs to be determined based on varieties of sale terms and conditions enacted in the main sale contracts or sale orders. Our audit procedures therefore include, but not limit to, evaluating the properness of accounting policy for revenue recognition, assessing and testing the effectiveness of relevant internal controls related to revenue recognition, sampling-test of details, including obtaining major sale orders or agreements to inspect the terms and conditions, checking the consistency of the fulfillment timing, performing analytical review procedures on monthly sale revenues, executing sale cut-off tests, etc. We have also evaluated the appropriateness of the related disclosure in Note 6 to the parent-company-only financial statements.

Market valuation on inventory (including inventories of the subsidiaries under the equity method)

We determine the market valuation on inventory including inventories of the subsidiaries under the equity method is one of the key audit matters in considering that the amount of inventory was significant and the assessment of sufficiency of inventory loss requires significant management judgement. The Company's main products, are characterized by rapid development in technology and the trend of consumers' preference. Management, in timely considering the status of new products development and the demand from clients, has to evaluate the loss due to market value decline as well as write-down on slow-moving inventories to their net realizable value. Our audit procedures therefore include, but not limit to, evaluating the Company's policy with respect to the assessment of the loss from slow-moving inventory and phased-out items, testing the accuracy of inventory aging schedule, analyzing inventory movement, performing observation on the Company's inventory physical-taking, and inspecting the current status of inventory usage, etc.

Responsibilities of Management and Those Charged with Governance for the Parent-Company-Only Financial Statements

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

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

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Parent-Company-Only Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the parent-company-only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent-company-only financial statements, including the accompanying notes, and whether the parent-company-only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent-company-only financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

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

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



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

/s/Chen, Kuo-Shuai

/s/Hong, Mao-Yi

Ernst & Young
February 21, 2023
Taipei, Taiwan,
Republic of China

Notice to Readers

The accompanying parent-company-only financial statements are intended only to present the parent-company-only financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China on Taiwan and not those of any other jurisdictions. The standards, procedures and practice to audit such parent-company-only financial statements are those generally accepted and applied in the Republic of China on Taiwan.

Accordingly, the accompanying parent-company-only financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Simula Technology Inc.

Parent-Company-Only Balance Sheets

As of December 31, 2022 and 2021

(Amounts Expressed in Thousands of New Taiwan Dollars)

Assets			2022.12.31		2021.12.31	
Code	Accounts	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4, 6(1)	\$244,890	11.68	\$242,773	11.25
1110	Financial assets at fair value through profit or loss	4, 6(2)	2,361	0.11	512	0.02
1170	Accounts receivable, net	4, 6(3), 6(16)	166,364	7.93	311,911	14.46
1180	Accounts receivable - related parties, net	4, 6(3), 6(16), 7	1,344	0.07	13,631	0.63
1200	Other receivables		1,048	0.05	1,517	0.07
1210	Other receivables - related parties	7	36,070	1.72	47,008	2.18
130x	Inventories	4, 6(4)	24,835	1.18	18,202	0.84
1410	Prepayments		3,619	0.17	7,033	0.33
1470	Other current assets		105	0.01	391	0.02
11XX	Total current assets		<u>480,636</u>	<u>22.92</u>	<u>642,978</u>	<u>29.80</u>
	Non-current assets					
1517	Financial assets at fair value through OCI	4, 6(5)	3,858	0.18	4,880	0.23
1550	Investment accounted for under equity method	4, 6(6)	1,456,740	69.46	1,341,607	62.19
1600	Property, plant and equipment, net	4, 6(7), 7	142,588	6.80	153,394	7.11
1755	Right-of-use assets	4, 6(17), 7	216	0.01	5,173	0.24
1780	Intangible assets	4, 6(8)	2,054	0.10	2,557	0.12
1840	Deferred income tax assets	4, 6(21)	2,813	0.13	4,229	0.19
1915	Prepayment for equipment	7	8,195	0.39	1,300	0.06
1920	Refundable deposits		137	0.01	1,273	0.06
15XX	Total non-current assets		<u>1,616,601</u>	<u>77.08</u>	<u>1,514,413</u>	<u>70.20</u>
1XXX	Total Assets		<u>\$2,097,237</u>	<u>100.00</u>	<u>\$2,157,391</u>	<u>100.00</u>

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

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Simula Technology Inc.

Parent-Company-Only Balance Sheets (Continued)

As of December 31, 2022 and 2021

(Amounts Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity			2022.12.31		2021.12.31	
Code	Accounts	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	6(9)	\$-	-	\$106,880	4.95
2120	Financial liabilities at fair value through profit or loss	4, 6(10)	102	-	28	-
2130	Contract liability	4, 6(15)	2,139	0.10	10,071	0.47
2170	Accounts payable		10,989	0.53	36,797	1.71
2180	Accounts payable - related parties	7	55,578	2.65	88,538	4.10
2200	Other payables	6(11)	90,811	4.33	101,844	4.72
2220	Other payables - related parties	7	2,099	0.10	3,651	0.17
2230	Current income tax liabilities	4, 6(21)	21,535	1.03	26,794	1.24
2281	Lease liabilities	4, 6(17)	227	0.01	2,739	0.13
2282	Lease liabilities - related parties	4, 6(17), 7	-	-	2,280	0.11
2320	Long-term liabilities, current portion	6(12)	40,000	1.91	40,000	1.85
2399	Other current liabilities		898	0.04	882	0.04
21XX	Total current liabilities		<u>224,378</u>	<u>10.70</u>	<u>420,504</u>	<u>19.49</u>
	Non-current liabilities					
2540	Long-term loans	6(12)	110,000	5.24	150,000	6.95
2570	Deferred income tax liabilities	4, 6(21)	452	0.02	97	-
2581	Lease liabilities	4, 6(17)	-	-	345	0.02
2640	Net defined benefit liability	4, 6(13)	2,938	0.15	10,020	0.47
25XX	Total non-current liabilities		<u>113,390</u>	<u>5.41</u>	<u>160,462</u>	<u>7.44</u>
2XXX	Total liabilities		<u>337,768</u>	<u>16.11</u>	<u>580,966</u>	<u>26.93</u>
31xx	Equity					
3100	Capital	6(14)				
3110	Common stock		<u>799,729</u>	<u>38.13</u>	<u>799,729</u>	<u>37.07</u>
3200	Capital surplus	6(14)	<u>551,718</u>	<u>26.30</u>	<u>551,718</u>	<u>25.57</u>
3300	Retained earnings	6(14)				
3310	Legal reserve		93,144	4.44	82,080	3.81
3320	Special reserve		27,425	1.31	26,375	1.22
3350	Unappropriated earnings		297,334	14.18	143,948	6.67
	Total retained earnings		<u>417,903</u>	<u>19.93</u>	<u>252,403</u>	<u>11.70</u>
3400	Other components of equity		<u>(9,881)</u>	<u>(0.47)</u>	<u>(27,425)</u>	<u>(1.27)</u>
3XXX	Total equity		<u>1,759,469</u>	<u>83.89</u>	<u>1,576,425</u>	<u>73.07</u>
	Total liabilities and equity		<u>\$2,097,237</u>	<u>100.00</u>	<u>\$2,157,391</u>	<u>100.00</u>

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

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Simula Technology Inc.

Parent-Company-Only Statements of Comprehensive Income

For the Years Ended December 31, 2022 and 2021

(Amounts Expressed in Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code	Accounts	Notes	2022		2021	
			Amount	%	Amount	%
4000	Operating revenues	4, 6(15), 7	\$1,122,031	100.00	\$1,305,242	100.00
5000	Operating costs	6(4), 7	(861,165)	(76.75)	(981,136)	(75.17)
5900	Gross profit		260,866	23.25	324,106	24.83
6000	Operating expenses	7				
6100	Sales and marketing		(74,053)	(6.60)	(76,047)	(5.83)
6200	General and administrative		(86,448)	(7.70)	(103,276)	(7.91)
6300	Research and development		(37,031)	(3.30)	(50,630)	(3.88)
6450	Expected credit gains (losses)	4, 6(16)	-	-	(200)	(0.02)
	Total operating expenses		(197,532)	(17.60)	(230,153)	(17.64)
6900	Operating income		63,334	5.65	93,953	7.19
7000	Non-operating income and expenses	6(19), 7				
7100	Interest income		386	0.03	431	0.03
7010	Other income		32,965	2.94	33,782	2.59
7020	Other gains and losses		18,854	1.68	(5,851)	(0.45)
7050	Finance costs		(2,821)	(0.25)	(2,496)	(0.19)
7070	Share of profit or loss of subsidiaries, associates and joint ventures	4, 6(6)	155,426	13.85	13,974	1.07
	Total non-operating income and expenses		204,810	18.25	39,840	3.05
7900	Income before income tax		268,144	23.90	133,793	10.24
7950	Income tax expense	4, 6(21)	(18,909)	(1.69)	(22,577)	(1.73)
8000	Net income		249,235	22.21	111,216	8.51
8300	Other comprehensive income (loss)	6(20)				
8310	Items that not be reclassified subsequently to profit or loss					
8311	Actuarial gain (loss) on defined benefit plans		7,096	0.63	(573)	(0.04)
8316	Unrealized gain (losses) on valuation of financial assets at fair value through OCI		(1,022)	(0.09)	-	-
8360	Items that may be reclassified subsequently to profit or loss					
8361	Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures		7,708	0.69	980	0.09
	Total other comprehensive income, net of tax		13,782	1.23	407	0.05
8500	Total comprehensive income		\$263,017	23.44	\$111,623	8.56
	Earnings per share (in NT\$)	6(22)				
9750	Earnings per share - basic (in NT\$)					
9710	Net income		\$3.12		\$1.39	
9850	Earnings per share - diluted (in NT\$)					
9810	Net income		\$3.09		\$3.09	

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

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Simula Technology Inc.

Parent-Company-Only Statements of Changes in Equity

For the Years Ended December 31, 2022 and 2021

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	Common Stock 3100	Capital Surplus 3200	Retained Earnings			Other Components of equity		Total Equity 3XXX
				Legal Reserve 3310	Special Reserve 3320	Unappropriated Earnings 3350	Exchange differences arising on translation of foreign operations 3410	Unrealized gain (losses) from financial assets measured at fair value through OCI 3420	
A1	Balance as of January 1, 2021	\$799,729	\$570,361	\$76,158	\$26,375	\$59,220	\$(14,537)	\$(13,868)	\$1,503,438
B1	Appropriation and distribution of 2020 earnings Legal reserve appropriated			5,922		(5,922)			-
B5	Cash dividends - common shares					(19,993)			(19,993)
C7	Other changes in capital surplus Changes in equity of associates and joint ventures accounted for using equity method		1,350						1,350
C15	Cash dividends distributed from capital surplus		(19,993)						(19,993)
D1	Net income for 2021					111,216			111,216
D3	Other comprehensive income (loss) for 2021					(573)	980		407
D5	Total comprehensive income (loss)	-	-	-	-	110,643	980	-	111,623
Z1	Balance as of December 31, 2021	799,729	551,718	82,080	26,375	143,948	(13,557)	(13,868)	1,576,425
B1	Appropriation and distribution of 2021 earnings Legal reserve			11,064		(11,064)			-
B3	Special reserve				1,050	(1,050)			-
B5	Cash dividends - common shares					(79,973)			(79,973)
D1	Net income for 2022					249,235			249,235
D3	Other comprehensive income (loss) for 2022					7,096	7,708	(1,022)	13,782
D5	Total comprehensive income (loss)	-	-	-	-	256,331	7,708	(1,022)	263,017
Q1	Disposal of equity instruments at fair value through other comprehensive income					(10,858)		10,858	-
Z1	Balance as of December 31, 2022	\$799,729	\$551,718	\$93,144	\$27,425	\$297,334	\$(5,849)	\$(4,032)	\$1,759,469

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

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Simula Technology Inc.

Parent-Company-Only Statements of Cash Flows

For the Years Ended December 31, 2022 and 2021

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	2022	2021	Code	Items	2022	2021
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A00010	Profit before tax	\$268,144	\$133,793	B01800	Acquisition of investment accounted for under equity method	-	(983,858)
A20000	Adjustments:			B02700	Acquisition of property, plant and equipment	(12,047)	(13,024)
A20010	Profit or loss not effecting cash flows:			B02800	Proceeds from disposal of property, plant and equipment	21,633	190
A20100	Depreciation (including right-of-use assets)	15,085	19,542	B04500	Acquisition of intangible assets	(669)	(1,158)
A20200	Amortization	1,172	1,010	B03800	Decrease (increase) in refundable deposits	1,136	2
A20300	Expected credit losses (gain on recovery)	-	200	BBBB	Net cash provided by (used in) investing activities	10,053	(997,848)
A20400	Net loss (gain) of financial assets (liabilities) at fair value through profit or loss	(1,775)	890				
A20900	Interest expense	2,821	2,496	CCCC	Cash flows from financing activities:		
A21200	Interest income	(386)	(431)	C00100	Increase in short-term loans	-	64,355
A22300	Share of profit or loss of subsidiaries, associates and joint ventures	(155,426)	(13,974)	C00200	Decrease in short-term loans	(106,880)	-
A22500	Loss (gain) on disposal of property, plant and equipment	(16,205)	(74)	C01600	Increase in long-term borrowings	-	190,000
A22600	Property, plant and equipment transferred to expense	-	1,913	C01700	Repayment of long-term loans	(40,000)	-
A29900	Loss (gain) on lease modification	(49)	-	C03000	Increase (decrease) in deposits received	-	(270)
A30000	Changes in operating assets and liabilities:			C04020	Payments of lease liabilities	(4,011)	(7,469)
A31130	Notes receivable	-	6	C04500	Cash dividends	(79,973)	(39,986)
A31150	Accounts receivable	145,547	(80,664)	CCCC	Net cash provided by (used in) financing activities	(230,864)	206,630
A31160	Accounts receivable - related parties	12,287	20,295				
A31180	Other receivables	469	(1,517)	EEEE	Net Increase (decrease) in cash and cash equivalents	2,117	(739,112)
A31190	Other receivables - related parties	10,938	40,462	E00100	Cash and cash equivalents at beginning of period	242,773	981,885
A31200	Inventories	(6,633)	1,137	E00200	Cash and cash equivalents at end of period	\$244,890	\$242,773
A31220	Prepayments	3,414	1,740				
A31240	Other current assets	286	2,634				
A32125	Contract liabilities	(7,932)	(393)				
A32150	Accounts payable	(25,808)	17,680				
A32160	Accounts payable - related parties	(32,960)	(96,316)				
A32180	Other payables	(11,760)	17,596				
A32190	Other payables - related parties	(1,552)	166				
A32240	Net defined benefit liability	14	(24)				
A32230	Other current liabilities	16	(1,095)				
A33000	Cash generated from (used in) operations	199,707	67,072				
A33100	Interest received	386	431				
A33100	Dividends received	48,001	-				
A33300	Interest paid	(2,769)	(2,029)				
A33500	Income tax paid	(22,397)	(13,368)				
AAAA	Net cash provided by (used in) operating activities	222,928	52,106				

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

English Translation of Financial Statements and a Report Originally Issued in Chinese

INDEPENDENT AUDITORS' REPORT

To: The Board of Directors and Shareholders of
Simula Technology Inc.

Opinion

We have audited the accompanying consolidated balance sheets of Simula Technology Inc. (the “Company”) and its subsidiaries as of December 31, 2022 and 2021, the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including the summary of significant accounting policies (together referred as “the consolidated financial statements”).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2022 and 2021, and its consolidated financial performance and cash flows for the years then ended, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of other auditor(s), we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Revenue recognition

We determine that revenue recognition is one of the key audit matters. The Company's consolidated revenue amounting to NT\$4,231,024 thousand for the year ended December 31, 2022 is a significant account to the Company's consolidated financial statements. The Company has conducted these sale activities in multi-marketplace, including Taiwan, China, USA, etc. Furthermore, the timing of fulfilling performance obligation needs to be determined based on varieties of sale terms and conditions enacted in the main sale contracts or sale orders. Our audit procedures therefore include, but not limit to, evaluating the properness of accounting policy for revenue recognition, assessing and testing the effectiveness of relevant internal controls related to revenue recognition, sampling-test of details, including obtaining major sale orders or agreements to inspect the terms and conditions, checking the consistency of the fulfillment timing, performing analytical review procedures on monthly sale revenues, executing sale cut-off tests, etc. We have also evaluated the appropriateness of the related disclosure in Note 6 to the consolidated financial statements.

Market valuation on inventory

We determined the market valuation on inventory is one of the key audit matters in considering that the amount of inventory was significant and the assessment of sufficiency of inventory loss requires significant management judgement. The Group's net inventory amounted to NT\$551,688 thousand as of December 31, 2022. The Group's main products are characterized by rapid development in technology and the trend of consumers' preference. Management, in timely considering the status of new products development and the demand from clients, has to evaluate the loss due to market value decline as well as write-down on slow-moving inventories to their net realizable value. Our audit procedures therefore include, but not limit to, evaluating the Company's policy with respect to the assessment of the loss from slow-moving inventory and phased-out items, testing the accuracy of inventory aging schedule, analyzing inventory movement, performing observation on the Company's inventory physical-taking, and inspecting the current status of inventory usage, etc. We also assessed the adequacy of the inventory-related disclosures shown in the Notes 5 and 6 to the consolidated financial statements.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee or supervisors, are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

We have audited and expressed an unqualified opinion on the parent-company-only financial statements of the Company as of and for the years then ended December 31, 2022 and 2021.

/s/Chen, Kuo-Shuai

/s/Hong, Mao-Yi

Ernst & Young
February 21, 2023
Taipei, Taiwan,
Republic of China

Notice to Readers

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

Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Simula Technology Inc.

Consolidated Balance Sheets

As of December 31, 2022 and 2021

(Amounts Expressed in Thousands of New Taiwan Dollars)

Assets			2022.12.31		2021.12.31	
Code	Accounts	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4, 6(1)	\$771,500	21.74	\$547,756	15.32
1110	Financial assets at fair value through profit or loss	4, 6(2)	4,591	0.13	2,053	0.06
1136	Financial assets carried at amortized cost	8	4,877	0.14	4,796	0.13
1170	Accounts receivable, net	4, 6(3), 6(17)	849,641	23.94	791,997	22.15
1180	Accounts receivable - related parties, net	4, 6(3), 6(17), 7	11,321	0.32	27,099	0.76
1200	Other receivables		18,513	0.52	27,407	0.77
1210	Other receivables - related parties	7	-	-	346	0.01
1220	Current income tax assets		415	0.01	-	-
130x	Inventories	4, 6(4)	551,688	15.55	707,657	19.79
1410	Prepayments		14,137	0.40	27,021	0.75
1470	Other current assets		486	0.01	1,703	0.05
11XX	Total current assets		<u>2,227,169</u>	<u>62.76</u>	<u>2,137,835</u>	<u>59.79</u>
	Non-current assets					
1517	Financial assets at fair value through OCI	4, 6(5)	3,858	0.11	4,880	0.14
1550	Investment accounted for under equity method	4, 6(6)	-	-	947	0.03
1600	Property, plant and equipment, net	4, 6(7), 7, 8	768,468	21.66	831,911	23.27
1755	Right-of-use assets	4, 6(18), 7	30,443	0.86	54,624	1.53
1780	Intangible assets	4, 6(8), 6(9)	479,988	13.53	521,939	14.60
1840	Deferred income tax assets	4, 6(22)	15,530	0.44	12,071	0.33
1915	Prepayment for equipment		21,847	0.62	8,503	0.24
1920	Refundable deposits		1,237	0.02	2,692	0.07
1990	Other Non-current assets		7	-	74	-
15XX	Total non-current assets		<u>1,321,378</u>	<u>37.24</u>	<u>1,437,641</u>	<u>40.21</u>
1XXX	Total Assets		<u>\$3,548,547</u>	<u>100.00</u>	<u>\$3,575,476</u>	<u>100.00</u>

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Simula Technology Inc.

Consolidated Balance Sheets-(Continued)

As of December 31, 2022 and 2021

(Amounts Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity			2022.12.31		2021.12.31	
Code	Accounts	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	6(10)	\$-	-	\$106,880	2.99
2120	Financial liabilities at fair value through profit or loss	4, 6(11)	1,110	0.03	77	-
2130	Contract liability	4, 6(16)	8,875	0.25	19,708	0.55
2170	Accounts payable		381,442	10.75	552,712	15.46
2180	Accounts payable - related parties	7	-	-	698	0.02
2200	Other payables	6(12)	246,766	6.95	239,112	6.69
2220	Other payables - related parties	7	779	0.02	1,775	0.05
2230	Current income tax liabilities	4, 6(22)	109,609	3.09	55,424	1.54
2281	Lease liabilities	4, 6(18)	20,580	0.58	22,574	0.63
2282	Lease liabilities - related parties	4, 6(18), 7	-	-	2,280	0.06
2320	Long-term liabilities, current portion	6(13), 8	51,340	1.45	51,340	1.44
2399	Other current liabilities		21,567	0.61	987	0.03
21XX	Total current liabilities		<u>842,068</u>	<u>23.73</u>	<u>1,053,567</u>	<u>29.46</u>
	Non-current liabilities					
2540	Long-term loans	6(13), 8	198,556	5.60	249,896	6.99
2570	Deferred income tax liabilities	4, 6(22)	1,312	0.04	1,032	0.03
2581	Lease liabilities	4, 6(18)	10,948	0.31	30,676	0.86
2640	Net defined benefit liability	4, 6(14)	2,938	0.08	10,020	0.28
25XX	Total non-current liabilities		<u>213,754</u>	<u>6.03</u>	<u>291,624</u>	<u>8.16</u>
2XXX	Total liabilities		<u>1,055,822</u>	<u>29.76</u>	<u>1,345,191</u>	<u>37.62</u>
31xx	Equity					
3100	Capital	6(15)				
3110	Common stock		799,729	22.54	799,729	22.37
3200	Capital surplus	6(15)	551,718	15.55	551,718	15.43
3300	Retained earnings	6(15)				
3310	Legal reserve		93,144	2.62	82,080	2.29
3320	Special reserve		27,425	0.77	26,375	0.74
3350	Unappropriated earnings		297,334	8.38	143,948	4.03
	Total retained earnings		<u>417,903</u>	<u>11.77</u>	<u>252,403</u>	<u>7.06</u>
3400	Other components of equity		(9,881)	(0.28)	(27,425)	(0.77)
36xx	Non-controlling interests	6(15), 6(25)	733,256	20.66	653,860	18.29
3XXX	Total equity		<u>2,492,725</u>	<u>70.24</u>	<u>2,230,285</u>	<u>62.38</u>
	Total liabilities and equity		<u>\$3,548,547</u>	<u>100.00</u>	<u>\$3,575,476</u>	<u>100.00</u>

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
Simula Technology Inc.
Consolidated Statements of Comprehensive Income
For the Years Ended December 31, 2022 and 2021
(Amounts Expressed in Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code	Accounts	Notes	2022		2021	
			Amount	%	Amount	%
4000	Operating revenues	4, 6(16), 7	\$4,231,024	100.00	\$3,068,487	100.00
5000	Operating costs	6(4), 7	(3,317,423)	(78.41)	(2,425,000)	(79.03)
5900	Gross profit		913,601	21.59	643,487	20.97
6000	Operating expenses	7				
6100	Sales and marketing		(136,201)	(3.22)	(142,921)	(4.66)
6200	General and administrative		(240,288)	(5.68)	(233,232)	(7.60)
6300	Research and development		(104,912)	(2.48)	(81,157)	(2.64)
6450	Expected credit gains (losses)	4, 6(17)	(573)	(0.01)	1,035	0.03
	Total operating expenses		(481,974)	(11.39)	(456,275)	(14.87)
6900	Operating income		431,627	10.20	187,212	6.10
7000	Non-operating income and expenses	6(20), 7				
7100	Interest income		1,739	0.04	1,293	0.04
7010	Other income		9,455	0.22	5,380	0.17
7020	Other gains and losses		29,789	0.71	(13,206)	(0.43)
7050	Finance costs		(5,721)	(0.14)	(3,781)	(0.12)
7060	Share of the profit or loss of associates and joint ventures	4, 6(6)	(947)	(0.02)	(2,290)	(0.07)
	Total non-operating income and expenses		34,315	0.81	(12,604)	(0.41)
7900	Income before income tax		465,942	11.01	174,608	5.69
7950	Income tax expense	4, 6(22)	(104,625)	(2.47)	(48,347)	(1.58)
8200	Net income		361,317	8.54	126,261	4.11
8300	Other comprehensive income (loss)	6(21)				
8310	Items that not be reclassified subsequently to profit or loss					
8311	Actuarial gain (loss) on defined benefit plans		7,096	0.17	(573)	(0.02)
8316	Unrealized gain (losses) on valuation of financial assets at fair value through other		(1,022)	(0.03)	-	-
8360	Items that may be reclassified subsequently to profit or loss					
8361	Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures		7,902	0.19	1,066	0.04
	Total other comprehensive income, net of tax		13,976	0.33	493	0.02
8500	Total comprehensive income		\$375,293	8.87	\$126,754	4.13
8600	Net income attributable to:					
8610	Shareholders of the parent		\$249,235	5.89	\$111,216	3.62
8620	Non-controlling interests		112,082	2.65	15,045	0.49
			\$361,317	8.54	\$126,261	4.11
8700	Comprehensive income attributable to:					
8710	Shareholders of the parent		\$263,017	6.22	\$111,623	3.64
8720	Non-controlling interests		112,276	2.65	15,131	0.49
			\$375,293	8.87	\$126,754	4.13
9710	Earnings per share-basic (in NTD)	6(23)	\$3.12		\$1.39	
9850	Earnings per share-diluted (in NTD)		\$3.09		\$1.39	

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Simula Technology Inc.

Parent-Company-Only Statements of Changes in Equity

For the Years Ended December 31, 2022 and 2021

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	Common Stock 3100	Capital Surplus 3200	Retained Earnings			Other Components of equity		Total 31xx	Non-controlling Interests 36xx	Total Equity 3xxx
				Legal Reserve 3310	Special Reserve 3320	Unappropriated Earnings 3350	Exchange differences arising on translation of foreign operations 3410	Unrealized gain (losses) from financial assets measured at fair value through other comprehensive income 3420			
A1	Balance as of January 1, 2021	\$799,729	\$570,361	\$76,158	\$26,375	\$59,220	\$(14,537)	\$(13,868)	\$1,503,438	\$16,226	\$1,519,664
B1	Appropriation and distribution of 2020 earnings Legal reserve appropriated			5,922		(5,922)			-		-
B5	Cash dividends - common shares					(19,993)			(19,993)		(19,993)
C7	Other changes in capital surplus Changes in equity of associates and joint ventures accounted for using equity method		1,350						1,350		1,350
C15	Cash dividends distributed from capital surplus		(19,993)						(19,993)		(19,993)
D1	Net income for 2021					111,216			111,216	15,045	126,261
D3	Other comprehensive income (loss) for 2021					(573)	980		407	86	493
D5	Total comprehensive income (loss)	-	-	-	-	110,643	980	-	111,623	15,131	126,754
O1	Non-controlling interests increase (decrease)									622,503	622,503
Z1	Balance as of December 31, 2021	799,729	551,718	82,080	26,375	143,948	(13,557)	(13,868)	1,576,425	653,860	2,230,285
B1	Appropriation and distribution of 2021 earnings Legal reserve			11,064		(11,064)			-		-
B3	Special reserve				1,050	(1,050)			-		-
B5	Cash dividends - common shares					(79,973)			(79,973)		(79,973)
D1	Net income for 2022					249,235			249,235	112,082	361,317
D3	Other comprehensive income (loss) for 2022					7,096	7,708	(1,022)	13,782	194	13,976
D5	Total comprehensive income (loss)	-	-	-	-	256,331	7,708	(1,022)	263,017	112,276	375,293
O1	Non-controlling interests increase (decrease)									(32,880)	(32,880)
Q1	Disposal of equity instruments at fair value through other comprehensive income					(10,858)		10,858	-		-
Z1	Balance as of December 31, 2022	\$799,729	\$551,718	\$93,144	\$27,425	\$297,334	\$(5,849)	\$(4,032)	\$1,759,469	\$733,256	\$2,492,725

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Simula Technology Inc.

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2022 and 2021

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	2022	2021	Code	Items	2022	2021
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A00010	Profit before tax	\$465,942	\$174,608	B00040	Decrease (increase) in financial assets measured at amortized cost	(14)	-
A20000	Adjustments:			B00050	Disposal of financial assets measured at amortized cost	-	220,416
A20010	Profit or loss not effecting cash flows:			B02200	Proceeds from capital return of investments accounted for using the equity method	-	(720,745)
A20100	Depreciation (including right-of-use assets)	122,336	107,304	B02700	Acquisition of property, plant and equipment	(54,736)	(56,148)
A20200	Amortization	44,137	32,258	B02800	Proceeds from disposal of property, plant and equipment	22,495	248
A20300	Expected credit losses (gain on recovery)	573	(1,035)	B03700	Decrease (increase) in refundable deposits	1,542	(74)
A20400	Net loss (gain) of financial assets (liabilities) at fair value through profit or loss	(1,500)	1,007	B04500	Acquisition of intangible assets	(2,170)	(2,081)
A20900	Interest expense	5,721	3,781	B06800	Decrease in other non-current assets	67	68
A21200	Interest income	(1,739)	(1,293)	BBBB	Net cash provided by (used in) investing activities	(32,816)	(558,316)
A22300	Share of profit or loss of subsidiaries, associates and joint ventures	947	2,290				
A22500	Loss (gain) on disposal of property, plant and equipment	(16,372)	(5)	CCCC	Cash flows from financing activities:		
A22600	Property, plant and equipment transferred to expense	-	1,913	C00200	Decrease in short-term loans	(107,803)	(164,740)
A23700	Impairment loss on non-financial assets	6,322	-	C01600	Increase in long-term borrowings	-	181,496
A29900	Loss (gain) on lease modification	(49)	40	C01700	Repayment of long-term loans	(51,340)	-
A30000	Changes in operating assets and liabilities:			C03100	Decrease in deposits received	-	(272)
A31130	Notes receivable	-	6	C04020	Payments of lease liabilities	(25,445)	(15,553)
A31150	Accounts receivable	(58,217)	(218,573)	C04500	Cash dividends	(112,853)	(39,986)
A31160	Accounts receivable - related parties	15,778	(26,340)	CCCC	Net cash provided by (used in) financing activities	(297,441)	(39,055)
A31180	Other receivables	8,894	(13,825)				
A31190	Other receivables - related parties	346	(184)	DDDD	Effect of exchange rate changes on cash and cash equivalents	7,120	(2,215)
A31200	Inventories	155,969	(130,011)	EEEE	Net Increase (decrease) in cash and cash equivalents	223,744	(571,786)
A31220	Prepayments	12,884	5,389	E00100	Cash and cash equivalents at beginning of period	547,756	1,119,542
A31240	Other current assets	1,217	5,561	E00200	Cash and cash equivalents at end of period	\$771,500	\$547,756
A32125	Contract liabilities	(10,833)	508				
A32130	Notes payable	-	(54,221)				
A32150	Accounts payable	(171,270)	137,332				
A32160	Accounts payable - related parties	(698)	(4,656)				
A32180	Other payables	3,748	59,050				
A32190	Other payables - related parties	(996)	678				
A32230	Other current liabilities	20,580	(1,855)				
A32240	Net defined benefit liability	14	549				
A33000	Cash generated from (used in) operations	603,734	80,276				
A33100	Interest received	1,739	1,293				
A33300	Interest paid	(4,558)	(3,197)				
A33500	Income tax paid	(54,034)	(50,572)				
AAAA	Net cash provided by (used in) operating activities	546,881	27,800				

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

Attachment V

Simula Technology Inc. Comparison table for the Amendments to the Rules and Procedures for Shareholders' Meeting

Article No.	Amended Articles	Current Articles	Reason for Amendments
5.3	<p>The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.</p> <p><u>The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.</u></p>	<p>The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.</p>	Amend according to laws and actual need.
5.3.1	<p><u>To convene a virtual shareholders meeting, the Company shall include the following particulars in the shareholders meeting notice:</u></p> <p><u>1. How shareholders attend the virtual meeting and exercise their rights.</u></p> <p><u>2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:</u></p> <p><u>1) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.</u></p> <p><u>2) Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.</u></p> <p><u>3) In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online,</u></p>	(New)	Amend according to laws and actual need.

Article No.	Amended Articles	Current Articles	Reason for Amendments
	<p><u>meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</u></p> <p><u>4) Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.</u></p> <p><u>3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholder meeting online shall be specified.</u></p>		
5.6	<p>The Company shall make an uninterrupted audio and video recording of the proceedings of the shareholders meeting, and the recorded materials of the preceding paragraph shall be retained for at least one year.</p> <p><u>Where a shareholders meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end. The audio and video recording shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.</u></p>	<p><u>The Company, beginning from the time it accepts shareholder attendance registrations, shall make a continuous, uninterrupted audio and video recording of the whole registration process. Such recordings shall be retained for at least one year. If, however, a shareholder files a lawsuit in accordance with Article 189 of the Company Act, such recordings shall be retained until the conclusion of the litigation.</u></p>	Amend according to laws and actual need.

Article No.	Amended Articles	Current Articles	Reason for Amendments
5.9.3	<p>Except with the consent of the chairman, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chairman may terminate the speech.</p> <p><u>Shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chairman declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words.</u></p>	<p>Except with the consent of the chairman, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chairman may terminate the speech.</p>	amend according to laws and actual need.
5.11.2	<p>Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. When voting, if there is no objection after consultation by the chairman, it is deemed to be passed, and its effect is the same as voting by ballot.</p> <p><u>When the Company convenes a virtual shareholders meeting, after the chairman declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chairman announces the voting session ends or will be deemed abstained from voting.</u></p> <p><u>In the event of a virtual shareholders meeting, votes shall be counted at once after the chairman announces the voting session ends, and results of votes and elections shall be announced immediately.</u></p>	<p>Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. When voting, if there is no objection after consultation by the chairman, it is deemed to be passed, and its effect is the same as voting by ballot.</p> <p>(New)</p>	Amend according to laws and actual need.

Attachment VI

Simula Technology Inc.

List of non-competition restrictions on newly-elected directors and their representatives proposed to be lifted

Director	Released Restriction Items
Qisda Corp.	Director/ DARFON Electronics Corp. Director/ AUO Corp. Chairman/ Alpha Networks Inc. Chairman/ DFI Inc. Chairman/ MetaAge Corp. Chairman/ BenQ Materials Corp. Director/ Topview Optronics Corp. Chairman/ Partner Tech Corp. Chairman/ Data Image Corp. Director/ QS Control Corp. Director/ TCI Gene Inc. Director/ Rapidektek Technologies Inc. Chairman/ K2 International Medical Inc. Chairman/ BenQ Corp. Chairman/ Golden Spirit Co., Ltd. Chairman/ Darly Venture Inc. Chairman/ BenQ Dialysis Technology Corp. Chairman/ Qisda Optronics Corp. Chairman/ BenQ Biotech (Shanghai) Co., Ltd. Chairman/ Qisda Vietnam Co., Ltd.
Representative of Qisda Corp./ Huang, Han-Chou	Representative of Director/ AUO Corp. Representative of Director/ Qisda Corp. Representative of Director/ Alpha Networks Inc. Representative of Director/ Topview Optronics Corp. Representative of Chairman/ Action Star Technology Co., Ltd. Representative of Chairman/ Data Image Corp. Representative of Chairman/ DIVA Laboratories, Ltd. Representative of Chairman/ Qisda Optronics Corp. Director/ BenQ Foundation
Representative of Qisda Corp./ Cheng, Yin-Shiang	Representative of Director/ Action Star Technology Co., Ltd.
Chen, Jin-ji	Independent Director/ TransGlobe Life Insurance Inc. Independent Director/ Taiwan Land Development Corp. Independent Director/ Century Iron and Steel Industrial Co., Ltd. Director/ TCM Biotech International Corp.
Yeh, Hui-Hsin	Independent Director/ Acter Group Corporation Limited. Director/ Wei Xin Financial Consultancy Co., Ltd. Independent Director/ Data Image Corp.

Appendix 1

Simula Technology Inc. Articles of Incorporation

Chapter 1 General Provisions

- Article 1 The Company is organized in accordance with the Company Act of R.O.C. and named Simula Technology Inc (the "Company").
- Article 2 The lines of business of the Company shall include the following:
01. CQ01010 Mold and Die Manufacturing
 02. F106030 Wholesale of Molds
 03. F206030 Retail Sale of Molds
 04. C805050 Industrial Plastic Products Manufacturing
 05. CC01080 Electronics Components Manufacturing
 06. F119010 Wholesale of Electronic Materials
 07. F219010 Retail Sale of Electronic Materials
 08. CA01050 Steel Secondary processing
 09. F106010 Wholesale of Hardware
 10. F206010 Retail Sale of Hardware
 11. I501010 Product Designing
 12. F401010 International Trade
 13. ZZ99999 All business items that are not prohibited or restricted by law, except those are subject to special approval.
- Article 3 The head office of the Company is located in Taoyuan, Taiwan. The Company may, as approved by the resolution of the Board of Directors, set up branch offices in compliance with applicable laws and regulations in Taiwan or abroad when necessary.
- Article 4 Public announcements of the Company shall be made according to Article 28 of the Company Act.
- Article 5 The Company may, in line with its business needs, provide guarantees externally. Relevant measures shall be handled in accordance with "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees", but where there are prohibitions in other laws, the regulations shall be followed.
- Article 6 The total amount of the Company's investment is not subject to the restriction of Article 13 of the Company Act.

Chapter 2 Shares

- Article 7 The total capital of the Company is NT\$1.2 billion (NT\$1,200,000,000), divided into 120 million (120,000,000) shares with a par value of Ten New Taiwan Dollars (NT\$10) each. The Board of Directors is authorized to issue in installments. A total of five million shares among the above total capital should be reserved for issuing employee stock options, which may be issued in installments to the resolution of the Board of Directors.

- Article 8 The share certificates of the Company shall be all in registered form, signed or sealed by at least three directors representing the company and are duly certified or authenticated by the bank, the share certificates could be issued to the publicly. The Company may issue shares without printing share certificates but the shares issued shall be recorded in depository institutes. The stock related operations shall be executed in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" promulgated by the competent authority.
- Article 9 Within 60 days prior to the convening date of a general shareholders' meeting, or within 30 days prior to the convening date of a special shareholders' meeting, or within 5 days prior to the date on which the distribution of dividends, bonus or other benefits, registration for transfer of shares shall be suspended.
- Article 10 All of the Company's shares handle stock affairs such as stock transfer, pledge of rights, report of loss, inheritance, gift, report of loss of seal, change or change of address, etc., unless otherwise shall be handled in accordance with the provisions of the Regulations Governing the Administration of Shareholder Services of Public Companies.

Chapter 3 Shareholders' Meetings

- Article 11 There are two kinds of shareholders' meetings in the Company: the General Meetings and extraordinary Meetings. General meeting shall be held once a year. The board of directors shall convene a general meeting within 6 months after the final account at the end of each fiscal year. A extraordinary meeting will be held if necessary.
- Article 12 In case a shareholder is unable to attend a shareholders' meeting, such shareholder may issue a proxy in the form issued by the Company, setting forth the scope of authorization by signing and affixing such shareholder's seal on the proxy form for the representative to be present on such shareholder's behalf. In addition to the provisions of Article 177 of the Company Act, the procedures for shareholders to attend by proxy shall be governed by the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the competent authority.
- Article 13 Shareholders of the Company have one vote for each share they hold. Except in the circumstances otherwise specified in the Article 179 of the Company Act, each share of stock of the Company shall be entitled to one vote.
- Article 14 Resolutions at a shareholders' meeting shall, unless otherwise specified for in the Company Act, be adopted by a majority vote of the attending shareholders, who represent more than one-half of the total number of voting rights.
- Article 14-1 Any proposal to revoke publicly issued shares, it shall submit a resolution to the shareholders' meeting. This provision shall not be modified during the period when the company's shares are listed in the OTC market or Taiwan Stock Exchange (TWSE).
- Article 14-2 The Company's shareholders' meetings can be held by means of video conferencing or other methods announced by the central competent authority.

Chapter 4 Directors and Audit Committees

- Article 15 The company shall have seven to nine directors, whose term of office is three years

and may be re-elected. Among the number of directors stipulated in the preceding paragraph, the number of independent directors to be elected shall not be less than three. The percentage of shareholdings of all the directors shall be in accordance with the rules and regulations of the securities authority. The Company may take out liability insurance for the directors with respect to the liabilities resulting from exercising their duties during their terms of office.

Article 15-1 The election of directors adopts the candidate nomination system in Article 192-1 of the Company Act, and the shareholders shall elect the directors from the nominees listed in the candidate roster. Independent directors and non-independent directors shall be elected together, and the number of elected candidates shall be calculated respectively. The professional qualifications, restrictions on the shareholdings and concurrent positions held, method of nomination and election, and other matters with regard to the independent directors shall be set forth in accordance with the rules and regulations of the securities authority.

Article 15-2 The directors of the company shall be elected by single selection, registered and accumulated election method. If this method requires amendment, it shall be carried out in accordance with Article 172 of the Company Law and a table of comparison for such method shall be included in the agenda for convening the meeting.

Article 15-3 The company is configured with an audit committee in compliance with the requirements established under Article 14-4 of the Securities and Exchange Act. The Audit Committee shall consist of all independent directors. The Committee or its members are in charge of exercising functions as supervisors indicated in the Company Act, the Securities and Exchange Act, and other laws and regulations.

Article 16 The Board of Directors is organized by directors. The Chairman of the Board of Directors shall be elected from among the attending directors by a majority vote and with the attendance over two thirds of the seats in a meeting of the Board of Directors. As necessary, a Vice Chairman may be elected among the attending directors in the same manner. The Chairman of the Board shall externally have the authority to represent the Company.

Article 17 In case the chairman is on leave or unable to exercise his/her power and authority for any cause, his/her authority shall be executed in accordance with Article 208 of the Company Act.

Article 18 Except for the first board of directors newly elected in each session, which shall be convened by the director with the most votes, the subsequent board of directors shall be convened by the chairman of the board of directors. The convening of the board of directors shall specify the date, location and agenda of the meeting. The convening of the Board of Directors of the Company shall be notified to all directors 7 days prior to the day of meeting. In case of an urgent circumstances, an interim Board meeting may be held at any time.

The convening of the Board of Directors of the company may be notified to all directors in writing, email or fax.

Article 19 Board meetings shall be convened by the chairman. Unless otherwise provided for in other Law and Articles of Incorporation, resolutions of the Board of Directors shall be adopted by a majority of the directors at a meeting attended by a majority of the

directors.

Article 20 Directors may authorize other directors to attend the board meeting on behalf of other directors in writing, and may exercise voting rights on all matters proposed at the meeting, but each director is limited to acting on behalf of one other director.

Article 21 The Board of Directors is authorized to determine the remuneration of all directors, based on the level of participation and the value of contribution to the Company's business operations and taking into account the common remuneration level in the same industry.

Chapter 5 Managerial Officer

Article 22 The company may have managers, whose hiring, dismissal and remuneration shall be in accordance with Article 29 of the Company Act.

Chapter 6 Accounting

Article 23 The Board of Directors shall prepare the following statements at the end of the company's accounting year, submit them to the Audit Committee for inspection 30 days prior to the general Shareholders' Meeting and then submit them to the general Shareholders' Meeting for recognition:

1. Business reports.
2. Financial statements.
3. Profit distribution or loss compensation proposal.

Article 24 The Company, if profitable in the year, shall set aside 5~20% of the profit as compensation for the employees and no higher than 1% as remuneration for the directors.

However, the Company, when accumulated losses remain on the account, shall reserve a portion of its earnings to offset the losses first. The above-mentioned employees' remuneration prescribed in the preceding paragraph in the form of stock or cash to employees of an affiliated company meeting certain conditions.

Article 24-1 Where the Company has a profit at the end of each fiscal year, the Company shall first allocate the profit to pay taxes and cover accumulated losses, and then 10% of the remaining net earnings shall be allocated as the Company's legal reserve unless and until the accumulated legal reserve reaches the paid-in capital. Certain amount shall be further allocated as special reserve or the special reserve shall be reversed in accordance with applicable laws and regulations or as requested by the competent authority. The balance (if any) together with accumulated unappropriated retained earnings can be distributed after the distribution plan proposed and approved. Where the aforesaid earnings distribution plan or dividend on preferred share is performed by means of cash dividends, it is proposed the Board of Directors be authorized for resolution. The resolution thereof shall be reported in the Shareholders' Meeting.

The company's dividend policy is in line with the growth characteristics of the technology industry and the overall environment, while taking into account a stable and balanced dividend policy, and taking into account factors such as profitability, financial structure, and future development. If the annual operating result is positive

and the retained earnings available for distribution is over 2% of the paid-in capital, the dividends should not be less than 10% of the retained earnings available for distribution. The distribution of earnings may be carried out in accordance with the company's overall capital budget planning. The cash dividends distribution ratio shall not be less than 10% of the total dividend.

Article 24-2 The company may distribute new shares or cash in accordance with Article 241 of the Company Act with the statutory surplus reserve or capital reserve. If cash is used in the preceding paragraph, the board of directors shall be authorized to make a resolution and report at the shareholders' meeting.

Chapter 7 Supplementary Provisions

Article 25 All matters not provided for in the articles of incorporation shall be handled in accordance with the Company Act.

Article 26 These Articles of Incorporation were enacted on December 2, 2003, and has undergone sixteen times amendments, and the 17th amendment was on June 10, 2022.

Simula Technology Inc.



Chairman: Huang, Han-Chou



Appendix II

Simula Technology Inc. Rules and Procedures for Shareholders' Meeting (before revision)

1. Purpose:

To establish a strong governance system and sound supervisory capabilities for the company's Shareholders Meetings, and to strengthen management capabilities, these rules are formulated in accordance with Article 182-1 of the Company Act for compliance.

2. Scope:

The rules of procedures for the company's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

3. Responsibilities: Refer to 5. Content below.

4. Definition of Terms: None.

5. Content:

5.1 Convening shareholders meetings and shareholders meeting notices

5.1.1 Unless otherwise provided by law or regulation, this company's shareholders meetings shall be convened by the board of directors. With the consent of the addressee, the meeting notice may be given in electronic form.

5.1.2 The convention of the regular shareholders' meeting shall be notified to each shareholder 30 days before the date of meeting or 15 days before the date of an extraordinary shareholders meeting. For the shareholders holding less than 1000 shares, the Company may publicly announce the convention of the regular shareholders meeting by uploading the information to the Market Observation Post System (MOPS) 30 days before the date of meeting or 15 days before the date of an extraordinary shareholders meeting.

5.1.3 The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement.

5.1.4 Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act shall be itemized in the causes or subjects to be described and the essential contents shall be explained in the notice to convene a meeting of shareholders. None of the above matters may be raised by an extraordinary motion. The essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the company, and such website shall be indicated in the above notice.

5.1.5 If the meeting notice has specified the re-election of directors and the date they assumed their duties, as the re-election is completed on the shareholders' meeting, resolution of assuming date should not be changed by means of an extraordinary motion or other means in the same meeting.

5.2 Attending Shareholder Meetings by Proxy and Authorization

- 5.2.1 For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the company and stating the scope of the proxy's authorization.
- 5.2.2 A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the company before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.
- 5.2.3 After a proxy form has been delivered to this company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this company before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.
- 5.3 Principles Determining the Time and Place of a Shareholders Meeting
The venue for a shareholders meeting shall be the premises of this company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.
- 5.4 Preparation of Documents Such as the Attendance Book
- 5.4.1 The company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.
- 5.4.2 Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.
- 5.4.3 When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.
- 5.4.4 The company shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.
- 5.5 The Chairman and Non-Voting Participants of a Shareholders Meeting
- 5.5.1 If a shareholders' meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as

chairman, or, if there are no managing directors, one of the directors shall be appointed to act as chairman. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chairman. When a managing director or a director serves as chairman, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chairman.

5.5.2 Shareholders' meetings convened by the Board of Directors should be attended by more than half of the directors of the Board of Directors. If a shareholders' meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chairman the meeting. When there are two or more such convening parties, they shall mutually select a chairman from among themselves.

5.5.3 The company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.

5.6 Audio or Video Recording of Shareholder Meetings Proceedings

This company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures. The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

5.7 Calculation of Shares Represented in Shareholder Meeting and Proceeding with the Meeting

5.7.1 Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards.

5.7.2 The chairman shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairman may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chairman shall declare the meeting adjourned.

5.7.3 If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month.

5.7.4 When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chairman may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

5.8 Discussions of Proposals

5.8.1 If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Relevant proposals (including the extraordinary motions or amendment of the existing proposals) shall be resolved case by case. The

meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

5.8.2 The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the Board of Directors.

5.8.3 The chairman may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chairman declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chairman in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

5.8.4 The chairman shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chairman is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chairman may announce the discussion closed, call for a vote, and arrange an adequate time to vote.

5.9 Shareholder Speech

5.9.1 Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chairman.

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

5.9.3 Except with the consent of the chairman, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chairman may terminate the speech.

5.9.4 When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chairman and the shareholder that has the floor; the chairman shall stop any violation.

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

5.9.6 After an attending shareholder has spoken, the chairman may respond in person or direct relevant personnel to respond.

5.10 Calculation of Voting Shares and Recusal System

5.10.1 Voting at a shareholders meeting shall be calculated based the number of shares.

5.10.2 With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

5.10.3 When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the company, that shareholder may not vote on that item, and may not exercise voting rights as proxy

for any other shareholder.

5.10.4 The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

5.10.5 With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3% of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

5.11 Voting of Resolution, Voting Supervision and Vote Counting

5.11.1 A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares.

5.11.2 Except as otherwise provided in the Company Act and in this company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders.

5.11.3 An agenda item shall be deemed approved and shall have the same effect as if it was voted by casting ballots if no objection is voiced by all attending shareholders after solicitation by the chairman. If there is any objection, the agenda item shall be put to a vote by casting ballots in accordance with the foregoing paragraph.

5.11.4 Except for the proposals listed in the agenda, other proposals proposed by shareholders or amendments to or alternatives to the original proposal shall be seconded by other shareholders, and the shareholding of the proposer and the representative of the seconder shall be more than 1% of the total number of voting rights of the issued shares. shares.

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

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

5.12 Election Matters

5.12.1 The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected.

5.12.2 The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

5.13 Meeting Records and Signature Matters

- 5.13.1 Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chairman of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The production and distribution of the minutes of the proceedings referred to in the preceding paragraph may be done electronically.
- 5.13.2 For shareholders of the Company who hold less than 1,000 registered shares, the distribution of the minutes of the proceedings referred to in the preceding paragraph may be done by means of an announcement entered into the Market Observation Post System.
- 5.13.3 The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chairman's full name, the methods by which resolutions were adopted, a summary of the deliberations, and the voting results (including the weighted voting). When an election of directors is held, the number of weighted votes each candidate wins shall be disclosed. The meeting minutes shall be retained for the duration of the existence of the company.
- 5.13.4 The resolution method mentioned in the preceding paragraph is based on the chairman's consultation with shareholders. If shareholders have no objection to the proposal, it should record "passed after the chairman's consultation with all present shareholders without objection.". However, if shareholders have objections to the proposal, the method of voting by ballot and the number of voting rights and the ratio of voting rights should be specified.

5.14 Public Disclosure

- 5.14.1 On the day of a shareholders meeting, the company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.
- 5.14.2 If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or TPEX) regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.

5.15 Maintaining Order at the Meeting Place

- 5.15.1 Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.
- 5.15.2 The chairman may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."
- 5.15.3 At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the company, the chairman may prevent the shareholder from so doing.
- 5.15.4 When a shareholder violates the rules of procedure and defies the chairman's correction, obstructing the proceedings and refusing to heed calls to stop, the chairman may direct the proctors or security personnel to escort the shareholder from the meeting.

5.16 Recess and Resumption of a Shareholders Meeting

5.16.1 When a meeting is in progress, the chairman may announce a break based on time considerations. If a force majeure event occurs, the chairman may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

5.16.2 If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

5.16.3 A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

6. Amendment:

6.1 The Rules and any amendment shall take effect after being approved at the shareholders' meeting.

7. Relevant Information:

7.1 Article 182-1 of the Company Act.

8. Use Form: None.

Appendix III

Simula Technology Inc. Rules for the Election of Directors

1. Purpose:

To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to Articles 21 and 41 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.

2. Scope:

2.1 The election of directors of the Company shall be subject to the Rules for the Election of Directors (hereinafter "the Rules").

2.2 Matters not provided in the Rules shall be handled in accordance with the provisions of the Company Act, the company's articles of incorporation and other relevant laws and regulations.

3. Responsibilities: Refer to 5. Content below.

4. Definition of Terms: None.

5. Content:

5.1 The Company's directors shall be elected at the Shareholders' Meeting.

5.2 The Company's directors should be elected through single-named cumulative voting. The name of the elector may be replaced by the shareholder's account number.

5.3 In election of the Company's directors, each share is entitled to the voting rights equivalent to the number of directors to be elected. The voting rights may be concentrated to one candidate or be allocated among several candidates.

5.3.1 Independent and non-independent directors shall be elected simultaneously, but the number of seats to be elected shall be calculated respectively.

5.3.2 The Company adopts the Nomination System for the nomination of candidates to serve as directors, and that shareholders shall elect directors from among the those listed in the slate of director candidates.

5.3.3 The Company shall, prior to the date of the Shareholders' Meeting, announce the period for accepting the candidatures for independent directors, the number of independent directors to be elected, their place of acceptance and other necessary matters, and the acceptance period shall not be less than ten days.

5.3.4 The Board of Directors of the Company or shareholders holding more than 1% of the total issued shares may provide a list of recommended Independent Directors for the next term, as a reference for the selection of Independent Directors. However, the number of nominees shall not exceed the number of candidates for independent directors; the same shall apply to the number of independent director candidates nominated by the board of directors.

5.3.5 The election qualifications of the independent directors of the Company shall be handled in accordance with the relevant laws and regulations.

5.4 The number of directors will be as specified in this Corporation's articles of incorporation, with voting rights separately calculated for independent and non-independent director

positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

5.5 When the Board of Directors prepares the vote, the number of voting rights shall be added.

5.6 At the beginning of the election, the chairman shall appoint the inspector and counter to take charge of monitoring and counting of the votes.

5.7 The ballot boxes shall be prepared by the Board of Directors and publicly checked by the vote monitoring personnel before voting commences.

5.8 Electors should fill out the list in accordance with the provisions on the ballot.

If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered.

5.9 A ballot is invalid under any of the following circumstances:

5.9.1 The ballot was not prepared by the board of directors.

5.9.2 The number of candidates filled in exceeds the prescribed quota

5.9.3 A blank ballot is placed in the ballot box.

5.9.4 The writing is unclear and indecipherable or has been altered.

5.9.5 The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.

5.9.6 Other words or marks are entered in addition to the candidate's account name or shareholder account number.

5.9.7 The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.

5.9.8 Failure to fill in the regulations in the remark's column of the ballot.

5.10 A ballot box shall be set up for the election of directors. After voting, the scrutineer shall open the ballot box for checking and hand it over to the teller for counting the votes.

5.11 The counting of votes is monitored by a scrutineer, and the result of the counting of votes is announced by the chairman or master of ceremonies on the spot.

Appendix IV

Simula Technology Inc. Shareholding of Directors

1. The company's paid-in capital is NT\$799,729,450, and the number of issued shares is 79,972,945 shares.
2. In accordance with Article 26 of the Securities and Exchange Act, the provisions of the shareholding ratio and inspection implementation rules for directors and supervisors of public offering companies.
The total shareholding of all non-independent directors of the company shall not be less than 6,397,835 issued shares of the company.
3. As of the book closure date for that shareholders' meeting, the actual collective shareholdings of directors were shown as below:

Title	Name	No. of Shareholding	Shareholding %
Chairman	Representative of Qisda Corp./ Huang, Han-Chou	30,000,000	37.51%
Director	Representative of Qisda Corp./ Hu, Jo-Yao		
Director	Representative of Qisda Corp./ Cheng, Yin-Shiang		
Director	Representative of Qisda Corp./ Lin, Yu-Chin		
Independent Director	Yeh, Hui-Hsin	-	-
Independent Director	Tan, Tang-O	-	-
Independent Director	Chen, Jin-ji	-	-
Combined shareholding of all non-Independent Directors		30,000,000	37.51%

Note: The book closure period of the Annual Shareholders' Meeting is from April 11, 2023 to June 9, 2023.

Appendix V

Proposals of shareholders holding more than 1% of the total issued shares of the Company and the nomination related information

1. Pursuant to the provision of the Article 172-1 and 192-1 of the Company Act, the proposal accepting period of 2023 Annual Shareholders' Meeting is from March 27, 2023, to April 06, 2023
2. No proposals are raised by shareholders (holding over 1%) during the said accepting period.