

Taiwan Calsonic Co., Ltd.

Annual Meeting of Shareholders for 2022

Meeting Handbook

Time of Meeting: June 9, 2022 at 9 a.m.

**Location of Meeting: No. 140, Luning, Ln. 8, Luning Vil., Guanyin Dist.,
Taoyuan City, Taiwan (R.O.C.)**

(Summary Translation - In case of any discrepancy between Chinese and English versions, the Chinese version shall prevail.)

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Taiwan Calsonic Co.,Ltd.

Agenda of Annual Meeting of Shareholders for 2022

Time: June 9, 2022 at 9 a.m.

Venue: No. 140, Luning, Ln. 8, Luning Vil., Guanyin Dist., Taoyuan City, Taiwan (R.O.C.)

Meeting type : On-site Shareholders' Meeting

I. Call the Meeting to Order

II. Chairperson Remarks

III. Reports

1. 2021 Business Report.
2. 2021 Audit Committee's Review Report.
3. The Company's endorsements/ guarantees for another company.
4. Amendments to the Ethical Corporate Management Best Practice Principles and Procedures for Ethical Management and Guidelines for Conduct.
5. Formulation of the Sustainable Development Best Practice Principles.
6. Amendments to the Procedure for Board of Directors Meetings.
7. Directors' remuneration.

IV. Proposals for Acceptance and Approval

1. 2021 Business Report and financial statements.
2. 2021 Loss make-up proposal.

V. Discussions

1. Amendments to the Articles of Incorporation.
2. Amendments to the Rules for Director and Supervisor Elections.
3. Amendments to the Procedures for the Acquisition and Disposal of Assets.
4. Amendments to the Procedures for Engaging in Derivatives Trading.
5. Amendments to the Procedures for the Loaning of Funds and Making of Endorsements/Guarantees.

VI. Questions and Motions

VII. Adjournment

Report Items

I. 2021 Business Report

Explanation: Please refer to page 9 of the Meeting Agenda

II. 2021 Audit Committee's Report

Explanation: Please refer to page 15 of the Meeting Agenda

III. The Company's endorsements/ guarantees for another company.

Explanation:

1. As of the end of March 2022, the Company's maximum amount of direct (indirect) endorsement/ guarantee for Hui Zhou Yi-Jin Industrial Co.,Ltd. was set at US\$2 million (approximately NT\$57,150,000), while the actual endorsement/ guarantee was NT\$0.
2. As of the end of March 2022, the Company's maximum amount of direct (indirect) endorsement/ guarantee for Asiatek (Hangzhou) Co.,Ltd. was set at 0 yuan, and the actual endorsement guarantee amount is NT\$0.
3. As of the end of March 2022, the Company's maximum amount of direct (indirect) endorsement/ guarantee for Twncal Co., Ltd. (BVI) was set at US\$3 million (approximately NT\$85,725,000), while the actual endorsement/ guarantee was NT\$0.
4. As of the end of March 2022, the Company's maximum amount of direct (indirect) endorsement/ guarantee for Twncal Investment Co., Ltd. (SAMOA) was set at US\$2 million (approximately NT\$57,150,000), while the actual endorsement/ guarantee was NT\$0.

IV. Amendments to the Ethical Corporate Management Best Practice Principles and Procedures for Ethical Management and Guidelines for Conduct.

Explanation: Amendments to the Procedures for Ethical Management and Guidelines for Conduct to promote corporate governance, increase the importance of ethical corporate management, and fulfill corporate social responsibilities. Please refer to pages 40 and 42 of the Meeting Agenda.

V. Formulation of the Sustainable Development Best Practice Principles.

Explanation: Formulation of the Sustainable Development Best Practice Principles in order to promote corporate governance and improve corporate social responsibility strategies. Please

refer to page 44 of the Meeting Agenda.

VI. Amendments to the Procedure for Board of Directors Meetings.

Explanation: Amendments to the Procedure for Board of Directors Meetings to comply with the Cheng-Guei-Jian-Zi No. 10900582662, and taking into account that the supervisors have been replaced by the Audit Committee. Please refer to page 52 of the Meeting Agenda.

VII. Directors' remuneration.

Explanation: To promote transparency and reasonableness of the remuneration for directors, please refer to page 59 of the Meeting Agenda for the directors' remuneration policies and the remuneration amounts for individual directors in 2021.

Recognition Items

I. **Proposal: Approval of 2021 Business Report and financial statements.**

Proposed by the board of directors.

Explanation: Approval of the balance sheet, consolidated income statement, statement of changes in equity, and cash flow statement of the Company's 2021 business report and financial statements have been audited by CPAs Sheng-Ping Lin and Jen-Chi Chen of Jiang Sheng & Co., CPAs. Please refer to pages 9-14, and pages 16-39 of the Meeting Agenda.

Resolution:

II. **Proposal: Approval to make up for loss in 2021.**

Proposed by the board of directors.

Explanation: Please refer to the table below for the deficit compensation statement

2021 deficit compensation statement

Unit: NTD \$

Accumulated undistributed deficit of the previous period	-203,129,106	
Less: Loss in the current period	-14,289,130	
Plus: Remeasurement of defined benefit plans	5,790,291	
Less: Income tax (benefit) expense related to items that will not be reclassified	-1,158,059	
Plus: Reversal of special reserves	13,072,959	
Deficit yet to be compensated	-199,713,045	

Chairman:
Yen ,Ming-Hung

Managerial Officer:
Yen ,Ming-Hung

Accounting Supervisor:
Lee ,Xin-Hua

Resolution:

Discussion Items

I. Proposal: Amendment to the Company Corporate Charter (Articles of Incorporation). Please proceed to discuss.

Proposed by the board of directors.

Explanation: Partial amendments to the Company's Articles of Incorporation to meet the Company's business needs. Please refer to page 60 of the Meeting Agenda for the amended provisions.

Resolution:

II. Proposal: Amendments to the Rules for Director and Supervisor Elections. Please proceed to discuss.

Proposed by the board of directors.

Explanation: Amendments to the Rules for Director and Supervisor Election as the supervisors have been replaced by the Audit Committee. Please refer to page 67 of the Meeting Agenda for the amended provisions.

Resolution:

III. Proposal: Amendments to the Operational Procedures for Acquisition and Disposal of Assets. Please proceed to discuss.

Proposed by the board of directors.

Explanation: Amendments to the Operational Procedures for Acquisition and Disposal of Assets as the supervisors have been replaced by the Audit Committee in accordance with Jin-Guan-Zheng-Fa-Zi No. 1110380465. Please refer to page 69 of the Meeting Agenda for the amended provisions.

Resolution:

IV. Proposal: Amendments to the Procedures for Engaging in Derivatives Trading. Please proceed to discuss.

Proposed by the board of directors.

Explanation: Amendments to the Procedures for Engaging in Derivatives Trading as the supervisors have been replaced by the Audit Committee. Please refer to page 88 of the Meeting Agenda for the amended provisions.

Resolution:

V. Proposal: Amendments to the Procedures for the Loaning of Funds and Making of Endorsements/Guarantees. Please proceed to discuss.

Proposed by the board of directors.

Explanation: Amendments to the Procedures for the Loaning of Funds and Making of Endorsements/ Guarantees as the supervisors have been replaced by the Audit Committee. Please refer to page 91 of the Meeting Agenda for the amended provisions.

Resolution:

Questions and Motions

Attachment

2021 Business Report

Thank you for your care and support for Taiwan Calsonic, here I would like to report 2021 operating results and future development plans as follows:

Facing the severe challenge in 2021, with the revising of COVID-19 epidemic, price raising of raw materials and supplies as well as global port-congestion and boat-jam, we finished the approval and transfer of the transaction of land and plant of Asiatek (Hangzhou) (sub-subsidiary of Taiwan Calsonic) and capital reduction of Asiatek (Hangzhou) and remitted the proceeds of capital reduction back to Taiwan afterwards in 2nd quarter, 2021, which ended up with the accumulated deficit of Calsonic Hangzhou for years and would result in profit and made contribution to Taiwan Calsonic in 2021. This was the most important mission of our plans regarding “setting up the stop-loss point for deficated operations”, and one of the main reasons for the loss of Taiwan Calsonic of 2021 reduced drastically compared to 2020 as well.

Due to the severe problems from shortage of manpower and material, the plan of “assets activated aggressively” has led to a substantial increase of construction cost and the cost-benefit of overall development of logistics warehouse has not conformed to the original expectation, hence the assets-revitalizing would turn into the mid-term plan which combines with “new product and new application”, i.e. new electric power product and energy storage system, that is in line with the same industry and should be assessed and planned positively, in order that the current idle land assets could be utilized through “new product and new application” extended from the line industry.

Other than the organic grow of the line industry, we have made preliminary progress through strategic alliance and the method of equity participation to proceed “grouping expansion”, which is long-term goal, this

year as well. We have locked several highly-anticipated cooperative partner in the field of charging pile, intelligent building, energy storage, precision finishing and houseware, with hope of unwinding various new businesses in 2022.

2021 Operating Results

Taiwan Calsonic's consolidated operating revenue reached NT\$724 million in 2021, which grew up 7.2% compared to 2020, amounting to NT\$675 million. The net loss, with amount of NT\$14.29 million, not up to 5% of net loss in 2020, decreased almost NT\$289 million. The main reason of the decrease of this year's loss was that the profit margin ration was sharply risen to 21.04%, compared to last year with 5.27%, thus this year's gross profit was substantial up over three times more than that of last year, plus the retrenching of operating expenses, which made the net operating loss reduce almost NT\$200 million compared th last year,also the recognition of non-operating income on disposal of land and plant of Calsonic HangZhou (subsidiary), which was another main reason of significant decrease of this year's loss as well.

The comparison of consolidated financial performance and the analysis of finance ratio

(1) The Comparative analysis of consolidated financial performance

Unit: NT\$1,000

Item \ Year	2020	2021	Increase (Decrease) Amount	Change %
Operating revenue	675,393	724,082	48,689	7.21%
Operating costs	639,823	571,760	-68,063	-10.64%
Gross profit from operation	35,570	152,322	116,752	328.23%
Gross profit ratio (%)	5.27	21.04	15.77	299.24%
Operating expenses	311,551	224,154	-87,397	-28.05%
Net operating income (loss)	-275,981	-71,832	204,149	73.97%

Item	Year	2020	2021	Increase (Decrease) Amount	Change %
	Non-operating income and expense		-12,674	74,451	87,125
Income (loss) before income tax		-288,655	2,619	291,274	100.91%
Income tax benefit (expense)		-14,526	-16,908	-2,382	16.40%
Net income (loss) for the year		-303,181	-14,289	288,892	95.29%

(2) Consolidated financial analysis

	Item	Year	
		2020	2021
Financial structure	Liability to asset ratio (%)	40.76	28.81
	Long-term capital as a proportion of property, plant and equipment (%)	495.72	443.48
Solvency	Current ratio (%)	136.32	157.53
	Quick ratio (%)	91.51	103.08
	Interest coverage (times)	-34.08	1.55
Operating performance	Average collection turnover (times)	4.16	4.83
	Average collection days	87.74	75.56
	Average inventory turnover (times)	2.12	2.55
	Average inventory turnover days	172.16	143.13
	Property, plant and equipment turnover (times)	1.81	3.54
	Total assets turnover (times)	0.38	0.49
Profitability	Return on total assets (%)	-16.51	-0.71
	Return on equity (%)	-27.43	-1.50
	Pre-tax income to paid-in capital (%)	-45.10	0.41
	Profit ratio (%)	-44.89	-1.97
	Earnings per share (NT\$)	-4.74	-0.22

Future development plans

Air conditioner:

In expanding the domestic and overseas AM market of heat exchange products, we have acquired initial outcome (the growth rate of gross profit of AM (Aftermarket) business reached over 100% in 2021 compared to last year). Afterwards, we are facing dual challenges, one being the business from the original OEM (Original Equipment Manufacturer) customer, which continues to shrink, and the other being the general trend of producing the electric car rather than producing the fuel car. For the sake of stepping in the electric car from the fuel car, we are seeking the technical authorization from Japan's or China's big air conditioner factory of vehicle to explore the air conditioner system of the electric car, which is response to the long-term trend of automotive industry. In addition to the technical transfer pertained to the field of automotive, we also take into account the technique of heat exchange to extend and apply to the field of non-automotive. Taiwan Calsonic has already signed one project of industry-government- university cooperation with academic and official research institutions in 2021. There still have another one or two projects of industry-university cooperation in 2022, which would co-develop the field of non-automotive such as industrial equipment, energy storage system, charging pile, thermal management solutions and so on.

Electronic:

Taiwan Calsonic has gained favor from Foxtron Vehicle Technologies Co., Ltd. to co-develop the electronic control system of electric bus, by virtue of the quality certification of past automotive original factory and years of performance. First batch electronic control system of electric bus, products of BCM (Body Control Module), are scheduled to come out in the latter half of 2022. We will keep up to co-develop other car model with Foxtron Vehicle Technologies Co., Ltd., hoping to look for cooperation opportunities with Tier 1

car supplier among many member manufacturers of MIH (Mobility in Harmony) platform, or even various strategic expansion opportunities by way of joint venture or equity participation. In the field of electronic product of fuel car, we continue to co-develop and sell reversing radar product of overseas after-sales service market with strategic partner, with aim to get the first order from North America in early 2023. Apart from the field of automotive products, Taiwan Calsonic has also developed consumer electronics such as smart door lock, community smart access control system and etc., and has got the relevant application patent right of Taiwan and China, together with the application of various community space of collective housing.

Electromechanical:

Aside from strengthening the function and key technology of main product-vacuum circuit breaker (VCB), we have also planned to exploit the products such as new environment-friendly power switch system, charging pile-management system, intelligent building management system and energy storage system, and dwelling house, electrified wire netting and other electricity market or intelligent building afterwards in the near future, which would be the sources of new operating revenue. As for the aspect of agent sales business, except selling the single product, we have transformed with more continuous efforts to be an integrator of automatic control system, and actively introduce IoT (Internet of Things) cooperative partners to provide clients with IoT solution and to enhance Taiwan Calsonic's overall value added in terms of system integration. Moreover, we have also gone forward overseas market aggressively, and currently we have set up distribution channels and have initial-stage sales performance for power products. Now the evaluation of the green-energy related development cases has been underway, we are looking forward to expanding the business opportunity of emerging energy in Vietnam together with the local manufacturers.

Corporate governance

Taiwan Calsonic has made pretty good progress in the field of corporate governance this year. After setting up the full-time supervisor of corporate governance in 2021, he has worked together with the related departments, making some improvement in every aspect of corporate governance such as enhancing the information transparency, strengthening the mechanism of board of directors and protecting the rights and interests of shareholders. In the newest 110 year corporate governance, Taiwan Calsonic has made huge progress in the ranking from 7th degree (81~100%) previous years to 3rd degree (21~35%) this year. We still continue to improve each evaluation item of corporate governance with all-out effort. With hoping that we are able to upgrade in the evaluation record next year, and most importantly, we can genuinely fulfil the sound spirit of corporate governance to protect the rights and interests of all stakeholders.

Finally, I would like to thank all shareholders again for your long-term care and support to Taiwan Calsonic, and wish every shareholder have a healthy body and everything goes well!

Chairman: Yen, Ming-Hung

General Manager: Yen, Ming-Hung

Accounting Supervisor: Lee, Xin-Hua

(2)2021 Audit Committee's Review Report.

Taiwan Calsonic Co., Ltd.
Audit Committee's Review Report

The Board of Directors has prepared the Company's 2021 Business Report, Financial Statements (including the consolidated financial statements and the parent company only financial statements) and Loss Make-up Proposal, of which Financial Statements have been audited and an unqualified opinion report has been issued on Financial Statements by Jiang Sheng & Co., CPAs, a member of Russell Bedford International. The aforementioned Business Report, Financial Statements and Loss Make-up Proposal have been reviewed and considered to comply with the relevant rules by the undersigned, the Audit Committee of Taiwan Calsonic Co., Ltd., and accordingly we hereby submit this report in accordance with Article 14-4 of the Securities Exchange Act and Article 219 of the Company Law.

Submitted to:

The Company's 2022 Annual Shareholders' Meeting

Taiwan Calsonic Co., Ltd.

Convener of the Audit Committee: TSAI CHUNG CHING

On the Date of March 18, 2022



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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Taiwan Calsonic Co., Ltd.

Opinion

We have audited the accompanying parent company only financial statements of Taiwan Calsonic Co., Ltd. (the "Company"), which comprise the parent company only balance sheets as of December 31, 2021, and 2020, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2021 and 2020, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standard 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 in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audits evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key audit matters for the Company's parent company only financial statements for the year ended December 31, 2021 were as follows:

Valuation of inventory

On the one hand, the changes of inventory valuation came from the air-condition department. Due to the influence of car sales market and the supply of after-service, the Company has still needed to prepare the spare parts within the given years in spite of the discontinued production of car styles, which would make the period of inventory-aging longer. On the other hand, the changes of inventory valuation also came from the electric department, and the clearance of inventory was attributed to the economic prosperity and the clients' investment willingness, which would be vulnerable to the market environment.

On account of the speed-up of effectiveness of car-styles or the change of economic situation, the inventory tended to obsolescence and the loss of out-of-date. Among other things, the computation of appropriation of inventory cost and the estimate of net realizable value were subject to the management, and in order to minimize the loss and shrink the operating scale, one of the subsidiaries in Mainland China has ceased its production gradually, for which the decline of the inventory valuation has been provided. Consequently, we paid more attention to the management who measured the inventory through the method of the lower of cost or net realizable value and evaluated the reasonableness of the provision of allowance for the decline of the inventory valuation, which was the most important event when we audited the parent company only financial reports.

As accounting policy of the Company, Note 4 and Note 5(2) to the parent company only financial reports described, the balance of allowance for the decline on inventory valuation please referred to footnote 6(4), the total amount of inventory and the balance of allowance for the decline of inventory valuation were NT\$205,852

thousand and NT\$10,765 thousand, respectively as of December 31, 2021. The net amount of inventory was accounted for almost 15% of the parent company only total assets, which was significant to the financial reports.

The auditing procedures were addressed as follows:

1. Evaluated and tested the effectiveness of the design and implementation of internal control specific for inventory evaluation established by management.
2. Obtained inventory recording data and performed the test of details of balances in order to validate if material cost, direct cost devoted and overhead expense have been allocated reasonably to the proper inventory items and there was no unreasonable allocation which led to the decline of inventory.
3. Tested the accuracy of inventory-aging at the balance sheet date and compared the accounting policy of the provision of obsolescence and out-of-date inventory decline loss with those of previous years and analyzed the reason for the difference and verified the relevant data for computing allowance for the decline of inventory valuation on account of out of production and compared the historical provision for allowance of the decline of inventory with the actual write-off, thus to evaluate the appropriateness of accounting policy for the provision of allowance for the decline of inventory.
4. Compared the actual sales of the recent-period inventory with the carrying amount of inventory at ending or period of cease production, through sampling, in order to validate if the inventory were measured by the lower of cost or net realizable value.
5. Obtained and compared the data of inventory quantity on the ledger with current year's physical inventory count list to confirmed the existence and completeness of ending inventory, and participated in and observed ending physical inventory counting and realized the inventory status at same time to evaluate the appropriateness of the provision of allowance for the decline of out-of-date and damaged goods.
6. Obtained and confirmed the provider's signed and returned slip of inventory, which was stored in the provider's warehouse for some time, in order to validate the existence of ending inventory.

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

Those charged with governance (including members of audit committee) are responsible for overseeing the Company's financial reporting process.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the 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 Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the 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 disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on the parent company only 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 statements that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Lin, Seng-Ping and Chen, Jen-Chi.

A member of Russell Bedford International
Taipei, Taiwan (Republic of China)
March 18, 2022

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and parent company only financial statements shall prevail.

Taiwan Calsonic Co., Ltd.
Parent Company Only Balance Sheets - Assets
December 31, 2021 and 2020
(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Accounting Item	Note	31-Dec-21		31-Dec-20	
			Amount	%	Amount	%
11xx	Current assets					
1100	Cash and cash equivalents	6(1)	\$ 28,247	2	31,682	2
1110	Financial assets at fair value through profit or loss -current	6(2)	152	-	-	-
1150	Notes receivable, net	6(3)	23,353	2	11,601	2
1170	Accounts receivable, net	6(3)	122,193	9	104,423	8
1200	Other receivables	6(5)	4,935	-	3,490	-
1220	Current income tax assets	6(20)	347	-	1,388	-
130x	Inventories	6(4)	195,087	15	196,031	14
1410	Prepayments	6(5)	12,607	1	46,564	3
1476	Other financial assets-current	6(5)	84,789	7	59,915	4
1479	Other current assets-others		128	-	151	1
11xx	Total current assets		<u>471,838</u>	<u>36</u>	<u>455,245</u>	<u>34</u>
15xx	Non-current assets					
1517	Financial assets at fair value through other comprehensive income-non-current	6(2)	62,553	5	52,068	4
1550	Investments accounted for using equity method	6(6)	457,756	35	530,353	39
1600	Property, plant and equipment	6(7)	215,437	16	193,618	14
1755	Right-of-use assets	6(8)	1,566	-	3,099	-
1760	Investment property, net	6(9)	82,437	6	82,886	7
1780	Intangible assets	6(10)	15,288	1	19,313	1
1840	Deferred income tax assets	6(20)	3,130	-	4,551	-
1915	Prepayments for equipment	6(8)	2,317	-	2,920	-
1920	Refundable deposits		6,994	1	8,158	1
15xx	Total non-current assets		<u>847,478</u>	<u>64</u>	<u>896,966</u>	<u>66</u>
1xxx	Total assets		<u>\$ 1,319,316</u>	<u>100</u>	<u>1,352,211</u>	<u>100</u>

(Notes attached are part of the parent company only financial statements)

Chairman:
Yen, Ming-Hung

Manager:
Yen, Ming-Hung

Accounting Supervisor:
Lee, Xin-Hua

Taiwan Calsonic Co., Ltd.

Parent Company Only Balance Sheets – Liabilities and Equity

December 31, 2021 and 2020

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Accounting Item	Note	31-Dec-21		31-Dec-20	
			Amount	%	Amount	%
21xx	Current liabilities					
2100	Short-term borrowings	6(11)	\$ 211,500	16	225,754	17
2130	Contract liabilities-current	6(12)	14,569	1	39,079	3
2150	Notes payable		18	-	1,355	-
2170	Accounts payable		75,906	6	60,470	4
2180	Accounts payable to related parties		4,375	-	7,517	1
2220	Other payables	6(13)	52,967	5	54,687	4
2250	Provisions-current	6(18)	134	-	206	-
2280	Lease liabilities -current	6(14)	1,198	-	481	-
2310	Advance payment		-	-	19	-
2335	Receipts under custody		1,915	-	1,065	-
2365	Refund liabilities-current	6(17)	1,304	-	1,793	-
21xx	Total current liabilities		<u>363,886</u>	<u>28</u>	<u>392,426</u>	<u>29</u>
25xx	Non-current liabilities					
2570	Deferred income tax liabilities	6(20)	45	-	17	-
2580	Lease liabilities-non-current	6(14)	524	-	1,722	-
2640	Net defined benefit liabilities-non-current	6(15)	1,708	-	8,318	1
2645	Guarantee deposits received		705	-	705	-
25xx	Total non-current liabilities		<u>2,982</u>	<u>-</u>	<u>10,762</u>	<u>1</u>
2xxx	Total liabilities		<u>366,868</u>	<u>28</u>	<u>403,188</u>	<u>30</u>
31xx	Total equity attributable to shareholders of the parent					
3100	Capital stock	6(16)	640,000	49	640,000	47
3200	Capital surplus	6(16)	295,993	22	295,985	22
3300	Retained earnings	6(16)				
3310	Legal reserve		216,167	16	216,167	16
3320	Special reserve		73,600	6	92,319	7
3350	Unappropriated earnings		(212,785)	(16)	(221,847)	(16)
3400	Other equity	6(16)				
3410	Exchange differences on translation of foreign operations		(89,473)	(7)	(92,062)	(7)
3420	Unrealized gain (loss) on financial assets at fair value through other comprehensive income		28,946	2	18,461	1
3xxx	Total equity		<u>952,448</u>	<u>72</u>	<u>949,023</u>	<u>70</u>
1xxx	Total liabilities and equity		<u>\$ 1,319,316</u>	<u>100</u>	<u>1,352,211</u>	<u>100</u>

(Notes attached are part of the parent company only financial statements)

Chairman:
Yen, Ming-Hung

Manager:
Yen, Ming-Hung

Accounting Supervisor:
Lee, Xin-Hua

Taiwan Calsonic Co., Ltd.

Parent Company Only Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

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

Code	Accounting Item	Note	2021		2020	
			Amount	%	Amount	%
4000	Operating revenue	6(17)	\$ 687,665	100	621,535	100
5000	Operating costs	6(4)	(538,364)	(78)	(488,936)	(79)
5900	Gross profit from operations		149,301	22	132,599	21
5920	Realized (Unrealized) gross profit (loss) on sales to subsidiaries and associates		2,191	-	772	-
5950	Gross profit from operations (net)		151,492	22	133,371	21
6000	Operating expenses					
6100	Selling expenses		(29,153)	(4)	(33,482)	(5)
6200	Administrative expenses		(133,812)	(19)	(130,001)	(21)
6300	Research and development expenses		(45,334)	(7)	(49,853)	(8)
6450	Expected credit (loss) gain	6(3)	309	-	(1,480)	-
	Total operating expenses		(207,990)	(30)	(214,816)	(34)
6900	Net operating (loss)		(56,498)	(8)	(81,445)	(13)
7000	Non-operating income and expenses					
7010	Other income	6(18)	15,059	1	16,802	2
7190	Other income-government grants	6(18)	-	-	21,167	3
7020	Other gains and losses	6(18)	(3,670)	(1)	(12,908)	(2)
7050	Finance costs	6(18)	(3,311)	-	(2,717)	-
7070	Share of profit (loss) of subsidiaries and associates accounted for using equity method	6(18)	34,423	5	(231,459)	(37)
	Total non-operating income and expenses		42,501	5	(209,115)	(34)
7900	Income (loss) before income tax		(13,997)	(3)	(290,560)	(47)
7950	Income tax expenses					
7951	Current income tax (expenses) benefit	6(20)	(3)	-	3	-
7952	Deferred income tax (expenses) benefit	6(20)	(289)	-	(12,624)	(2)
8000	Current income from continuing operations		(14,289)	(3)	(303,181)	(49)
8100	Gains and losses from discontinuing operation, net		-	-	-	-
8200	Net income (loss) for the year		(14,289)	(3)	(303,181)	(49)
8300	Other comprehensive income (loss), net					
8310	Items that will not be reclassified subsequently to profit or loss:					
8311	Remeasurement of defined benefit plans		5,790	1	(1,879)	-
8316	Unrealized profit or loss on investment in equity instruments at fair value through other comprehensive income	6(16)	10,485	2	(7,493)	(1)
8349	Income tax (benefit) expense related to items that will not be reclassified	6(20)	(1,158)	-	376	-
8360	Items that may be reclassified subsequently to profit or loss:					
8361	Exchange differences arising on translation of foreign operations	6(16)	2,589	-	(334)	-
8300	Other comprehensive income (loss), net		17,706	3	(9,330)	(1)
8500	Total comprehensive income for the year		\$ 3,417	-	(312,511)	(50)
	Earnings per share (unit: NT\$)	6(21)				
9750	Basic earnings (loss) per share		\$ (0.22)		(4.74)	
9850	Diluted earnings (loss) per share		\$ (0.22)		(4.74)	

(Notes attached are part of the parent company only financial statements)

Chairman:
Yen, Ming-Hung

Manager:
Yen, Ming-Hung

Accounting Supervisor:
Lee, Xin-Hua

Taiwan Calsonic Co., Ltd.
Parent Company Only Statements of Changes in Equity
For the years ended December 31, 2021 and 2020
(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Item	Capital stock	Capital surplus	Retained earnings			Other equity		Total equity
				Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	
A1	Balance as of January 1, 2020	\$ 640,000	295,988	216,167	86,476.00	115,225	(91,728)	(591)	1,261,537
B3	Special reserve				5,843	(5,843)			-
C17	Other changes of capital surplus		(3)						(3)
D1	Net (loss) in 2020				-	(303,181)			(303,181)
D3	Other comprehensive income (loss) in 2020					(1,503)	(334)	(7,493)	(9,330)
Q1	Disposal of equity instruments at fair value through other comprehensive income					(26,545)		26,545	-
D5	Total comprehensive income (loss) in 2020	-	-	-	-	(331,229)	(334)	19,052	(312,511)
Z1	Balance as of December 31, 2020	\$ 640,000	295,985	216,167	92,319	(221,847)	(92,062)	18,461	949,023
A1	Balance as of January 1, 2021	\$ 640,000	295,985	216,167	92,319	(221,847)	(92,062)	18,461	949,023
B3	Special reserve				(18,719)	18,719			-
C17	Other changes of capital surplus		8			-			8
D1	Net (loss) in 2021					(14,289)			(14,289)
D3	Other comprehensive income (loss) in 2021					4,632	2,589	10,485	17,706
D5	Total comprehensive income (loss) in 2021	-	-	-	-	(9,657)	2,589	10,485	3,417
Z1	Balance as of December 31, 2021	\$ 640,000	295,993	216,167	73,600	(212,785)	(89,473)	28,946	952,448

Note: Due to the deficit in 2021 and 2020, the Company failed to recognize the compensation of employees and the remuneration of directors.

(Notes attached are part of the parent company only financial statements)

Chairman:
Yen, Ming-Hung

Manager:
Yen, Ming-Hung

Accounting Supervisor:
Lee, Xin-Hua

Taiwan Calsonic Co., Ltd.
Parent Company Only Statements of Cash flows
For the years ended December 31, 2021 and 2020
(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Item	2021	2020
AAAA	Cash flows from operating activities:		
A10000	Income (loss) before income tax	\$ (13,997)	(290,560)
A20000	Adjustments:		
A20010	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	12,162	12,354
A20200	Amortization expense	6,163	7,490
A20300	Expected credit loss (gain) (Note 6(3))	(309)	1,480.00
A20400	(Gain) loss in financial asset at fair value through profit or loss	(154)	(9)
A20900	Interest expense	3,311	2,717
A21200	Interest income	(2,211)	(1,535)
A21300	Dividend income	(2,408)	(3,036)
A22300	Share of loss (profit) of associates accounted for using equity method	(34,423)	231,459
A22500	Loss (gain) on disposal of property, plant and equipment	2	-
A23500	Impairment loss on financial assets	-	20
A24000	Realized (Unrealized) gross profit (loss) on sales to subsidiaries and associates	(2,191)	(772)
A24100	Unrealized foreign exchange (gain) loss	2,189	84
A29900	(Gain) from modification of lease	(23)	-
A29900	Other items	-	(46)
A20010	Total adjustments to reconcile profit (loss)	<u>(17,892)</u>	<u>250,206</u>
A30000	Change in operating assets and liabilities		
A31000	Change in operating assets		
A31115	(Increase) decrease in financial assets mandatorily classified as at fair value through profit or loss	2	9
A31130	(Increase) decrease in notes receivable, net	(11,752)	23,479
A31150	(Increase) decrease in accounts receivable, net	(17,461)	(6,513)
A31180	(Increase) decrease in other receivables	(1,499)	16,183
A31200	(Increase) decrease in inventory	944	11,385
A31230	(Increase) decrease in prepayments	34,763	(1,219)
A31240	(Increase) decrease in other current assets	23	1,014
A31000	Total change in operating assets	<u>5,020</u>	<u>44,338</u>
A32000	Change in operating liabilities		
A32125	Increase (decrease) in contract liabilities	(24,510)	6,161
A32130	Increase (decrease) in notes payable	(294)	(1,188)
A32150	Increase (decrease) in accounts payable	15,436	(48,478)
A32160	Increase (decrease) in accounts payable to related parties	(3,142)	-
A32180	Increase (decrease) in other payables	(831)	(4,494)
A32200	Increase (decrease) in provisions	(72)	(108.00)
A32230	Increase (decrease) in other current liabilities	343	(1,417)
A32240	Increase (decrease) in defined benefit liabilities, net	(820)	(764)
A32000	Total change in operating liabilities	<u>(13,890)</u>	<u>(50,288)</u>
A30000	Total change in operating assets and liabilities	<u>(8,870)</u>	<u>(5,950)</u>
A20000	Total adjustments	<u>(26,762)</u>	<u>244,256</u>

(Continued)

Taiwan Calsonic Co., Ltd.
Parent Company Only Statements of Cash flows
For the years ended December 31, 2021 and 2020
(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Item	2021	2020
A33000	Cash generated from operations	(40,759)	(46,304)
A33100	Interest received	2,265	1,636
A33200	Dividends received	2,408	3,036
A33300	Interest paid	(3,048)	(2,378)
A33500	Income tax paid (refunded)	1,038	(150)
AAAA	Net cash flows generated by operating activities	<u>(38,096)</u>	<u>(44,160)</u>
BBBB	Cash flows from investing activities		
B00200	Disposal of financial assets at fair value through other comprehensive income	-	1,756.00
B02400	Proceeds from capital reduction of investee accounted for using equity method	111,800	-
B02700	Acquisition of property, plant and equipment (Note 6(22))	(4,189)	(569)
B03800	(Increase) in refundable deposits	1,164	780
B04400	Decrease in other receivable from related parties	-	44,979
B04500	Acquisition of intangible assets	(2,138)	(960)
B07100	(Increase) in prepayments for equipment	(29,029)	(6,266)
B09900	Other investing activities-(increase) decrease in pledged time deposit and warranty	(24,874)	42,866
BBBB	Net cash flows used in investing activities	<u>52,734</u>	<u>82,586</u>
CCCC	Cash flows from financing activities		
C00200	(Decrease) in short-term borrowings (Note 6(23))	(14,254)	(51,740)
C03100	(Decrease) in guarantee deposits received	-	(4,025)
C03800	(Decrease) in other payables to related parties	-	(37,006)
C04020	Repayment of the principal portion of lease liabilities (Note 6(23))	(1,638)	(2,095)
C09900	Other financing activities-overdue 5 years dividends payable transferred in (cash)	8	(3)
CCCC	Net cash flows used in financing activities	<u>(15,884)</u>	<u>(94,869)</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>(2,189)</u>	<u>(84)</u>
EEEE	Net increase (decrease) in cash and cash equivalents	(3,435)	(56,527)
E00100	Cash and cash equivalents at the beginning of year	<u>31,682</u>	<u>88,209</u>
E00200	Cash and cash equivalents at the end of year	<u>\$ 28,247</u>	<u>31,682</u>

(Notes attached are part of the parent company only financial statements)

Chairman:
Yen, Ming-Hung

Manager:
Yen, Ming-Hung

Accounting Supervisor:
Lee, Xin-Hua

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Taiwan Calsonic Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Taiwan Calsonic Co., Ltd. and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2021, and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission 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 auditing standards generally accepted in the Republic of China. Our responsibilities under those standard 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 in accordance with The Norm of Professional Ethics for Certified Public Accountant in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audits evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Company's consolidated financial statements for the year ended December 31, 2021 are as follows:

Valuation of inventory

On the one hand, the changes of inventory valuation came from the air-condition department. Due to the influence of car sales market and the supply of after-service, the Company has still needed to prepare the spare parts within the given years in spite of the discontinued production of car styles, which would make the period of inventory-aging longer. On the other hand, the changes of inventory valuation also came from the electric department, and the clearance of inventory was attributed to the economic prosperity and the clients' investment willingness, which would be vulnerable to the market environment.

On account of the speed-up of effectiveness of car-styles or the change of economic situation, the inventory tended to obsolescence and the loss of out-of-date. Among other things, the computation of appropriation of inventory cost and the estimate of net realizable value were subject to the management, and in order to minimize the loss and shrink the operating scale, one of the subsidiaries in Mainland China has ceased its production gradually, for which the decline of the inventory valuation has been provided. Consequently, we paid more attention to the management who measured the inventory through the method of the lower of cost or net realizable value and evaluated the reasonableness of the provision of allowance for the decline of the inventory valuation, which was the most important event when we audited the consolidated financial reports.

As accounting policy of the Company, Note 4 to the consolidated financial reports described, the balance of allowance for the decline on inventory valuation please referred to footnote 6(4), the total amount of inventory and the balance of allowance for the decline of inventory valuation were NT\$211,321 thousand and NT\$16,234 thousand, respectively, as of December 31, 2021. The net amount of inventory was

accounted for almost 15% of consolidated total assets, which was significant to the financial reports.

The auditing procedures were addressed as follows:

1. Evaluated and tested the effectiveness of the design and implementation of internal control specific for inventory evaluation established by management.
2. Obtained inventory recording data and performed the test of details of balances in order to validate if material cost, direct cost devoted and overhead expense have been allocated reasonably to the proper inventory items and there was no unreasonable allocation which led to the decline of inventory.
3. Tested the accuracy of inventory-aging at the balance sheet date and compared the accounting policy of the provision of obsolescence and out-of-date inventory decline loss with those of previous years and analyzed the reason for the difference and verified the relevant data for computing allowance for the decline of inventory valuation on account of out of production and compared the historical provision for allowance of the decline of inventory with the actual write-off, thus to evaluate the appropriateness of accounting policy for the provision of allowance for the decline of inventory.
4. Compared the actual sales of the recent-period inventory with the carrying amount of inventory at ending or period of cease production, through sampling, in order to validate if the inventory were measured by the lower of cost or net realizable value.
5. Obtained and compared the data of inventory quantity on the ledger with current year's physical inventory count list to confirmed the existence and completeness of ending inventory, and participated in and observed ending physical inventory counting and realized the inventory status at same time to evaluate the appropriateness of the provision of allowance for the decline of out-of-date and damaged goods.
6. Obtained and confirmed the provider's signed and returned slip for inventory, which was stored in the provider's warehouse for some time, in order to validate the existence of ending inventory.

Other Matter

We have also audited the parent company only financial statements of Taiwan Calsonic Co., Ltd. as of and for the years ended December 31, 2021 and 2020 on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including members of audit committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient 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 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 statements that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Lin, Seng-Ping and Chen, Jen-Chi.

A member of Russell Bedford International
Taipei, Taiwan (Republic of China)
March 18, 2022

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China. For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

Taiwan Calsonic Co., Ltd. and its Subsidiaries
Consolidated Balance Sheets - Assets
December 31, 2021 and 2020
(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Accounting Item	Note	31-Dec-21		31-Dec-20	
			Amount	%	Amount	%
11xx	Current assets					
1100	Cash and cash equivalents	6(1)	\$ 140,491	11	83,286	5
1110	Financial assets at fair value through profit or loss -current	6(2)	152	-	-	-
1150	Notes receivable, net	6(3)	23,353	2	16,007	1
1170	Accounts receivable, net	6(3)	139,144	10	121,597	8
1200	Other receivables	6(5)	5,740	-	3,502	-
1220	Current income tax assets	6(21)	347	-	1,388	-
130x	Inventories	6(4)	195,087	15	252,713	16
1410	Prepayments	6(5)	13,119	1	35,066	2
1460	Non-current assets held for sale	6(6)	-	-	301,839	19
1476	Other financial assets-current	6(5)	84,789	6	59,915	4
1479	Other current assets-others		128	-	202	-
11xx	Total current assets		<u>602,350</u>	<u>45</u>	<u>875,515</u>	<u>55</u>
15xx	Non-current assets					
1517	Financial assets at fair value through other comprehensive income-non-current	6(2)	62,553	5	52,068	3
1550	Investments accounted for using equity method	6(7)	345,698	26	357,789	23
1600	Property, plant and equipment	6(8)	215,437	16	193,618	12
1755	Right-of-use assets	6(9)	1,566	-	3,099	-
1760	Investment property, net	6(10)	82,437	6	82,886	5
1780	Intangible assets	6(11)	15,288	1	21,099	1
1840	Deferred income tax assets	6(21)	3,130	-	4,551	-
1915	Prepayments for equipment	6(8)	2,317	-	2,920	-
1920	Refundable deposits		7,032	1	8,514	1
15xx	Total non-current assets		<u>735,458</u>	<u>55</u>	<u>726,544</u>	<u>45</u>
1xxx	Total assets		<u>\$ 1,337,808</u>	<u>100</u>	<u>1,602,059</u>	<u>100</u>

(Notes attached are part of the consolidated financial statements)

Chairman:
Yen, Ming-Hung

Manager:
Yen, Ming-Hung

Accounting Supervisor:
Lee, Xin-Hua

Taiwan Calsonic Co., Ltd. and its Subsidiaries
Consolidated Balance Sheets – Liabilities and Equity

December 31, 2021 and 2020

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Accounting Item	Note	31-Dec-21		31-Dec-20	
			Amount	%	Amount	%
21xx	Current liabilities					
2100	Short-term borrowings	6(12)	\$ 211,500	16	351,874	22
2130	Contract liabilities-current	6(13)	18,738	1	64,638	4
2150	Notes payable		18	-	1,355	-
2170	Accounts payable		76,048	6	103,226	7
2180	Accounts payable to related parties		4,388	-	14,386	1
2220	Other payables	6(14)	67,135	6	103,211	6
2250	Provisions-current	6(18)	134	-	206	-
2280	Lease liabilities -current	6(15)	1,198	-	481	-
2310	Advance payment		-	-	19	-
2335	Receipts under custody		1,915	-	1,065	-
2365	Refund liabilities-current	6(18)	1,304	-	1,793	-
21xx	Total current liabilities		<u>382,378</u>	<u>29</u>	<u>642,254</u>	<u>40</u>
25xx	Non-current liabilities					
2570	Deferred income tax liabilities	6(21)	45	-	17	-
2580	Lease liabilities-non-current	6(15)	524	-	1,722	-
2640	Net defined benefit liabilities-non-current	6(16)	1,708	-	8,318	1
2645	Guarantee deposits received		705	-	725	-
25xx	Total non-current liabilities		<u>2,982</u>	<u>-</u>	<u>10,782</u>	<u>1</u>
2xxx	Total liabilities		<u>385,360</u>	<u>29</u>	<u>653,036</u>	<u>41</u>
31xx	Total equity attributable to shareholders of the parent					
3100	Capital stock	6(17)	640,000	48	640,000	40
3200	Capital surplus	6(17)	295,993	22	295,985	19
3300	Retained earnings	6(17)				
3310	Legal reserve		216,167	16	216,167	13
3320	Special reserve		73,600	6	92,319	6
3350	Unappropriated earnings		(212,785)	(16)	(221,847)	(14)
3400	Other equity	6(17)				
3410	Exchange differences on translation of foreign operations		(89,473)	(7)	(92,062)	(6)
3420	Unrealized gain (loss) on financial assets at fair value through other comprehensive income		28,946	2	18,461	1
3xxx	Total equity		<u>952,448</u>	<u>71</u>	<u>949,023</u>	<u>59</u>
1xxx	Total liabilities and equity		<u>\$ 1,337,808</u>	<u>100</u>	<u>1,602,059</u>	<u>100</u>

(Notes attached are part of the consolidated financial statements)

Chairman:
Yen, Ming-Hung

Manager:
Yen, Ming-Hung

Accounting Supervisor:
Lee, Xin-Hua

Taiwan Calsonic Co., Ltd. and its Subsidiaries
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2021 and 2020
(Amounts Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

Code	Accounting Item	Note	2021		2020	
			Amount	%	Amount	%
4000	Operating revenue	6(18)	\$ 724,082	100	675,393	100
5000	Operating costs	6(4)(18)	(571,760)	(79)	(639,823)	(95)
5950	Gross profit from operations	6(18)	152,322	21	35,570	5
6000	Operating expenses					
6100	Selling expenses		(32,022)	(4)	(43,889)	(6)
6200	Administrative expenses		(143,474)	(20)	(172,743)	(26)
6300	Research and development expenses		(46,938)	(6)	(65,402)	(10)
6450	Expected credit (loss) gain	6(3)	(1,720)	-	(29,517)	(4)
	Total operating expenses		(224,154)	(30)	(311,551)	(46)
6900	Net operating (loss)		(71,832)	(9)	(275,981)	(41)
7000	Non-operating income and expenses					
7010	Other income	6(19)	36,305	4	22,626	2
7190	Other income-government grants	6(19)	0	-	21,176	3
7020	Other gains and losses	6(19)	(18,679)	(3)	4,364	1
7229	Gain on disposal of non-current asset held for sale	6(6)(19)	60,189	8	0	-
7670	Impairment loss	6(19)	0	-	(54,390)	(8)
7050	Finance costs	6(19)	(4,775)	(1)	(8,229)	(1)
7060	Share of profit of associates accounted for using equity method	6(7)(19)	1,411	-	1,779	-
	Total non-operating income and expenses		74,451	8	(12,674)	(3)
7900	Income (loss) before income tax		2,619	(1)	(288,655)	(44)
7950	Income tax expenses					
7951	Current income tax (expenses) benefit	6(21)	(16,619)	(2)	(1,902)	-
7952	Deferred income tax (expenses) benefit	6(21)	(289)	-	(12,624)	(2)
8000	Current income from continuing operations		(14,289)	(3)	(303,181)	(46)
8100	Gains and losses from discontinuing operation, net		-	-	-	-
8200	Net income (loss) for the year		(14,289)	(3)	(303,181)	(46)
8300	Other comprehensive income (loss), net					
8310	Items that will not be reclassified subsequently to profit of loss:					
8311	Remeasurement of defined benefit plans		5,790	1	(1,879)	-
8316	Unrealized profit or loss on investment in equity instruments at fair value through other comprehensive income	6(17)	10,485	1	(7,493)	(1)
8349	Income tax (benefit) expense related to items that will not be reclassified	6(21)	(1,158)	-	376	-
8360	Items that may be reclassified subsequently to profit or loss:					
8361	Exchange differences arising on translation of foreign operations	6(17)	2,589	-	(334)	-
8300	Other comprehensive income (loss), net		32,823	4	(9,330)	(1)
8500	Total comprehensive income for the year		\$ 18,534	1	(312,511)	(47)
8600	Net income attributable to:					
8610	Shareholders of the parent		\$ (14,289)	(3)	(303,181)	(46)
	Total		\$ (14,289)	(3)	(303,181)	(46)
8700	Comprehensive income attributable to:					
8710	Shareholders of the parent		\$ 3,417	(1)	(312,511)	(47)
	Total		\$ 3,417	(1)	(312,511)	(47)
	Earnings per share (unit: NT\$)	6(22)				
9750	Basic earnings (loss) per share		\$ (0.22)		(4.74)	
9850	Diluted earnings (loss) per share		\$ (0.22)		(4.74)	

(Notes attached are part of the consolidated financial statements)

Chairman:
Yen, Ming-Hung

Manager:
Yen, Ming-Hung

Accounting Supervisor:
Lee, Xin-Hua

Taiwan Calsonic Co., Ltd. and its Subsidiaries
Consolidated Statements of Changes in Equity
For the years ended December 31, 2021 and 2020
(Amounts Expressed in Thousands of New Taiwan Dollars)

		Equity attributable to owners of parent							
		Retained earnings					Other equity		
Code	Item	Capital stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	Total equity
A1	Balance as of January 1, 2020	\$ 640,000	295,988	216,167	86,476.00	115,225	(91,728)	(591)	1,261,537
B3	Special reserve				5,843	(5,843)			-
C17	Other changes of capital surplus		(3)						(3)
D1	Net (loss) in 2020					(303,181)			(303,181)
D3	Other comprehensive income (loss) in 2020					(1,503)	(334)	(7,493)	(9,330)
Q1	Disposal of equity instruments at fair value through other comprehensive income					(26,545)		26,545	-
D5	Total comprehensive income (loss) in 2020	-	-	-	-	(331,229)	(334)	19,052	(312,511)
Z1	Balance as of December 31, 2020	\$ 640,000	295,985	216,167	92,319	(221,847)	(92,062)	18,461	949,023
A1	Balance as of January 1, 2021	\$ 640,000	295,985	216,167	92,319	(221,847)	(92,062)	18,461	949,023
B3	Special reserve				(18,719)	18,719			-
C17	Other changes of capital surplus		8			-			8
D1	Net (loss) in 2021					(14,289)			(14,289)
D3	Other comprehensive income (loss) in 2021					4,632	2,589	10,485	17,706
D5	Total comprehensive income (loss) in 2021	-	-	-	-	(9,657)	2,589	10,485	3,417
Z1	Balance as of December 31, 2021	\$ 640,000	295,993	216,167	73,600	(212,785)	(89,473)	28,946	952,448

(Notes attached are part of the consolidated financial statements)

Chairman:
Yen, Ming-Hung

Manager:
Yen, Ming-Hung

Accounting Supervisor:
Lee, Xin-Hua

Taiwan Calsonic Co., Ltd. and its Subsidiaries
Consolidated Statements of Cash flows
For the years ended December 31, 2021 and 2020
(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Item	2021	2020
AAAA	Cash flows from operating activities:		
A10000	Income (loss) before income tax	\$ 2,619	(288,655)
A20000	Adjustments:		
A20010	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	12,162	42,151
A20200	Amortization expense	6,420	7,931
A20300	Expected credit loss (gain) (Note 6(3))	1,720	29,517.00
A20400	(Gain) loss in financial asset at fair value through profit or loss	(154)	(9)
A20900	Interest expense	4,775	8,229
A21200	Interest income	(2,836)	(1,695)
A21300	Dividend income	(2,408)	(3,036)
A22300	Share of loss (profit) of associates accounted for using equity method	(1,411)	(1,779)
A22500	Loss (gain) on disposal of property, plant and equipment	2	648
A22800	(Gain) on disposal of intangible assets	1,534	-
A23000	(Gain) on disposal of noncurrent assets held for sale (Note 6(6))	(60,189)	-
A23100	Loss (gain) on disposal of investments	1,423	-
A23500	Impairment loss on financial assets	-	449.00
A23700	Impairment loss on inventory	-	73,607.00
A23700	Impairment loss on property, plant and equipment (Note 6(8))	-	53,941.00
A23700	Impairment loss on noncurrent assets held for sale (Note 6(6))	324	-
A24100	Unrealized foreign exchange (gain) loss	16,800	(13,000)
A29900	(Gain) from modification of lease	(23)	-
A29900	Other items	-	(46)
A20010	Total adjustments to reconcile profit (loss)	<u>(21,861)</u>	<u>196,908</u>
A30000	Change in operating assets and liabilities		
A31000	Change in operating assets		
A31115	(Increase) decrease in financial assets mandatorily classified as at fair value through profit or loss	2	9
A31130	(Increase) decrease in notes receivable, net	(7,346)	19,072
A31150	(Increase) decrease in accounts receivable, net	(19,267)	1,069
A31180	(Increase) decrease in other receivables	(2,292)	1,704
A31200	(Increase) decrease in inventory	57,626	23,475
A31230	(Increase) decrease in prepayments	22,753	2,037
A31240	(Increase) decrease in other current assets	74	963
A31000	Total change in operating assets	<u>51,550</u>	<u>48,329</u>
A32000	Change in operating liabilities		
A32125	Increase (decrease) in contract liabilities	(37,271)	24,294
A32130	Increase (decrease) in notes payable	(1,337)	(145)
A32150	Increase (decrease) in accounts payable	(27,178)	(54,566)
A32160	Increase (decrease) in accounts payable to related parties	(9,998)	-
A32180	Increase (decrease) in other payables	(30,010)	33,993
A32200	Increase (decrease) in provisions	(72)	(161.00)
A32230	Increase (decrease) in other current liabilities	342	(1,417)
A32240	Increase (decrease) in defined benefit liabilities, net	(820)	(764)
A32000	Total change in operating liabilities	<u>(106,344)</u>	<u>1,234</u>
A30000	Total change in operating assets and liabilities	<u>(54,794)</u>	<u>49,563</u>
A20000	Total adjustments	<u>(76,655)</u>	<u>246,471</u>

(Continued)

Taiwan Calsonic Co., Ltd. and its Subsidiaries
Consolidated Statements of Cash flows
For the years ended December 31, 2021 and 2020
(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Item	2021	2020
A33000	Cash generated from operations	(74,036)	(42,184)
A33100	Interest received	2,890	1,797
A33200	Dividends received	7,687	22,091
A33300	Interest paid	(4,559)	(8,451)
A33500	Income tax (paid) refunded	(15,578)	(2,055)
AAAA	Net cash flows generated by operating activities	<u>(83,596)</u>	<u>(28,802)</u>
BBBB	Cash flows from investing activities		
B00200	Disposal of financial assets at fair value through other comprehensive income	-	1,755.00
B01900	Disposal of investment accounted for using equity method	9,661	-
B02500	Acquisition of noncurrent assets held for sale	(11)	-
B02600	Proceeds from disposal of noncurrent assets held for sale (Note 6(6))	347,873	-
B02700	Acquisition of property, plant and equipment (Note 6(23))	(9,320)	(1,387)
B02800	Proceeds from disposal of property, plant and equipment	-	2,941
B02900	Increase in advance payment-disposal of assets	-	8,602
B03000	(Decrease) in advance payment-disposal of assets	(8,629)	-
B03800	(Increase) in refundable deposits	1,482	789
B04500	Acquisition of intangible assets	(2,138)	(960)
B06800	(Increase) decrease in other non-current assets	-	231
B07100	(Increase) in prepayments for equipment	(29,030)	(12,498)
B09900	Other investing activities-(increase) decrease in pledged time deposit and warranty	(24,874)	42,866
BBBB	Net cash flows used in investing activities	<u>285,014</u>	<u>42,339</u>
CCCC	Cash flows from financing activities		
C00200	(Decrease) in short-term borrowings (Note 6(24))	(140,374)	(75,245)
C03100	(Decrease) in guarantee deposits received (Note 6(24))	(20)	(4,020)
C04020	Repayment of the principal portion of lease liabilities (Note 6(24))	(1,638)	(2,095)
C09900	Other financing activities-overdue 5 years payable transferred in dividends	8	(3)
CCCC	Net cash flows used in financing activities	<u>(142,024)</u>	<u>(81,363)</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>(2,189)</u>	<u>84</u>
EEEE	Net increase (decrease) in cash and cash equivalents	57,205	(67,742)
E00100	Cash and cash equivalents at the beginning of year	83,286	151,028
E00200	Cash and cash equivalents at the end of year	<u>\$ 140,491</u>	<u>83,286</u>

(Notes attached are part of the consolidated financial statements)

Chairman:
Yen, Ming-Hung

Manager:
Yen, Ming-Hung

Accounting Supervisor:
Lee, Xin-Hua

(4) Comparison of Ethical Corporate Management Best Practice Principles Before and After the Amendments

As Amended	Before Amendment	Reasons for the Amendment
<p>Article 17 The Company’s directors, supervisors, managers, employees, mandataries, and substantial controllers shall exercise the due care of good administrators to urge the company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.</p> <p>To achieve sound ethical corporate management, the Company appointed a <u>responsible unit</u> to be in charge for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The dedicated unit shall be in charge of the following matters, and shall report to the board of directors on a regular basis (at least once a year):</p> <ol style="list-style-type: none"> 1. Assisting in incorporating ethics and moral values into the Company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations. 2. Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the <u>operational</u> scope, 	<p>Article 17 The Company’s directors, supervisors, managers, employees, mandataries, and substantial controllers shall exercise the due care of good administrators to urge the company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.</p> <p>To achieve sound ethical corporate management, the Company appointed <u>the audit office</u> to be in charge for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The dedicated unit shall be in charge of the following matters, and shall report to the board of directors on a regular basis (at least once a year):</p> <ol style="list-style-type: none"> 1. Assisting in incorporating ethics and moral values into the Company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations. 2. Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the <u>business</u> scope, 	<p>To improve corporate governance, the Company has appointed a dedicated unit to be responsible for ethical management, which shall be stipulated in the Procedures for Ethical Management and Guidelines for Conduct.</p>

<p>adopting accordingly programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the company's operations and business.</p> <p>3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.</p> <p>4. Promoting and coordinating awareness and educational activities with respect to ethics policy.</p> <p>5. Developing a whistle-blowing system and ensuring its operating effectiveness.</p> <p>6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.</p>	<p>adopting accordingly programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the company's operations and business.</p> <p>3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.</p> <p>4. Promoting and coordinating awareness and educational activities with respect to ethics policy.</p> <p>5. Developing a whistle-blowing system and ensuring its operating effectiveness.</p> <p>6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.</p>	
<p><u>Article 28</u> <u>These Rules have been established on August 14, 2020.</u> <u>1st amendment on November 12, 2021.</u></p>	<p>Added</p>	<p>Date of amendment and additional of provisions</p>

(5) Comparison of the Procedures for Ethical Management and Guidelines for Conduct Before and After the Amendments

As Amended	Before Amendment	Reasons for the Amendment
<p>Article 5 The Company shall designate the <u>Business Management Division</u> as the solely responsible unit (hereinafter referred to as the "responsible unit") and provide it with sufficient resources and competent personnel to be in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. The responsible unit shall be in charge of the following matters and also submit regular reports (at least once a year) to the board of directors:</p> <ol style="list-style-type: none"> 1. Assisting in incorporating ethics and moral values into the Company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations. 2. Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the <u>operational</u> scope, adopting accordingly programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the company's operations and business. 	<p>Article 5 The Company shall designate the <u>Management Department</u> as the solely responsible unit (hereinafter referred to as the "responsible unit") <u>under the board of directors</u> and provide it with sufficient resources and competent personnel to be in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. The responsible unit shall be in charge of the following matters and also submit regular reports (at least once a year) to the board of directors:</p> <ol style="list-style-type: none"> 1. Assisting in incorporating ethics and moral values into the Company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations. 2. Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the <u>business</u> scope, adopting accordingly programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the company's operations and business. 3. Planning the internal 	<p>To improve corporate governance, the Company switched the dedicated unit from the Management Department to special unit was changed from the Management Department to the Business Management Division.</p>

<p>3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.</p> <p>4. Promoting and coordinating awareness and educational activities with respect to ethics policy.</p> <p>5. Developing a whistle-blowing system and ensuring its operating effectiveness.</p>	<p>organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.</p> <p>4. Promoting and coordinating awareness and educational activities with respect to ethics policy.</p> <p>5. Developing a whistle-blowing system and ensuring its operating effectiveness.</p>	
<p>6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.</p> <p>7. Preparing and retaining properly documented information such as ethical management policy and compliance statements, situations concerning the performance of undertakings and enforcement etc.</p>	<p>6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.</p> <p>7. Preparing and retaining properly documented information such as ethical management policy and compliance statements, situations concerning the performance of undertakings and enforcement etc.</p>	
<p><u>Article 25</u> <u>These Procedures and Guidelines for Conduct have been established in August 14, 2020.</u> <u>1st amendment on November 12, 2021.</u></p>	<p>Added</p>	<p>Date of amendment and additional of provisions</p>

Taiwan Calsonic Co.,Ltd.

Sustainable Development Best Practice Principles

Chapter 1 General Principles

- Article 1 In order to assist the Company to fulfill its corporate social responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development, the Company promulgated its own corporate social responsibility principles in accordance with the Principles jointly adopted by TWSE and GTSM for legal compliance.
- Article 2 The Principles apply to the Company, including its entire operations and its business group.
The Principles encourage the Company to actively fulfill its corporate social responsibility in the course of its business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on corporate social responsibility.
- Article 3 In fulfilling corporate social responsibility initiatives, the Company shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance.
The Company shall, in accordance with the materiality principle, conduct risk assessments of environmental, social and corporate governance issues pertaining to company operations and establish the relevant risk management policy or strategy.
- Article 4 To implement corporate social responsibility initiatives, the Company is advised follow the principles below:
1. Exercise corporate governance.
 2. Foster a sustainable environment.
 3. Preserve public welfare.
 4. Enhance disclosure of corporate social responsibility information.
- Article 5 The Company shall take into consideration the correlation between the development of domestic and international corporate social responsibility principles and corporate core business operations, and the effect of the operation of the Company and its business groups as a whole on stakeholders, in establishing the policies, systems or relevant

management guidelines, and concrete promotion plans for corporate social responsibility programs.

When a shareholder proposes a motion involving corporate social responsibility, the company's board of directors is advised to review and consider including it in the shareholders meeting agenda.

Chapter 2 Exercise Corporate Governance

Article 6 The Company is advised to follow the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies, the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the Code of Ethical Conduct for TWSE/GTSM Listed Companies to establish effective corporate governance frameworks and relevant ethical standards so as to enhance corporate governance.

Article 7 The Company's directors shall exercise the due care of good administrators to urge the company to perform its corporate social responsibility initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its corporate social responsibility policies. The Company's board of directors is advised to give full consideration to the interests of stakeholders, including the following matters, in the Company's performance of its corporate social responsibility initiatives:

1. Identifying the Company's corporate social responsibility mission or vision, and declaring its corporate social responsibility policy, systems or relevant management guidelines.
2. Making corporate social responsibility the guiding principle of the company's operations and development, and ratifying concrete promotional plans for corporate social responsibility initiatives.
3. Enhancing the timeliness and accuracy of the disclosure of corporate social responsibility information.

The board of directors shall appoint executive-level positions with responsibility for economic, environmental, and social issues resulting from the Company's business operations, and to report the status of the handling to the board of directors. The handling procedures and the responsible person for each relevant issue shall be concrete and clear.

Article 8 The Company is advised to, on a regular basis, organize education and training on the implementation of corporate social responsibility initiatives, including promotion of the matters prescribed in paragraph 2 of the preceding article.

Article 9 For the purpose of managing corporate social responsibility initiatives, the Company is advised to establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the corporate social responsibility policies, systems, or relevant

management guidelines, and concrete promotional plans and to report on the same to the board of directors on a periodic basis.

The Company shall establish a team under the Sustainable Development Committee to be in charge of proposing and enforcing the corporate social responsibility policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the board of directors on a periodic basis.

The Company is advised to adopt reasonable remuneration policies, to ensure that remuneration arrangements support the strategic aims of the organization, and align with the interests of stakeholders.

It is advised that the employee performance evaluation system be combined with corporate social responsibility policies, and that a clear and effective incentive and discipline system be established.

Article 10 The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the company, and establish a designated section for stakeholders on the company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important corporate social responsibility issues which they are concerned about.

Chapter 3 Foster a Sustainable Environment

Article 11 The Company shall follow relevant environmental laws, regulations and international standards to properly protect the environment and shall endeavor to promote a sustainable environment when engaging in business operations and internal management.

Article 12 The Company is advised to endeavor to utilize all resources more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.

Article 13 The Company is advised to establish proper environment management systems based on industry characteristics. Such systems shall include the following tasks:

1. Collecting sufficient and up-to-date information to evaluate the impact of the company's business operations on the natural environment.
2. Establishing measurable goals for environmental sustainability, and examining whether the development of such goals should be maintained and whether it is still relevant on a regular basis.
3. Adopting enforcement measures such as concrete plans or action plans, and examining the operating results on a regular basis.

Article 14 The Company is advised to establish a dedicated unit or assign dedicated personnel for drafting, promoting, and maintaining relevant environment management systems and concrete action plans, and should hold environment education courses for managerial

officers and other employees on a periodic basis.

Article 15 The Company is advised to take into account the effect of business operations on ecological efficiency, promote and advocate the concept of sustainable consumption, and conduct research and development, procurement, production, operations, and services in accordance with the following principles to reduce the impact on the natural environment and human beings from its business operations:

1. Reduce resource and energy consumption of products and services.
2. Reduce emission of pollutants, toxins and waste, and dispose of waste properly.
3. Improve recyclability and reusability of raw materials or products.
4. Maximize the sustainability of renewable resources.
5. Enhance the durability of products.
6. Improve efficiency of products and services.

Article 16 To improve water use efficiency, the Company shall properly and sustainably use water resources and establish relevant management measures.

The Company shall construct and improve environmental protection treatment facilities to avoid polluting water, air and land, and dedicate efforts to reduce adverse impact on human health and the environment by adopting the best practical pollution prevention and control measures.

Article 17 The Company is advised to assess the current and future potential risks and opportunities that climate change may present to enterprises and to adopt climate related measures. The Company is advised to adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following:

1. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the Company.
2. Indirect greenhouse gas emissions: emissions resulting from the generation of externally purchased or acquired electricity, heating, or steam.
3. Other indirect emissions: Emissions which do not come under the purview of indirect greenhouse gas emissions, but originate from operations that are owned or controlled by other companies.

The Company is advised to compile statistics on greenhouse gas emissions, volume of water consumption and total weight of waste and to establish policies for energy conservation, carbon and greenhouse gas reduction, reduction of water consumption or management of other wastes. The Company's carbon reduction strategies should include obtaining carbon credits and be promoted accordingly to minimize the impact of its business operations on climate change.

Chapter 4 Preserve Public Welfare

Article 18 The Company shall comply with relevant laws and regulations, and the International Bill of Human Rights, with respect to rights such as gender equality, the right to work, and prohibition of discrimination.

The Company, to fulfill its responsibility to protect human rights, shall adopt relevant management policies and processes, including:

1. Presenting a corporate policy or statement on human rights.
2. Evaluating the impact of the company's business operations and internal management on human rights, and adopting corresponding handling processes.
3. Reviewing on a regular basis the effectiveness of the corporate policy or statement on human rights.
4. In the event of any infringement of human rights, the company shall disclose the processes for handling of the matter with respect to the stakeholders involved.

The Company shall comply with the internationally recognized human rights of labor, including the freedom of association, the right of collective bargaining, caring for vulnerable groups, prohibiting the use of child labor, eliminating all forms of forced labor, eliminating recruitment and employment discrimination, and shall ensure that its human resource policies do not contain differential treatments based on gender, race, socioeconomic status, age, or marital and family status, so as to achieve equality and fairness in employment, hiring conditions, remuneration, benefits, training, evaluation, and promotion opportunities.

The Company shall provide an effective and appropriate grievance mechanism with respect to matters adversely impacting the rights and interests of the labor force, in order to ensure equality and transparency of the grievance process. Channels through which a grievance may be raised shall be clear, convenient, and unobstructed. The Company shall respond to any employee's grievance in an appropriate manner.

Article 19 The Company shall provide information for its employees, so that the employees have knowledge of the labor laws and the rights they enjoy in the countries where the Company has business operations.

Article 20 The Company is advised to provide safe and healthful work environments for its employees, including necessary health and first-aid facilities and shall endeavor to curb dangers to employees' safety and health and to prevent occupational accidents.

The Company is advised to organize training on safety and health for the employees on a regular basis.

Article 21 The Company is advised to create an environment conducive to the development of the employees' careers and establish effective training programs to foster career skills.

The Company shall establish and implement reasonable employee welfare measures (including remuneration, leave and other welfare etc.) and appropriately reflect the business performance or achievements in the employee remuneration, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of

sustainable operations.

Article 22 The Company shall establish a platform to facilitate regular two-way communication between the management and the employees for the employees to obtain relevant information on and express their opinions on the company's operations, management and decisions.

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

The Company shall, by reasonable means, inform employees of operation changes that might have material impacts.

Article 22-1 The Company is advised to treat customers or consumers of its products or services in a fair and reasonable manner, including according to the following principles: fairness and good faith in contracting, duty of care and fiduciary duty, truthfulness in advertising and soliciting, fitness of products or services, notification and disclosure, commensuration between compensation and performance, protection of the right to complain, professionalism of salespersons etc. The Company shall also develop the relevant strategies and specific measures for implementation.

Article 23 The Company shall take responsibility for its products and services, and take marketing ethics seriously. In the process of research and development, procurement, production, operations, and services, the company shall ensure the transparency and safety of products and services. The Company shall further establish and disclose policies on consumer rights and interests, and which shall be enforce in the course of business operations, in order to prevent the products or services from adversely impacting the rights, interests, health, or safety of consumers.

Article 24 The Company shall ensure the quality of its products and services by following the laws and regulations of the government and relevant industrial standards.
The Company shall follow relevant laws, regulations and international guidelines in regard to customer health and safety and customer privacy involved in, and marketing and labeling of, its products and services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.

Article 25 The Company is advised to evaluate and manage all types of risks that could cause interruptions in operations, so as to reduce the impact on consumers and society.
The Company is advised to provide a clear and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints, shall comply with laws and regulations related to the Personal Information Protection Act for respecting consumers' rights of privacy and shall protect personal data provided by consumers.

Article 26 The Company is advised to assess the impact their procurement has on society as well as the environment of the community that the Company is procuring from, and shall cooperate with the suppliers to jointly implement the corporate social responsibility initiative.

The Company is advised to establish supplier management policies and request suppliers to comply with rules governing issues such as environmental protection, occupational safety and health or labor rights. Prior to engaging in commercial dealings, the Company is advised to assess whether there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those against corporate social responsibility policy.

When the Company enter into a contract with any of their major suppliers, the content should include terms stipulating mutual compliance with corporate social responsibility policy, and that the contract may be terminated or rescinded any time if the supplier has violated such policy and has caused significant negative impact on the environment and society of the community of the supply source.

Article 27 The Company shall evaluate the impact of its business operations on the community, and adequately employ personnel from the location of the business operations, to enhance community acceptance.

The Company is advised to, through equity investment, commercial activities, endowments, volunteering service or other charitable professional services etc., dedicate resources to organizations that commercially resolve social or environmental issues, participate in events held by citizen organizations, charities and local government agencies relating to community development and community education to promote community development.

Chapter 5 Enhance Disclosure of Corporate Social Responsibility

Information

Article 28 The Company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/GTSM listed Companies and shall fully disclose relevant and reliable information relating to their corporate social responsibility initiatives to improve information transparency.

Relevant information relating to corporate social responsibility which the Company shall disclose includes:

1. The policy, systems or relevant management guidelines, and concrete promotion plans for corporate social responsibility initiatives, as resolved by the board of directors.
2. The risks and the impact on the corporate operations and financial condition arising

from exercising corporate governance, fostering a sustainable environment and preserving social public welfare.

3. Goals and measures for realizing the corporate social responsibility initiatives established by the Company, and performance in implementation.
4. Major stakeholders and their concerns.
5. Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues.
6. Other information relating to corporate social responsibility initiatives.

Article 29 The Company shall adopt internationally widely recognized standards or guidelines when producing corporate social responsibility reports, to disclose the implementation status of the corporate social responsibility policy. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports. The reports are advised to include:

1. The policy, systems or relevant management guidelines, and concrete promotion plans for corporate social responsibility initiatives.
2. Major stakeholders and their concerns.
3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development.
4. Future improvements and goals.

Chapter 6 Supplementary Provisions

Article 30 The Company shall at all times monitor the development of domestic and foreign corporate social responsibility standards and the change of business environment so as to examine and improve their established corporate social responsibility framework and to obtain better results from the implementation of the corporate social responsibility policy.

Article 31 The Principle shall be implemented after approval by the Company's Board of Directors, and reported to the shareholders' meeting. The same shall apply to any amendments to the Principle.

Article 32 The Principles have been established on November 12, 2021.
1st amendment on December 24, 2021.

(7) Comparison of the Rules of Procedure for Board of Directors Meetings Before and After the Amendments

As Amended	Before Amendment	Reasons for the Amendment
<p>Article 3 The board of directors shall meet at least quarterly. A notice of the reasons for convening a board meeting shall be given to each director 7 days before the meeting is convened. In emergency circumstances, however, a board meeting may be called on shorter notice. The notice set forth in the preceding paragraph may be effected by means of electronic transmission. All matters set forth under Article 12, paragraph 1 of these Rules shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion except in the case of an emergency or for other legitimate reason.</p>	<p>Article 3 The board of directors shall meet at least quarterly. A notice of the reasons for convening a board meeting shall be given to each director <u>and supervisor</u> 7 days before the meeting is convened. In emergency circumstances, however, a board meeting may be called on shorter notice. The notice set forth in the preceding paragraph may be effected by means of electronic transmission, <u>after obtaining a prior consent from the recipient(s) thereof.</u> All matters set forth under Article 12, paragraph 1 of these Rules shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion except in the case of an emergency or for other legitimate reason.</p>	<p>With the establishment of the Audit Committee, the provisions and wording related to the supervisor was deleted and amended.</p>
<p>Article 11 A board of directors meeting shall be conducted in accordance with the order of business on the agenda as specified in the meeting notice. However, the order may be changed with the approval of a majority of directors present at the meeting. For the content of meeting minutes and questions and motions scheduled in the preceding paragraph, the meeting chair may not declare the meeting closed without the approval of a majority of directors present at the meeting. If at any time during the proceeding of a board of directors meeting the directors sitting at the meeting are not more than half of the directors present at the meeting, then upon</p>	<p>Article 11 A board of directors meeting shall be conducted in accordance with the order of business on the agenda as specified in the meeting notice. However, the order may be changed with the approval of a majority of directors present at the meeting. For the content of meeting minutes and questions and motions scheduled in the preceding paragraph, the meeting chair may not declare the meeting closed without the approval of a majority of directors present at the meeting. If at any time during the proceeding of a board of directors meeting the directors sitting at the meeting are not more than half of</p>	<p>Amendment of the provisions in accordance with the "Reference Example of the Rules of Procedure of the Board of Directors of ○○ Co., Ltd."</p>

As Amended	Before Amendment	Reasons for the Amendment
<p>motion by the directors sitting at the meeting, the chair shall declare a suspension of meeting, in which case paragraph <u>5</u> of Article 8 shall apply mutatis mutandis.</p>	<p>the directors present at the meeting, then upon motion by the directors sitting at the meeting, the chair shall declare a suspension of meeting, in which case paragraph <u>3</u> of Article 8 shall apply mutatis mutandis.</p>	
<p>Article 12 The Company shall submit the following items for discussion by the board of directors:</p> <ol style="list-style-type: none"> 1. The Company's business plan. 2. Annual financial reports and <u>second quarter financial reports that must be audited and attested by a CPA.</u> 3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act (hereinafter referred to as "the Act"), and an assessment of the effectiveness of the internal control system. 4. Adoption or amendment, pursuant to Article 36-1 of the Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others. 5. The offering, issuance, or private placement of any equity-type securities. 6. The appointment or discharge of a financial, accounting, or internal audit officer. 7. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition. 8. Any matter required by Article 14-3 of the Act or any other law, regulation, or bylaw to be 	<p>Article 12 The Company shall submit the following items for discussion by the board of directors:</p> <ol style="list-style-type: none"> 1. The Company's business plan. 2. Annual financial reports and <u>semi-annual financial reports. However, semi-annual financial reports which, under relevant laws and regulations, need not be audited and attested by a certified public accountant (CPA).</u> 3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act (hereinafter referred to as "the Act"), and an assessment of the effectiveness of the internal control system. 4. Adoption or amendment, pursuant to Article 36-1 of the Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others. 5. The offering, issuance, or private placement of any equity-type securities. 6. The appointment or discharge of a financial, accounting, or internal audit officer. 7. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be 	<p>Amendment of the provisions in accordance with the "Reference Example of the Rules of Procedure of the Board of Directors of ○○ Co., Ltd."</p>

As Amended	Before Amendment	Reasons for the Amendment
<p>approved by resolution at a shareholders' meeting or board of directors meeting, or any such significant matter as may be prescribed by the competent authority.</p> <p>The term "related party" in subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year. (For foreign companies whose stock has no par value or a par value other than NTD10, the "5 percent of paid-in capital" in the paragraph hereof shall be calculated instead as 2.5 percent of shareholder equity.)</p> <p>The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.</p>	<p>submitted to the following board of directors meeting for retroactive recognition.</p> <p>8. Any matter required by Article 14-3 of the Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders' meeting or board of directors meeting, or any such significant matter as may be prescribed by the competent authority.</p> <p>The term "related party" in subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year. (For foreign companies whose stock has no par value or a par value other than NTD10, the "5 percent of paid-in capital" in the paragraph hereof shall be calculated instead as 2.5 percent of shareholder equity.)</p> <p>The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.</p>	
<p>Article 12-1 At least one independent director of this Corporation shall attend the</p>	<p>Article 12-1 At least one independent director of this Corporation shall attend</p>	<p>Change in wording</p>

As Amended	Before Amendment	Reasons for the Amendment
<p>meeting in person. With respect to the matters which must be approved by resolutions at a board meeting as provided in the first paragraph <u>in the preceding article</u>, any and all independent directors shall attend the meeting. Where an independent director is unable to attend the meeting, that independent director shall appoint another independent director to attend the meeting as proxy. If an independent director objects to or expresses reservations about such a matter, it shall be recorded in the board meeting minutes; if an independent director intends to express an objection or reservation but is unable to attend the meeting in person, then unless there is a legitimate reason to do otherwise, that director shall issue a written opinion in advance, which shall be recorded in the board meeting minutes.</p>	<p>the meeting in person. With respect to the matters which must be approved by resolutions at a board meeting as provided in the first paragraph, any and all independent directors shall attend the meeting. Where an independent director is unable to attend the meeting, that independent director shall appoint another independent director to attend the meeting as proxy. If an independent director objects to or expresses reservations about such a matter, it shall be recorded in the board meeting minutes; if an independent director intends to express an objection or reservation but is unable to attend the meeting in person, then unless there is a legitimate reason to do otherwise, that director shall issue a written opinion in advance, which shall be recorded in the board meeting minutes.</p>	
<p>Article 15 If a director or a juristic person that the director represents is an interested party in relation to an agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the Company's interest, that director may not participate in discussion or voting on that agenda item and shall recuse himself or herself from the discussion or the voting on the item, and may not exercise voting rights as proxy for another director. Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting, such director shall be</p>	<p>Article 15 If a director or a juristic person that the director represents is an interested party in relation to an agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the Company's interest, that director may not participate in discussion or voting on that agenda item and shall recuse himself or herself from the discussion or the voting on the item, and may not exercise voting rights as proxy for another director. Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a</p>	<p>Amendment of the provisions in accordance with the "Reference Example of the Rules of Procedure of the Board of Directors of ○○ Co., Ltd."</p>

As Amended	Before Amendment	Reasons for the Amendment
<p>deemed to have a personal interest in the matter.</p> <p>Where a director is prohibited from exercising voting rights with respect to a resolution at the Company’s board meeting, the provisions of Article 180, paragraph 2 of the Company Act apply mutatis mutandis in accordance with Article 206, paragraph 4 of the same Act.</p>	<p>director has interests in the matters under discussion in the meeting of <u>the preceding paragraph</u>, such director shall be deemed to have a personal interest in the matter.</p> <p>Where a director is prohibited <u>by the preceding two paragraphs</u> from exercising voting rights with respect to a resolution at the Company’s board meeting, the provisions of Article 180, paragraph 2 of the Company Act apply mutatis mutandis in accordance with Article 206, paragraph 4 of the same Act.</p>	
<p>Article 16</p> <p>Discussions at a board meeting shall be recorded in the meeting minutes, and the minutes shall fully and accurately state the matters listed below:</p> <ol style="list-style-type: none"> 1. The meeting session (or year) and the time and place of the meeting. 2. The name of the chair. 3. The directors' attendance at the meeting, including the names and the number of directors in attendance, excused, and absent. 4. The names and titles of those attending the meeting as non-voting participants. 5. The name of the minute taker. 6. The matters reported at the meeting. 7. Agenda items: The method of resolution and the result for each proposal; a summary of the comments made by directors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not 	<p>Article 16</p> <p>Discussions at a board meeting shall be recorded in the meeting minutes, and the minutes shall fully and accurately state the matters listed below:</p> <ol style="list-style-type: none"> 1. The meeting session (or year) and the time and place of the meeting. 2. The name of the chair. 3. The directors' attendance at the meeting, including the names and the number of directors in attendance, excused, and absent. 4. The names and titles of those attending the meeting as non-voting participants. 5. The name of the minute taker. 6. The matters reported at the meeting. 7. Agenda items: The method of resolution and the result for each proposal; a summary of the comments made by directors, supervisors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the 	<p>With the establishment of the Audit Committee, the provisions related to the supervisor was deleted.</p>

As Amended	Before Amendment	Reasons for the Amendment
<p>required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director pursuant to Article 12, paragraph 4.</p>	<p>director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director pursuant to Article 12, paragraph 4.</p>	
<p>8. Extraordinary motions: The name of the mover, the method of resolution and the result, a summary of the comments of any director, expert, or other person; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; and their objections or reservations and any recorded or written statements.</p> <p>9. Other matters required to be recorded.</p> <p>The occurrence of any of the following circumstances, with respect to a resolution passed at a board meeting, shall be stated in the meeting minutes and shall be publicly announced and filed on the website of the Market Observation Post System designated by the Financial Supervisory Commission, within 2 days from the date of the meeting.</p> <p>The attendance book constitutes part of the minutes for each board meeting and shall be retained for the duration of the Company's existence.</p> <p>The minutes of a board meeting shall bear the signature or seal of</p>	<p>8. Extraordinary motions: The name of the mover, the method of resolution and the result, a summary of the comments of any director, <u>supervisor</u>, expert, or other person; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; and their objections or reservations and any recorded or written statements.</p> <p>9. Other matters required to be recorded.</p> <p>The occurrence of any of the following circumstances, with respect to a resolution passed at a board meeting, shall be stated in the meeting minutes and shall be publicly announced and filed on the website of the Market Observation Post System designated by the Financial Supervisory Commission, within 2 days from the date of the meeting.</p> <p>The attendance book constitutes part of the minutes for each board meeting and shall be retained for the duration of the Company's</p>	<p>With the establishment of the Audit Committee, the provisions related to the supervisor was deleted.</p>

As Amended	Before Amendment	Reasons for the Amendment
<p>both the chair and the minute taker, and a copy of the minutes shall be distributed to each director within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the Company's existence.</p> <p>The preparation and distribution of the minutes of shareholders' meeting as required in Paragraph 1 may be effected by means of electronic transmission.</p>	<p>existence.</p> <p>The minutes of a board meeting shall bear the signature or seal of both the chair and the minute taker, and a copy of the minutes shall be distributed to each director <u>and supervisor</u> within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the Company's existence.</p> <p>The preparation and distribution of the minutes of shareholders' meeting as required in Paragraph 1 may be effected by means of electronic transmission.</p>	
<p>Article 18</p> <p>These Regulations have been established on June 15, 2007.</p> <p>1st amendment on June 12, 2008.</p> <p>2nd amendment on June 21, 2013.</p> <p>3rd amendment on June 21, 2016.</p> <p>4th amendment on June 5, 2018.</p> <p>5th amendment on June 11, 2020.</p> <p>6th amendment on May 13, 2021.</p> <p><u>7th amendment on March 18, 2022.</u></p>	<p>Added</p>	<p>Date of addition or amendment</p>

(8) Remuneration to Directors and Independent Directors

Remuneration to Directors and Independent Directors

2021; unit: NT\$thousand; %

Position	Name	Directors' remuneration								Sum of A, B, C, and D, and its ratio to net income				Relevant remuneration received by Directors who are also employees						Sum of A, B, C, D, E, and G, and its ratio to net income				Compensation from investees or parent company other than the Company's subsidiaries		
		Base Compensation (A)		Severance pay and pension (B)		Directors' compensation (C) (Note 1)		Business execution expenses (D)		Company	All companies in the consolidated financial statements			Salary, bonuses, and allowances (E)		Severance pay and pension (F)		Employee compensation (G) (Note 1)				Company	All companies in the consolidated financial statements			
		Company	All companies in the consolidated financial statements	Company	All companies in the consolidated financial statements	Company	All companies in the consolidated financial statements	Company	All companies in the consolidated financial statements		Company	All companies in the consolidated financial statements	Company	All companies in the consolidated financial statements	Company	All companies in the consolidated financial statements	Cash	Stock	Cash	Stock	Cash		Stock			
Chairman	Yen,Ming-Hung	640	640	0	0	0	0	0	0	640	-4.48	640	-4.48	3,692	3,692	0	0	0	0	0	0	4,332	-30.32	4,332	-30.32	0
Director	Sung ,Juei-Tsung	320	320	0	0	0	0	0	0	320	-2.24	320	-2.24	1,658	1,658	0	0	0	0	0	0	1,978	-13.84	1,978	-13.84	0
Director	Li,Fang Ming	440	440	0	0	0	0	0	0	440	-3.08	440	-3.08	2,402	2,402	0	0	0	0	0	0	2,842	-19.89	2,842	-19.89	0
Director	Representative of Chia Chun Investment Co., Ltd.: Chang, Yu-Chang (Note 2)	0	0	0	0	0	0	0	0	0	0.00	0	0.00	0	0	0	0	0	0	0	0	0	0.00	0	0.00	0
Director	Representative of Ho Chu Investment Co., Ltd.: Huang, Tang-Hsuan	340	340	0	0	0	0	5	5	345	-2.41	345	-2.41	0	0	0	0	0	0	0	0	345	-2.41	345	-2.41	0
Director	Representative of Ho Chu Investment Co., Ltd.: Hsu, Chih-Wei	80	80	0	0	0	0	0	0	80	-0.56	80	-0.56	0	0	0	0	0	0	0	0	80	-0.56	80	-0.56	0
Independent Director	Tsai, Chung-Ching	320	320	0	0	0	0	5	5	325	-2.27	325	-2.27	0	0	0	0	0	0	0	0	325	-2.27	325	-2.27	0
Independent Director	Chen,Chung-Yu	320	320	0	0	0	0	5	5	325	-2.27	325	-2.27	0	0	0	0	0	0	0	0	325	-2.27	325	-2.27	0
Independent Director	Cheng ,Kuang-I	320	320	0	0	0	0	0	0	320	-2.24	320	-2.24	0	0	0	0	0	0	0	0	320	-2.24	320	-2.24	0
Former Director	Representative of Ho Chu Investment Co., Ltd.: Wang, Ting-Kai (Note 3)	300	300	0	0	0	0	5	5	305	-2.13	305	-2.13	600	600	0	0	0	0	0	0	905	-6.33	905	-6.33	0
Former Director	Representative of Yungtay Engineering Co., Ltd.: Tsai, Shang Yu (Note 4)	300	300	0	0	0	0	5	5	305	-2.13	305	-2.13	0	0	0	0	0	0	0	0	305	-2.13	305	-2.13	0
Former Director	Chen ,Guan-Xian (Note 5)	390	390	0	0	0	0	0	0	390	-2.73	390	-2.73	2,952	2,952	0	0	0	0	0	0	3,342	-23.39	3,342	-23.39	0

1. Please describe the policy, system, standards and structure of the compensation of the Independent Directors and explain the relevance of the amount of remuneration paid to them based on factors such as responsibility, risk and time commitment:

The Company's remuneration to independent directors is determined in accordance with the Company's regulations on the remuneration of directors and supervisors, and the Articles of Incorporation, referring to their degrees of participation in and contribution to the Company's operation, as well as remuneration levels of industry peers.

2. Besides the above disclosure, the compensation to directors for his/her service to consolidated entities in the most recent year (ex., consulting service as non-employee of parent/ all companies in the consolidated financial statements/ investees): 0.

Note 1: The Company will not distribute employee compensation and directors' compensation for year 2021.

Note 2: Newly elected on March 31, 2022.

Note 3: Discharged on September 28, 2021, due to reappointment of representative of director by the juristic shareholder.

Note 4: Discharged on January 24, 2022, due to more than one half of the shareholding of Yungtay Engineering Co., Ltd. has been transferred during the term of office as a director.

Note 5: Resigned on January 28, 2022, due to personal career planning.

(9) Comparison of the Articles of Incorporation Before and After Amendment

As Amended	Before Amendment	Reasons for the Amendment
<p>Article 1: The Company is named "Everbrite Technology Co., Ltd." in accordance with the provisions relating to limited companies as stipulated in the Company Act.</p>	<p>Article 1: The Company is named "Taiwan Calsonic Co., Ltd." in accordance with the provisions relating to limited companies as stipulated in the Company Act.</p>	<p>The company name was changed due to diversified product development and business requirements</p>
<p>Article 5: The Company's total capital is <u>NT\$2,000,000</u> thousand, which consists of <u>200,000</u> thousand shares at a nominal value of NT\$10 per share, including 6,000 thousand shares (NT\$60,000 thousand) allocated for the exercise of employee stock options. The board of directors is authorized to issue shares in installments according to actual needs.</p>	<p>Article 5: The Company's total capital is <u>NT\$1,000,000</u> thousand, which consists of <u>100,000</u> thousand shares at a nominal value of NT\$10 per share, including 6,000 thousand shares (NT\$60,000 thousand) allocated for the exercise of employee stock options. The board of directors is authorized to issue shares in installments according to actual needs.</p>	<p>Increase authorized capital due to business requirements</p>
<p>Article 7: Shareholders or their legal representatives shall fill in the seal card and send it to the Company for future reference. The same shall apply for any revision. This seal serves as legal proof of ownership of receiving dividends, or the Company may, by writing under seal <u>or signature</u>, carry on any business and exercising any power.</p>	<p>Article 7: Shareholders or their legal representatives shall fill in the seal card and send it to the Company for future reference. The same shall apply for any revision. This seal serves as legal proof of ownership of receiving dividends, or the Company may, by writing under seal, carry on any business and exercising any power.</p>	<p>The signing and sealing of a document verify its authenticity</p>

As Amended	Before Amendment	Reasons for the Amendment
<p>Article 13-1 <u>The Company’s shareholders’ meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.</u> <u>In case the Company hold its shareholders’ meeting by means described in the preceding paragraph, the Company shall be subject to prescriptions provided for by the competent authority in charge of securities affairs, including the prerequisites, procedures, and other compliance matters.</u></p>	<p>Added</p>	<p>Addition of provisions for enabling conduct of shareholders’ meetings through video conferencing to allow for more flexibility</p>
<p>Article 17: Resolutions at a shareholders' meeting shall, unless otherwise provided for in relevant laws and regulations, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares. When equal numbers of committee members support and oppose a resolution, the chairperson shall decide on the matter.</p>	<p>Article 17: Resolutions at a shareholders' meeting shall, unless otherwise provided for in <u>the Company Act</u>, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares. When equal numbers of committee members support and oppose a resolution, the chairperson shall decide on the matter.</p>	<p>Change in wording</p>
<p>Article 20-1: In accordance with the Securities and Exchange Act, the Company’s independent directors in the preceding article shall be <u>no less than three</u> in number and no less than one-fifth of the total number of directors. The candidate nomination system was adopted for the election of independent directors, while other relevant compliance matters shall be handled in accordance with the regulations of competent authorities.</p>	<p>Article 20-1: In accordance with the Securities and Exchange Act, the Company’s independent directors in the preceding article shall be three in number and no less than one-fifth of the total number of directors. The candidate nomination system was adopted for the election of independent directors, while other relevant compliance matters shall be handled in accordance with the regulations of competent authorities.</p>	<p>Increase the scope and number of candidates in response to business requirements</p>

As Amended	Before Amendment	Reasons for the Amendment
<p>Article 20-2: The Company’s board of directors have established an audit committee, which shall be composed of independent directors. The audit committee and committee members shall exercise official powers and conduct relevant matters in accordance with the Securities and Exchange Act and other relevant provisions.</p>	<p>Article 20-2: The Company’s board of directors have established an audit committee, which shall be composed of independent directors. The audit committee and committee members shall exercise official powers and conduct relevant matters in accordance with the Securities and Exchange Act and other relevant provisions. <u>With the establishment of the Audit Committee, the provisions related to the supervisor shall cease to be applicable.</u></p>	<p>With the establishment of the Audit Committee, the provisions related to the supervisor was deleted.</p>
<p>Article 22: Board Meetings shall be held at least once every three months, but extraordinary meetings may be held when necessary. The meeting of the board of directors is called by the Chairman, and shall be chaired by the Chairman. When the Chairman is on leave, the Vice Chairman shall exercise the powers of the Chairman on his/ her behalf. <u>The notice board meetings may be effected by means of electronic transmission.</u></p>	<p>Article 22: Board Meetings shall be held at least once every three months, but extraordinary meetings may be held when necessary. The meeting of the board of directors is called by the Chairman, and shall be chaired by the Chairman. When the Chairman is on leave, the Vice Chairman shall exercise the powers of the Chairman on his/ her behalf.</p>	<p>Addition of provisions for the methods of notice board meetings</p>
<p>Article 23: Except as otherwise stated in <u>relevant laws and regulations</u>, a resolution on a matter at a board of directors meeting requires the approval of a majority of the directors present at the meeting that shall be attended by a majority of all directors. The minutes of a board of directors meeting shall bear the signature or seal of both the meeting chair <u>and the minutes taker</u>, and well preserved by the Company.</p>	<p>Article 23: Except as otherwise stated in <u>the Company Act</u>, a resolution on a matter at a board of directors meeting requires the approval of a majority of the directors present at the meeting that shall be attended by a majority of all directors. The minutes of a board of directors meeting shall bear the signature or seal of both the meeting chair <u>and the attending directors</u>, and well preserved by the Company.</p>	<p>Change in wording</p>

As Amended	Before Amendment	Reasons for the Amendment
Deleted	<u>Chapter 5 Supervisors</u>	With the establishment of the Audit Committee, the chapter related to the supervisor was deleted.
Article 26: (Deleted)	Article 26: The Company shall have at least three supervisors who shall be elected by the shareholders' meeting from among the persons with disposing capacity. The term of office of a director shall be three years; but he/she may be eligible for re-election. The total number of shares held by all supervisors shall be no less than the percentage of the total shareholdings required by the competent authority.	With the establishment of the Audit Committee, the provisions related to the supervisor was deleted.
Article 27: (Deleted)	Article 27: In addition to performing duties according to law, the Company's supervisors may attend the board of directors meetings and may voice their opinions at such meetings but shall have no voting rights.	With the establishment of the Audit Committee, the provisions related to the supervisor was deleted.
Article 28: (Deleted)	Article 28: In case all supervisors of a company are discharged, the board of directors shall, within 60 days, convene a special meeting of shareholders to elect succeeding directors. The term of service of the succeeding supervisor shall be limited to serve out the remainder of the original term of service.	With the establishment of the Audit Committee, the provisions related to the supervisor was deleted.
Article 29: (Deleted)	Article 29: A supervisor shall not be concurrently the Company's director, a managerial officer or other staff/employee.	With the establishment of the Audit Committee, the provisions related to the supervisor was deleted.

As Amended	Before Amendment	Reasons for the Amendment
Chapter 5 Managers	Chapter 6 Managers	Amend chapter
Chapter 6 Accounting	Chapter 7 Accounting	Amend chapter
<p>Article 33: Upon close of each fiscal year, the directors shall prepare various financial statements and reports <u>in accordance with relevant laws</u>, and submit them to the general meeting of shareholders for ratification.</p> <ol style="list-style-type: none"> 1. the business report; 2. the financial statements; and 3. the surplus earning distribution or loss off-setting proposals. 	<p>Article 33: Upon close of each fiscal year, the directors shall prepare various financial statements and reports, and <u>send them to the supervisors for examination 30 days prior to a regular shareholders' meeting. After receiving the supervisors' review report, the directors shall</u> submit them to the general meeting of shareholders for its ratification.</p> <ol style="list-style-type: none"> 1. the business report; 2. the financial statements; and 3. the surplus earning distribution or loss off-setting proposals. 	Change in wording
<p>Article 34: If the Company earned profits in the current fiscal year, it shall allocate more than 1% as employee compensation by way of cash or shares by the resolution of the Board of Directors. The Remuneration Committee may propose to set aside no more than 2% for the remuneration of directors by resolution of the Board. The distribution of employee compensation and remuneration for directors shall be adopted by a majority vote of a meeting of the board of directors attended by two-thirds or more of all the directors, and reported to the shareholders meeting. A reserve is allotted to be used to make up for the <u>Company's</u> accumulated losses, and the balance shall be handled according to the proportion in the preceding paragraph for the compensation of employees and directors.</p>	<p>Article 34: If the Company earned profits in the current fiscal year, it shall allocate more than 1% as employee compensation by way of cash or shares by the resolution of the Board of Directors. The Remuneration Committee may propose to set aside no more than 2% for the remuneration of directors and supervisors by resolution of the Board. The distribution of employee compensation and remuneration for directors and supervisors shall be adopted by a majority vote of a meeting of the board of directors attended by two-thirds or more of all the directors, and reported to the shareholders meeting. <u>However</u>, a reserve is allotted to be used to make up for the company's accumulated losses, and the balance shall be handled according to the proportion in the preceding paragraph for the compensation of employees and directors.</p>	Change in wording and paragraphs

As Amended	Before Amendment	Reasons for the Amendment
<p>Article 34-3: The board of directors is authorized to determine the remuneration for the Chairman and directors with reference to their participation and contributions in the Company's operations, as well as the pay standards of industry peers.</p>	<p>Article 34-3: The board of directors is authorized to determine the remuneration for the Chairman, directors <u>and supervisors</u> with reference to their participation and contributions in the Company's operations, as well as the pay standards of industry peers.</p>	<p>With the establishment of the Audit Committee, the provisions related to the supervisor was deleted.</p>
<p>Article 35: The salaries of directors and employees shall be payable irrespective of whether the enterprises or societies operate at a profit or loss.</p>	<p>Article 35: The salaries of directors, <u>supervisors</u> and employees shall be payable irrespective of whether the enterprises or societies operate at a profit or loss.</p>	<p>With the establishment of the Audit Committee, the provisions related to the supervisor was deleted.</p>
<p>Chapter <u>7</u> Supplementary Provisions</p>	<p>Chapter <u>8</u> Supplementary Provisions</p>	<p>Amend chapter</p>

As Amended	Before Amendment	Reasons for the Amendment
<p>Article 40: The Company’s Articles of Incorporation was established on January 9, 1987, and came into force after it has been submitted to the prospective competent authority for approval of registration.</p> <p>1st amendment on August 31, 1987. 2nd amendment on March 31, 1988. 3rd amendment on February 20, 1989. 4th amendment on May 1, 1989. 5th amendment on December 31, 1989. 6th amendment on January 16, 1990. 7th amendment on April 11, 1990. 8th amendment on May 10, 1991. 9th amendment on September 19, 1991. 10th amendment on May 22, 1992. 11th amendment on April 23, 1993. 12th amendment on May 5, 1995. 13th amendment on May 8, 1998. 14th amendment on April 21, 1999. 15th amendment on May 11, 2000. 16th amendment on May 9, 2002. 17th amendment on May 14, 2004. 18th amendment on May 12, 2005. 19th amendment on June 15, 2007. 20th amendment on June 22, 2011.</p>	<p>Article 40: The Company’s Articles of Incorporation was established on January 9, 1987, and came into force after it has been submitted to the prospective competent authority for approval of registration.</p> <p>1st amendment on August 31, 1987. 2nd amendment on March 31, 1988. 3rd amendment on February 20, 1989. 4th amendment on May 1, 1989. 5th amendment on December 31, 1989. 6th amendment on January 16, 1990. 7th amendment on April 11, 1990. 8th amendment on May 10, 1991. 9th amendment on September 19, 1991. 10th amendment on May 22, 1992. 11th amendment on April 23, 1993. 12th amendment on May 5, 1995. 13th amendment on May 8, 1998. 14th amendment on April 21, 1999. 15th amendment on May 11, 2000. 16th amendment on May 9, 2002. 17th amendment on May 14, 2004. 18th amendment on May 12, 2005. 19th amendment on June 15, 2007. 20th amendment on June 22, 2011.</p>	<p>Date of addition or amendment</p>
<p>21st amendment on June 20, 2012. 22nd amendment on June 22, 2015. 23rd amendment on June 21, 2016. 24th amendment on June 13, 2017. 25th amendment on June 11, 2020. <u>26th amendment on June 9, 2022.</u></p>	<p>21st amendment on June 22, 2012. 22nd amendment on June 22, 2015. 23rd amendment on June 21, 2016. 24th amendment on June 13, 2017. 25th amendment on June 11, 2020.</p>	

(10) Comparison of the Rules for Director and Supervisor Elections Before and After the Amendments

As Amended	Before Amendment	Reasons for the Amendment
Rules for Director Elections	Rules for Director <u>and</u> Supervisor Elections	With the establishment of the Audit Committee, the provisions related to the supervisor was deleted.
Article 1: Except as otherwise provided by law or by this Corporation's Articles of Incorporation, elections of directors shall be conducted in accordance with these Rules.	Article 1: Except as otherwise provided by law or by this Corporation's Articles of Incorporation, elections of directors <u>and supervisors</u> shall be conducted in accordance with these Rules.	With the establishment of the Audit Committee, the provisions related to the supervisor was deleted.
Article 2: The Company's directors shall be elected at the shareholders' meeting.	Article 2: The Company's directors <u>and supervisors</u> shall be elected at the shareholders' meeting.	With the establishment of the Audit Committee, the provisions related to the supervisor was deleted.
Article 4: The cumulative voting method shall be used for the election of the Company's directors.	Article 4: The cumulative voting method shall be used for the election of the Company's directors <u>and supervisors</u> .	With the establishment of the Audit Committee, the provisions related to the supervisor was deleted.
Article 5: For the election of directors, except as otherwise provided by the Company's Article of Incorporation, each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.	Article 5: For the election of directors <u>and supervisors</u> , except as otherwise provided by the Company's Article of Incorporation, each share will have voting rights in number equal to the directors <u>or supervisors</u> to be elected, and may be cast for a single candidate or split among multiple candidates.	With the establishment of the Audit Committee, the provisions related to the supervisor was deleted.

As Amended	Before Amendment	Reasons for the Amendment
<p>Article 6: According to <u>the election method and</u> the number of the Company's directors specified in the Articles of Incorporation, the election of independent directors and non-independent directors shall be held together; provided, however, that the number of independent directors and non-independent directors elected shall be calculated separately. Those who received more ballots cast representing voting rights are elected as independent directors/ non-independent directors in turn. 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.</p>	<p>Article 6: The Company's directors <u>and supervisors shall be elected by the shareholders' meeting from among the persons with disposing capacity,</u> and according to the number specified in the Articles of Incorporation, the election of independent directors and non-independent directors shall be held together; provided, however, that the number of independent directors and non-independent directors elected shall be calculated separately. Those who received more ballots cast representing voting rights are elected as independent directors/ non-independent directors <u>or supervisors</u> in turn. 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.</p>	<p>With the establishment of the Audit Committee, the provisions and wording related to the supervisor was deleted and amended.</p>
<p>Article 12: Separate ballot boxes are set up for the election of independent directors and non-independent directors. After separate voting, the ballot boxes are opened by the scrutineers and the votes are counted by the ballot counters.</p>	<p>Article 12: Separate ballot boxes are set up for the election of independent directors, non-independent directors <u>and supervisors</u>. After separate voting, the ballot boxes are opened by the scrutineers and the votes are counted by the ballot counters.</p>	<p>With the establishment of the Audit Committee, the provisions related to the supervisor was deleted.</p>
<p><u>Article 15:</u> <u>These Regulations have been established in May 10, 1991.</u> <u>1st amendment on May 15, 2003.</u> <u>2nd amendment on June 21, 2016.</u> <u>3rd amendment on June 11, 2020.</u> <u>4th amendment on June 9, 2022.</u></p>	<p>Added</p>	<p>Date of additions and amendments</p>

(11) Comparison of the Procedures for the Acquisition and Disposal of Assets Before and After the Amendments

As Amended	Before Amendment	Reasons for the Amendment
<p>Article 1 The Procedures are formulated in accordance with Article 36-1 of the Securities and Exchange Act and the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.</p>	<p>Article 1 The Procedures are formulated in accordance with Article 36-1 of the Securities and Exchange Act (<u>hereinafter referred to as “the Act”</u>) and the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.</p>	<p>Change in wording</p>
<p>Article 5 Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <ol style="list-style-type: none"> 1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of <u>the Securities and Exchange Act</u>, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received. 2. May not be a related party or de facto related party of any party to the transaction. 3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different 	<p>Article 5 Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <ol style="list-style-type: none"> 1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of <u>the Act</u>, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received. 2. May not be a related party or de facto related party of any party to the transaction. 3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or 	<p>With reference to the amendments of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies</p>

As Amended	Before Amendment	Reasons for the Amendment
<p>professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with <u>the self-regulatory rules of the industry associations to which they belong and with</u> the following provisions:</p> <ol style="list-style-type: none"> 1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. 2. When <u>executing</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers. 3. They shall undertake an item-by-item evaluation of the <u>accuracy</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion. 4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable <u>and appropriate</u>, and that they have complied with applicable laws and regulations. 	<p>appraisal officers may not be related parties or de facto related parties of each other.</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p> <ol style="list-style-type: none"> 1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. 2. When <u>examining</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers. 3. They shall undertake an item-by-item evaluation of the <u>comprehensiveness, accuracy,</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion. 4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable <u>and accurate</u>, and that they have complied with applicable laws and regulations. 	
<p>Article 9 In acquiring or disposing of real property, equipment, or right-of-use</p>	<p>Article 9 In acquiring or disposing of real property, equipment, or right-of-use</p>	<p>With reference to the amendments of</p>

As Amended	Before Amendment	Reasons for the Amendment
<p>assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <ol style="list-style-type: none"> 1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction. 2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained. 3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the 	<p>assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <ol style="list-style-type: none"> 1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction. 2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained. 3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal <u>in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC</u> 	<p>the Regulations Governing the Acquisition and Disposal of Assets by Public Companies</p>

As Amended	Before Amendment	Reasons for the Amendment
<p>transaction price:</p> <p>A. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>B. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p>	<p><u>Accounting Research and Development Foundation (ARDF)</u> and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>A. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>B. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p>	
<p>Article 10</p> <p>The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted</p>	<p>Article 10</p> <p>The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. <u>If the CPA needs to use the report of an expert as evidence, the</u></p>	<p>With reference to the amendments of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies</p>

As Amended	Before Amendment	Reasons for the Amendment
<p>prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p>	<p><u>CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u> This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p>	
<p>Article 11 Where the Company acquires or disposes of memberships, intangible assets or right-of-use assets thereof or memberships and the transaction amount reach 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p>	<p>Article 11 Where the Company acquires or disposes of memberships, intangible assets or right-of-use assets thereof or memberships and the transaction amount reach 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; <u>the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u></p>	<p>With reference to the amendments of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies</p>
<p>Article 14 When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters</p>	<p>Article 14 When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters</p>	<p>With the establishment of the Audit Committee, the provisions related to the supervisor was amended.</p>

As Amended	Before Amendment	Reasons for the Amendment
<p>have been approved by the board of directors <u>after the consent of the Audit Committee:</u></p> <ol style="list-style-type: none"> 1. The purpose, necessity and anticipated benefit of the acquisition of real property. 2. The reason for choosing the related party as a transaction counterparty. 3. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 15 and Article 16. 4. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party. 5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization. 6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article. 	<p>have been approved by the board of directors <u>and recognized by the supervisors:</u></p> <ol style="list-style-type: none"> 1. The purpose, necessity and anticipated benefit of the acquisition of real property. 2. The reason for choosing the related party as a transaction counterparty. 3. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 15 and Article 16. 4. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party. 5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization. 6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article. 	
<p>7. Restrictive covenants and other important stipulations associated with the transaction.</p> <p>With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the</p>	<p>7. Restrictive covenants and other important stipulations associated with the transaction.</p> <p><u>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 32, paragraph 2 herein, and "within the preceding year" as used herein refers</u></p>	<p>With the establishment of the Audit Committee, the provisions related to the supervisor was amended with reference to the amendments of the Regulations</p>

As Amended	Before Amendment	Reasons for the Amendment
<p>issued shares or authorized capital, the company's board of directors may delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <ol style="list-style-type: none"> 1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use. 2. Acquisition or disposal of real property right-of-use assets held for business use. <p>Where the position of independent director has been created, when a matter is submitted for discussion by the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p>The matters for which paragraph 1 requires <u>approval by the Audit Committee</u> shall first be approved by one-half or more of all audit committee members and then submitted to the board of directors for a resolution. If approval of one-half or more of all audit committee members is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting. The terms "all audit committee members" and "all directors" shall be counted as the actual number of persons currently holding those positions.</p> <p><u>If the Company or subsidiary that is not a domestic public company will have a transaction set out in</u></p>	<p><u>to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and recognized by the supervisors need not be counted toward the transaction amount.</u></p> <p>With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <ol style="list-style-type: none"> 1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use. 2. Acquisition or disposal of real property right-of-use assets held for business use. <p>Where the position of independent director has been created, when a matter is submitted for discussion by the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p><u>Where an audit committee has been established, the provisions relating to supervisors shall apply mutatis mutandis to the audit committee.</u> The matters for which paragraph 1 requires <u>recognition by the supervisors</u> shall first be approved by one-half or more of all audit committee members and then submitted to the board of directors</p>	<p>Governing the Acquisition and Disposal of Assets by Public Companies</p>

As Amended	Before Amendment	Reasons for the Amendment
<p><u>paragraph 1 and the transaction amount will reach 10 percent or more of the public company's total assets, the Company shall submit the materials in all the subparagraphs of paragraph 1 to the shareholders meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the Company and its parent company or subsidiaries or between its subsidiaries.</u></p> <p><u>The calculation of the transaction amounts referred to in Paragraph 1 and the preceding paragraph shall be made in accordance with Article 32, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the shareholders' meeting and board of directors after the consent of the Audit Committee need not be counted toward the transaction amount.</u></p>	<p>for a resolution. If approval of one-half or more of all audit committee members is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting. The terms "all audit committee members" and "all directors" shall be counted as the actual number of persons currently holding those positions.</p>	
<p>Article 15 The Company that acquires real property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means:</p> <ol style="list-style-type: none"> 1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry 	<p>Article 15 The Company that acquires real property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means:</p> <ol style="list-style-type: none"> 1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry 	<p>Change in wording</p>

As Amended	Before Amendment	Reasons for the Amendment
<p>of Finance.</p> <p>2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.</p> <p>Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.</p> <p>The Company that acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the preceding two paragraphs shall also engage a CPA to check the appraisal and render a specific opinion.</p> <p>Where the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with Article 14, and the preceding three paragraphs do not apply:</p> <ol style="list-style-type: none"> 1. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift. 2. More than 5 years will have elapsed from the time the related 	<p>of Finance.</p> <p>2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.</p> <p>Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.</p> <p>The Company that acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the preceding two paragraphs shall also engage a CPA to check the appraisal and render a specific opinion.</p> <p>Where the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with Article 14, and the preceding three paragraphs do not apply:</p> <ol style="list-style-type: none"> 1. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift. 2. More than 5 years will have elapsed from the time the related 	

As Amended	Before Amendment	Reasons for the Amendment
<p>party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.</p> <p>3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.</p> <p>4. The real property right-of-use assets for business use are acquired by the <u>Company</u> with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.</p>	<p>party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.</p> <p>3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.</p> <p>4. The real property right-of-use assets for business use are acquired by the <u>public company</u> with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.</p>	
<p>Article 17 Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with the preceding two articles are uniformly lower than the transaction price, the following steps shall be taken:</p> <p>1. A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the <u>Securities and Exchange Act</u> against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph 1 of the <u>Securities and Exchange Act</u> shall be set aside pro rata in a</p>	<p>Article 17 Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with the preceding two articles are uniformly lower than the transaction price, the following steps shall be taken:</p> <p>1. A special reserve shall be set aside in accordance with Article 41, paragraph 1 of <u>the Act</u> against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph 1 of <u>the Act</u> shall be set aside pro rata</p>	<p>With the establishment of the Audit Committee, the provisions related to the supervisor was amended.</p>

As Amended	Before Amendment	Reasons for the Amendment
<p>proportion consistent with the share of public company's equity stake in the other company.</p> <p>2. <u>Audit Committee independent directors</u> shall comply with Article 218 of the Company Act.</p> <p>3. Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.</p> <p>The Company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the Securities and Futures Institute has given its consent.</p> <p>When the Company obtains real property or right-of-use assets thereof from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was not an arm length transaction.</p>	<p>in a proportion consistent with the share of public company's equity stake in the other company.</p> <p>2. <u>Supervisors</u> shall comply with Article 218 of the Company Act. <u>Where an audit committee has been established in accordance with the provisions of the Act, the preceding part of this subparagraph shall apply mutatis mutandis to the independent director members of the audit committee.</u></p> <p>3. Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.</p> <p>The Company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the Securities and Futures Institute has given its consent.</p> <p>When the Company obtains real property or right-of-use assets thereof from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was not an arm length transaction.</p>	
<p>Article 23 The Company engaging in derivatives trading shall establish a</p>	<p>Article 23 The Company engaging in derivatives trading shall establish a</p>	<p>With the establishment of the Audit</p>

As Amended	Before Amendment	Reasons for the Amendment
<p>log book in which the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required to be carefully evaluated under subparagraph 4 of Article 21 and subparagraph 2 of paragraph 1, and subparagraph 1 of paragraph 2, of the preceding article shall be recorded in detail in the log book. The Company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, <u>the Audit Committee independent directors shall be notified in writing.</u></p>	<p>log book in which the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required to be carefully evaluated under subparagraph 4 of Article 21 and subparagraph 2 of paragraph 1, and subparagraph 1 of paragraph 2, of the preceding article shall be recorded in detail in the log book. A public company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, <u>all supervisors shall be notified in writing.</u></p>	<p>Committee, the provisions related to the supervisor was amended.</p>
	<p><u>Where independent directors have been appointed, for matters for which notice shall be given to the supervisors under the preceding paragraph, written notice shall also be given to the independent directors. Where an audit committee has been established, the provisions of paragraph 2 relating to supervisors shall apply mutatis mutandis to the audit committee.</u></p>	
<p>Article 24 The Company that conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage. However, the requirement of obtaining an aforesaid</p>	<p>Article 24 The Company that conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage. However, the requirement of obtaining an aforesaid</p>	<p>Change in wording</p>

As Amended	Before Amendment	Reasons for the Amendment
<p>opinion on reasonableness issued by an expert may be exempted in the case of a merger by a public company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the <u>Company</u> directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.</p>	<p>opinion on reasonableness issued by an expert may be exempted in the case of a merger by a public company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the <u>public company</u> directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.</p>	
<p>Article 32 Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the Securities and Futures Institute's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <ol style="list-style-type: none"> 1. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. 2. Merger, demerger, acquisition, or transfer of shares. 3. Losses from derivatives trading reaching the limits on aggregate 	<p>Article 32 Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the Securities and Futures Institute's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <ol style="list-style-type: none"> 1. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. 2. Merger, demerger, acquisition, or transfer of shares. 3. Losses from derivatives trading reaching the limits on aggregate 	<p>With reference to the amendments of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies</p>

As Amended	Before Amendment	Reasons for the Amendment
<p>losses or losses on individual contracts set out in the procedures adopted by the company.</p> <p>4. Where the type of asset acquired or disposed is equipment or right-of-use assets thereof for business use, and furthermore the transaction counterparty is not a related party, and the transaction amount is NT\$500mn or more.</p> <p>5. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.</p> <p>6. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>A. <u>Trading of domestic government bonds or international bonds issued by a foreign central government with a sovereign rating not lower than the sovereign rating of the ROC.</u></p> <p>B. Where done by professional investors—securities trading on securities exchanges or domestic</p>	<p>losses or losses on individual contracts set out in the procedures adopted by the company.</p> <p>4. Where the type of asset acquired or disposed is equipment or right-of-use assets thereof for business use, and furthermore the transaction counterparty is not a related party, <u>and the transaction amount meets any of the following criteria:</u></p> <p>A. <u>For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</u></p> <p>B. <u>For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</u></p> <p>5. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.</p> <p>6. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to</p>	

As Amended	Before Amendment	Reasons for the Amendment
<p>OTC markets, or subscription of <u>foreign government bonds</u>, ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, <u>subscription or resale of exchange traded notes</u>, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange</p> <p>C. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>The amount of transactions above shall be calculated as follows:</p> <ol style="list-style-type: none"> 1. The amount of any individual transaction. 2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year. 3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year. 4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, 	<p>the following circumstances:</p> <p>A. Trading of domestic government bonds.</p> <p>B. Where done by professional investors—securities trading on securities exchanges or <u>domestic</u> OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>C. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>The amount of transactions above shall be calculated as follows:</p> <ol style="list-style-type: none"> 1. The amount of any individual transaction. 2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year. 3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year. 4. The cumulative transaction 	

As Amended	Before Amendment	Reasons for the Amendment
<p>respectively) of the same security within the preceding year.</p> <p>"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Procedures need not be counted toward the transaction amount.</p>	<p>amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</p> <p>"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Procedures need not be counted toward the transaction amount.</p>	
<p>The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the <u>Company</u> and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.</p> <p>When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in its entirety within two days counting inclusively from the date of knowing of such error or omission.</p> <p>The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the Company, where they shall be retained for 5 years except where another act provides otherwise.</p>	<p>The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.</p> <p>When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in its entirety within two days counting inclusively from the date of knowing of such error or omission.</p> <p>The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the Company, where they shall be retained for 5 years except where another act provides otherwise.</p>	
<p>Article 37</p> <p>After the procedures have been approved by the board of directors, <u>and Audit Committee, they shall be submitted</u> to a shareholders' meeting</p>	<p>Article 37</p> <p>After the procedures have been approved by the board of directors, <u>they shall be submitted to each supervisor, and then to a</u></p>	<p>With the establishment of the Audit Committee, the provisions</p>

As Amended	Before Amendment	Reasons for the Amendment
<p>for approval; the same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to <u>the Audit Committee independent directors</u>.</p> <p>Where the position of independent director has been created, when the procedures for the acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions, and the independent director's agreement or dissenting opinions shall be recorded in the minutes of the board of directors meeting.</p>	<p>shareholders' meeting for approval; the same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to <u>each supervisor</u>.</p> <p>Where the position of independent director has been created, when the procedures for the acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions, and the independent director's agreement or dissenting opinions shall be recorded in the minutes of the board of directors meeting.</p>	<p>related to the supervisor was amended.</p>
<p>Article 38 With respect to the Company's acquisition or disposal of assets that is subject to the approval of the board of directors under the Procedures or other laws or regulations, if a director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to <u>the Audit Committee independent directors</u>.</p> <p>Where the position of independent director has been created by the Company, when a transaction involving the acquisition or disposal of assets is submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p>	<p>Article 38 With respect to the Company's acquisition or disposal of assets that is subject to the approval of the board of directors under the Procedures or other laws or regulations, if a director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to <u>each supervisor</u>.</p> <p>Where the position of independent director has been created by the Company, when a transaction involving the acquisition or disposal of assets is submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p>	<p>With the establishment of the Audit Committee, the provisions related to the supervisor was amended.</p>

As Amended	Before Amendment	Reasons for the Amendment
<p>Any of the Company’s transactions involving major assets or derivatives shall be approved by more than half of all audit committee members and submitted to the board of directors for a resolution. If the approval of one-half or more of all audit committee members as required is not obtained, the Operational Procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.</p>	<p><u>Where an audit committee has been established</u>, any of the Company’s transactions involving major assets or derivatives shall be approved by more than half of all audit committee members and submitted to the board of directors for a resolution. If the approval of one-half or more of all audit committee members as required is not obtained, the Operational Procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.</p>	
<p>Article 39 For the calculation of 10 percent of total assets under these <u>Procedures</u>, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used. In the case of a company whose shares have no par value or a par value other than NT\$10—for the calculation of transaction amounts of 20 percent of paid-in capital under these <u>Procedures</u>, 10 percent of equity attributable to owners of the parent shall be substituted.</p>	<p>Article 39 For the calculation of 10 percent of total assets under these <u>Regulations</u>, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used. In the case of a company whose shares have no par value or a par value other than NT\$10—for the calculation of transaction amounts of 20 percent of paid-in capital under these <u>Regulations</u>, 10 percent of equity attributable to owners of the parent shall be substituted; <u>for calculations under the provisions of these Regulations regarding transaction amounts relative to paid-in capital of NT\$10 billion, NT\$20 billion of equity attributable to owners of the parent shall be substituted.</u></p>	<p>With reference to the amendments of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies</p>
<p>Article 40: <u>These Procedures have been established on May 10, 1991. 1st amendment on April 21, 1999. 2nd amendment on May 11, 2000. 3rd amendment on May 15, 2003. 4th amendment on June 22, 2012. 5th amendment on June 20, 2014.</u></p>	<p>Added</p>	<p>Date of additions and amendments</p>

As Amended	Before Amendment	Reasons for the Amendment
<u>6th amendment on June 13, 2017.</u> <u>7th amendment on June 6, 2019.</u> <u>8th amendment on June 11, 2020.</u> <u>9th amendment on June 9, 2022.</u>		

(12) Comparison of the Procedures for Engaging in Derivatives Trading Before and After the Amendments

As Amended	Before Amendment	Reasons for the Amendment
<p>Article 23: Internal control</p> <ul style="list-style-type: none"> i. Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement. Risk measurement, monitoring, and control personnel shall be assigned to a different department than the personnel in the preceding subparagraph and shall report to the board of directors or senior management personnel with no responsibility for trading or position decision-making. ii. Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the board of directors. iii. The Company's board of directors shall faithfully supervise and manage such trading in accordance with the following principles: <ul style="list-style-type: none"> 1. Designate senior management personnel to pay continuous attention to monitoring and controlling derivatives trading risk. 2. Periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the company's permitted scope of tolerance. iv. Senior management personnel 	<p>Article 23: Internal control</p> <ul style="list-style-type: none"> i. Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement. Risk measurement, monitoring, and control personnel shall be assigned to a different department than the personnel in the preceding subparagraph and shall report to the board of directors or senior management personnel with no responsibility for trading or position decision-making. ii. Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the board of directors. iii. The Company's board of directors shall faithfully supervise and manage such trading in accordance with the following principles: <ul style="list-style-type: none"> 1. Designate senior management personnel to pay continuous attention to monitoring and controlling derivatives trading risk. 2. Periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the company's permitted scope of tolerance. iv. Senior management personnel 	<p>With the establishment of the Audit Committee, the provisions related to the supervisor were amended.</p>

As Amended	Before Amendment	Reasons for the Amendment
<p>authorized by the board of directors shall manage derivatives trading in accordance with the following principles:</p> <ol style="list-style-type: none"> 1. Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with the procedures for engaging in derivatives trading formulated by the Company. 2. When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the board of directors; where a company has independent directors, an independent director shall be present at the meeting and express an opinion. v. The Company shall report to the board of directors' meeting after it authorizes the relevant personnel to handle derivatives trading in accordance with its Procedures for Engaging in Derivatives Trading. vi. The Company engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required to be carefully evaluated under paragraphs 2, 3 and 4 of Article 23 shall be recorded in detail in the log book. 	<p>authorized by the board of directors shall manage derivatives trading in accordance with the following principles:</p> <ol style="list-style-type: none"> 1. Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with the procedures for engaging in derivatives trading formulated by the Company. 2. When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the board of directors; where a company has independent directors, an independent director shall be present at the meeting and express an opinion. v. The Company shall report to the board of directors' meeting after it authorizes the relevant personnel to handle derivatives trading in accordance with its Procedures for Engaging in Derivatives Trading. vi. The Company engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required to be carefully evaluated under paragraphs 2, 3 and 4 of Article 23 shall be recorded in detail in the log book. 	
<p>The Company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and</p>	<p>A public company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and</p>	

As Amended	Before Amendment	Reasons for the Amendment
<p>conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, <u>the Audit Committee independent directors shall be notified in writing.</u></p>	<p>conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, <u>all supervisors shall be notified in writing.</u> <u>Where an audit committee has been established, the provisions relating to supervisors shall apply mutatis mutandis to the audit committee.</u></p>	
<p>Article 30: After the procedures have been approved by the board of directors and Audit Committee, they shall be <u>submitted</u> to a shareholders' meeting for <u>approval</u>; the same applies when the procedures are amended.</p>	<p>Article 30: After the procedures have been approved by the board of directors, they shall be <u>presented</u> to a shareholders' meeting for <u>resolution</u>; the same applies when the procedures are amended.</p>	<p>Change in wording</p>
<p><u>Article 31</u> <u>These Procedures have been established on April 21, 1999.</u> <u>1st amendment on May 11, 2000.</u> <u>2nd amendment on June 21, 2013.</u> <u>3rd amendment on June 11, 2020.</u> <u>4th amendment on June 9, 2022.</u></p>	<p>Added</p>	<p>Date of additions and amendments</p>

(13) Comparison of the Procedures for the Loaning of Funds and Making of Endorsements/Guarantees Before and After the Amendments

As Amended	Before Amendment	Reasons for the Amendment
<p>Article 1 The Procedures are formulated in accordance with Article 36-1 of the Securities and Exchange Act and the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.</p>	<p>Article 1 The Procedures are formulated in accordance with Article 36-1 of the Securities and Exchange Act (<u>hereinafter referred to as “the Act”</u>) and the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.</p>	<p>Change in wording</p>
<p>Article 8 After passage by the board of directors <u>and Audit Committee, the Procedures shall be submitted for approval by the shareholders' meeting.</u> Where there any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the dissenting opinions <u>to Audit Committee independent directors</u> and for discussion by the shareholders' meeting. The same shall apply to any amendments to the Procedures. Where the position of independent director has been created, when the Procedures are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions, and the independent director's clear agreement or dissenting opinions and reasons of dissent shall be recorded in the minutes of the board of directors meeting. The Procedures shall be approved by more than half of all audit committee members and <u>sent to the board of directors for a resolution.</u> If the approval of one-half or more of all audit committee members as</p>	<p>Article 8 After passage by the board of directors, <u>the Procedures shall be submitted to each supervisor and for approval by the shareholders' meeting.</u> Where there any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the dissenting opinions <u>to each supervisor</u> and for discussion by the shareholders' meeting. The same shall apply to any amendments to the Procedures. Where the position of independent director has been created, when the Procedures are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions, and the independent director's clear agreement or dissenting opinions and reasons of dissent shall be recorded in the minutes of the board of directors meeting. <u>If the Company establishes an audit committee,</u> the Procedures shall be subject to the consent of one-half or more of all audit committee members and be submitted to the board of directors for a resolution. When the Company has established</p>	<p>With the establishment of the Audit Committee, the provisions related to the supervisor was amended.</p>

As Amended	Before Amendment	Reasons for the Amendment
<p>required in the preceding paragraph is not obtained, the Operational Procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.</p> <p>"All audit committee members" and "all directors" shall be counted as the actual number of persons currently holding those positions.</p>	<p>an audit committee, the provisions regarding supervisors in these Procedures shall apply mutatis mutandis to the audit committee.</p> <p>If the approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the Operational Procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.</p> <p>"All audit committee members" and "all directors" shall be counted as the actual number of persons currently holding those positions.</p>	
<p>Article 17</p> <p>The Company shall prepare a memorandum book for its fund-loaning activities and truthfully record the following information: borrower, amount, date of approval by the board of directors, lending/borrowing date, and matters to be carefully evaluated under paragraph 1 of the preceding Article. The internal auditors shall audit the Operational Procedures for Loaning Funds to Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify <u>the Audit Committee independent directors</u> in writing of any material violation found.</p>	<p>Article 17</p> <p>The Company shall prepare a memorandum book for its fund-loaning activities and truthfully record the following information: borrower, amount, date of approval by the board of directors, lending/borrowing date, and matters to be carefully evaluated under paragraph 1 of the preceding Article. The internal auditors shall audit the Operational Procedures for Loaning Funds to Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify <u>all the supervisors</u> in writing of any material violation found.</p>	<p>With the establishment of the Audit Committee, the provisions related to the supervisor was amended.</p>
<p>Article 18</p> <p>If, as a result of a change in circumstances, an entity for which an endorsement/guarantee is made does not meet the requirements of these Regulations or the loan balance exceeds the limit, a public company shall adopt rectification plans and submit the rectification plans to <u>the Audit Committee independent</u></p>	<p>Article 18</p> <p>If, as a result of a change in circumstances, an entity for which an endorsement/guarantee is made does not meet the requirements of these Regulations or the loan balance exceeds the limit, a public company shall adopt rectification plans and submit the rectification plans to <u>all the supervisors</u>, and shall complete</p>	<p>With the establishment of the Audit Committee, the provisions related to the supervisor was amended.</p>

As Amended	Before Amendment	Reasons for the Amendment
<u>directors</u> , and shall complete the rectification according to the timeframe set out in the plan.	the rectification according to the timeframe set out in the plan.	
<p>Article 22 The Company engaging in endorsement/guarantee activities shall establish a log book in which details of executing or lifting endorsements/ guarantees including matters being endorsed/guaranteed, the name of the company being guaranteed, risk assessment results, the amount, the collateral obtained, the conditions and the date for lifting of the responsibility shall be recorded in the log book. The auditors shall audit the Operational Procedures for Endorsements/ Guarantees and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify <u>the Audit Committee independent directors</u> in writing of any material violation found.</p>	<p>Article 22 The Company engaging in endorsement/guarantee activities shall establish a log book in which details of executing or lifting endorsements/ guarantees including matters being endorsed/guaranteed, the name of the company being guaranteed, risk assessment results, the amount, the collateral obtained, the conditions and the date for lifting of the responsibility shall be recorded in the log book. The auditors shall audit the Operational Procedures for Endorsements/ Guarantees and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify <u>all the supervisors</u> in writing of any material violation found.</p>	With the establishment of the Audit Committee, the provisions related to the supervisor was amended.
<p>Article 24 When the Company's loans of funds reach one of the following levels, it shall announce and report such event within two days commencing immediately from the date of occurrence:</p> <ol style="list-style-type: none"> 1. The aggregate balance of loans to others by the Company and its subsidiaries reaches 20 percent or more of the Company's net worth as stated in its latest financial statement. 2. The balance of loans by the Company and its subsidiaries to a single enterprise reaches 10 percent or more of the Company's net worth as stated in its latest financial statement. 3. The amount of new loans of funds by the Company or its subsidiaries reaches NT\$10 million or more, and reaches 2 	<p>Article 24 When the Company's loans of funds reach one of the following levels, it shall announce and report such event within two days commencing immediately from the date of occurrence:</p> <ol style="list-style-type: none"> 1. The aggregate balance of loans to others by the Company and its subsidiaries reaches 20 percent or more of the Company's net worth as stated in its latest financial statement. 2. The balance of loans by the Company and its subsidiaries to a single enterprise reaches 10 percent or more of the Company's net worth as stated in its latest financial statement. 3. The amount of new loans of funds by the Company or its subsidiaries reaches NT\$10 million or more, and reaches 2 	Change in wording

As Amended	Before Amendment	Reasons for the Amendment
<p>percent or more of the <u>Company's</u> net worth as stated in its latest financial statement.</p> <p>The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to subparagraph 3 of the preceding paragraph.</p>	<p>percent or more of the <u>public company's</u> net worth as stated in its latest financial statement.</p> <p>The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to subparagraph 3 of the preceding paragraph.</p>	
<p>Article 28</p> <p>The Company shall notify <u>the Audit Committee independent directors</u> in writing of any material violation found related to the loaning of funds or endorsements/guarantees, which no longer meets the requirements of these Regulations, or the amount exceeds the limit, and submit the rectification plans to <u>the Audit Committee independent directors</u>.</p>	<p>Article 28</p> <p>The Company shall notify <u>all the supervisors</u> in writing of any material violation found related to the loaning of funds or endorsements/guarantees, which no longer meets the requirements of these Regulations, or the amount exceeds the limit, and submit the rectification plans to <u>all the supervisors</u>. <u>Where the Company has appointed independent directors, it shall at the same time also give written notice and rectification plans to the independent directors.</u></p>	<p>With the establishment of the Audit Committee, the provisions related to the supervisor was amended.</p>
<p>Article 29</p> <p>The <u>Regulations and Procedures</u> shall be implemented after approval by the shareholders' meeting. The same shall apply to any amendments.</p>	<p>Article 29</p> <p>The Procedures shall be implemented after approval by the shareholders' meeting. The same shall apply to any amendments.</p>	<p>Change in wording</p>
<p><u>Article 30</u></p> <p><u>These Procedures have been established on May 10, 1991.</u></p> <p><u>1st amendment on April 21, 1999.</u></p> <p><u>2nd amendment on May 15, 2003.</u></p> <p><u>3rd amendment on June 16, 2006.</u></p> <p><u>4th amendment on June 9, 2009.</u></p> <p><u>5th amendment on June 25, 2010.</u></p> <p><u>6th amendment on June 22, 2011.</u></p> <p><u>7th amendment on June 21, 2013.</u></p> <p><u>8th amendment on June 11, 2020.</u></p> <p><u>9th amendment on June 9, 2022.</u></p>	<p>Added</p>	<p>Date of additions and amendments</p>

Appendix

Taiwan Calsonic Co.,Ltd.

Articles of Incorporation

CHAPTER I General Provisions

Article 1: The Company is named "Taiwan Calsonic Co.,Ltd." in accordance with the provisions relating to limited companies as stipulated in the Company Act.

Article 2: The scope of business of the Company is as follows:

1. C805070 Reinforced Plastic Products Manufacturing
2. C805990 Other Plastic Products Manufacturing
3. CB01010 Mechanical Equipment Manufacturing
4. CC01010 Manufacture of Power Generation, Transmission and Distribution Machinery
5. CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing
6. CC01080 Electronics Components Manufacturing
7. CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing
8. CD01030 Motor Vehicles and Parts Manufacturing
9. E601010 Electric Appliance Construction
10. E601020 Electric Appliance Installation
11. E603020 Elevator Installation Engineering
12. E603050 Automatic Control Equipment Engineering
13. E604010 Machinery Installation
14. E605010 Computer Equipment Installation
15. EZ13010 Nuclear Engineering
16. F103010 Wholesale of Animal Feeds
17. F106010 Wholesale of Hardware
18. F109070 Wholesale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
19. F113010 Wholesale of Machinery
20. F113020 Wholesale of Electrical Appliances
21. F113030 Wholesale of Precision Instruments
22. F113050 Wholesale of Computers and Clerical Machinery Equipment
23. F113070 Wholesale of Telecommunication Apparatus
24. F116010 Wholesale of Camera Equipment
25. F202010 Retail Sale of Feeds
26. F206010 Retail Sale of Hardware
27. F209060 Retail Sale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
28. F213010 Retail Sale of Electrical Appliances

29. F213030 Retail Sale of Computers and Clerical Machinery Equipment
30. F213040 Retail Sale of Precision Instruments
31. F213060 Retail Sale of Telecommunication Apparatus
32. F213080 Retail Sale of Machinery and Tools
33. F216010 Retail Sale of Camera Equipment
34. F401010 International Trade
35. I301010 Information Software Services
36. J101040 Waste Treatment
37. J101990 Other Environmental Sanitation and Pollution Prevention Service
38. JA01010 Automobile Repair
39. F401021 Restrained Telecom Radio Frequency Equipments and Materials Import
40. CC01070 Wireless Communication Mechanical Equipment Manufacturing
41. CC01101 Restrained Telecom Radio Frequency Equipments and Materials
Manufacturing
42. EZ05010 Instrument and Meters Installation Engineering
43. E602011 Refrigeration and Air Conditioning Engineering
44. E603010 Cable Installation Engineering
45. E603040 Fire Safety Equipment Installation Engineering
46. E603090 Lighting Equipments Construction
47. IG03010 Energy Technical Services
48. ZZ99999 All business items that are not prohibited or restricted by law, except
those that are subject to special approval.

Article 2-1: The total amount of the Company's equity investments in other companies shall not be subject to the percentage restriction of the Company's paid-in capital as provided in the Company Act.

Article 3: The Company shall be headquartered in Taoyuan City, and, when necessary, may establish branch offices within the country or abroad pursuant to the resolution of the Board.

Article 4: Public announcements of the Company shall be published in the main section of the daily newspapers where the Company is located, and made by circular letters.

CHAPTER II Shares

Article 5: The Company's total capital is NT\$1,000,000 thousand, which consists of 100,000 thousand shares at a nominal value of NT\$10 per share, including 6,000 thousand shares (NT\$60,000 thousand) allocated for the exercise of employee stock options. The board of directors is authorized to issue shares in installments according to actual needs.

Article 6: The share certificates of the Company shall without exception be in registered form, signed by or affixed with seals of directors, then affixed with the company seal and registration number, and shall be duly certified or authenticated before issuance; provided, the Company may be exempted from printing any share certificate for the

shares issued after authentication by the centralized securities depository enterprise.

Article 7: Shareholders or their legal representatives shall fill in the seal card and send it to the Company for future reference. The same shall apply for any revision. This seal serves as legal proof of ownership of receiving dividends, or the Company may, by writing under seal, carry on any business and exercising any power.

Article 8: Where the specimen chop is lost, destroyed or replaced, a change or lost specimen chop application shall be completed, specifying the serial numbers and number of shares, and shall be personally sent to the company for processing together with the new specimen chop card, identification papers, and the stock certificates. Where the application procedures for replacement of a specimen chop with a new specimen chop are carried out by an appointed third party, the chop certificate issued by the household registration office shall be submitted.

Article 9: If a shareholder wants to transfer shares, he/she should complete the transfer application, and send it to the Company together with the share certificate, which shall be affixed with the signature and seal of the transferor and the transferee to apply for a change of share registrar, which shall be valid only after the Company make entries in the shareholders' roster. If the transfer application is not completed, the shareholder shall remain unchanged. For a change in share registrar due to inheritance, the heir shall submit legal heir certificate and documents to the Company.

Article 10: Where the stock certificate is lost or destroyed, the shareholder shall notify the company in writing. The Company's issuance of replacement stock certificates shall be handled in accordance with the Company Act and relevant laws and regulations.

Article 11: The Company may charge a handling fee if the share certificate is damaged or if the company applies for issuance of new share certificate according to the preceding two articles.

Article 12: The entries in the share registrar shall not be altered within 60 days prior to the convening date of a regular shareholders' meeting, or within 30 days prior to the convening date of a special shareholders' meeting, or within 5 days prior to the target date fixed by the issuing company for distribution of dividends, bonus or other benefits.

CHAPTER III Shareholders' Meeting

Article 13: Shareholders' meetings are of the following two kinds: regular meeting of shareholders and the special meeting of shareholders. The regular meeting of shareholders shall be convened within six months after close of each fiscal year by the board of directors in accordance with applicable laws. The special meeting of shareholders shall be held when necessary.

Article 14: A notice to convene a regular meeting of shareholders shall be given to each shareholder no later than 30 days prior to the scheduled meeting date. In case the Company intends to convene a special meeting of shareholders, a meeting notice shall be given to each shareholder no later than 15 days prior to the scheduled meeting date, and the notice

shall indicate the date, venue and the cause(s) or subject(s) of the shareholders' meeting.

Article 15: When a shareholder is unable to attend the shareholders' meeting for any cause, the shareholder may appoint a proxy to attend a shareholders' meeting in his/her/its behalf by executing a power of attorney stating therein the scope of power authorized to the proxy, and the proxy shall comply with the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies and relevant laws and regulations.

Article 16: The meeting shall be convened by the chairman. In case the chairman of the board of directors is on leave or absent or can not exercise his power and authority for any cause, the vice chairman shall act on his behalf. In case there the vice chairman is also on leave or absent or unable to exercise his power and authority for any cause, the chairman of the board of directors shall designate one of the directors to act on his behalf. In the absence of such a designation, the directors shall elect from among themselves an acting chairman of the board of directors. For a meeting convened by any other person than the board of directors having the convening right, he/she shall act as the chairman of that meeting provided, however, that if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.

Article 17: Resolutions at a shareholders' meeting shall, unless otherwise provided for in the Company Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares. When equal numbers of committee members support and oppose a resolution, the chairperson shall decide on the matter.

Article 17-1: The Company's shareholders may exercise their voting power in writing or by way of electronic transmission in the shareholders' meeting. A shareholder who exercises his/her/its voting power at a shareholders meeting in writing or by way of electronic transmission as set forth in the preceding Paragraph shall be deemed to have attended the said shareholders' meeting in person, but shall be deemed to have waived his/her/its voting power in respective of any extemporary motion(s) and/or the amendment(s) to the contents of the original proposal(s) at the said shareholders' meeting in accordance with Article 177-2 of the Company Act.

Article 18: The Company's shareholder shall have one voting power in respect of each share in his/her/its possession.

Article 19: The minutes of shareholders' meeting shall record the date and place of the meeting, the proceedings and the results of the meeting, the name of the chairman, the method of adopting resolutions, the number of attending shareholders, and the number of shares represented by the shareholders, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the company within twenty (20) days after the close of the meeting. The meeting minutes to be given to shareholders who own less than 1,000 shares of nominal stocks may be given in the form of a public announcement. The preparation and distribution of the minutes of

shareholders' meeting as required in the preceding paragraph may be effected by means of electronic transmission.

CHAPTER IV Directors and Board of Directors

- Article 20: The company has seven to eleven directors, who shall be elected by the shareholders' meeting from among the persons with disposing capacity. The term of office of a director shall be three years; but he/she may be eligible for re-election. The candidate nomination system was adopted for the election of directors, and the shareholders shall elect the directors from among the nominees listed in the roster of director candidates. The total number of shares held by all directors shall be no less than the percentage of the total shareholdings required by the competent authority.
- Article 20-1: In accordance with the Securities and Exchange Act, the Company's independent directors in the preceding article shall be three in number and no less than one-fifth of the total number of directors. The candidate nomination system was adopted for the election of independent directors, while other relevant compliance matters shall be handled in accordance with the regulations of competent authorities.
- Article 20-2: The Company's board of directors have established an audit committee, which shall be composed of independent directors. The audit committee and committee members shall exercise official powers and conduct relevant matters in accordance with the Securities and Exchange Act and other relevant provisions. With the establishment of the Audit Committee, the provisions related to the supervisor shall cease to be applicable.
- Article 21: The Board of Directors shall be organized by all of the directors, and the board of directors shall elect a chairman and vice chairman of the board directors from among the directors by a majority vote at a meeting attended by over two-thirds of the directors. The Chairman shall execute the business operation according to relevant laws and regulations and by resolution at a shareholders' meeting or board of directors meeting; and shall externally represent the Company. In case the chairman of the board of directors is on leave or absent or can not exercise his power and authority for any cause, the vice chairman shall act on his behalf. Board meetings of the Company shall be convened in accordance with the provisions of the Company Act.
- Article 22: Board Meetings shall be held at least once every three months, but extraordinary meetings may be held when necessary. The meeting of the board of directors is called by the Chairman, and shall be chaired by the Chairman. When the Chairman is on leave, the Vice Chairman shall exercise the powers of the Chairman on his/ her behalf.
- Article 23: Except as otherwise stated in the Company Act, a resolution on a matter at a board of directors meeting requires the approval of a majority of the directors present at the meeting that shall be attended by a majority of all directors. The minutes of a board of directors meeting shall bear the signature or seal of both the meeting chair and the attending directors, and well preserved by the Company.

Article 24: When the number of vacancies in the board of directors of a company equals to one third of the total number of directors, the board of directors shall call, within 60 days, a special meeting of shareholders to elect succeeding directors to fill the vacancies; provided, the term of service of the succeeding director shall be limited to serve out the remainder of the original term of service.

Article 25: In case a director appoints another director to attend a meeting of the board of directors in his/her behalf, he/she shall issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting. A director may accept the appointment to act as the proxy of one other director only.

Chapter V Supervisors

Article 26: The Company shall have at least three supervisors who shall be elected by the shareholders' meeting from among the persons with disposing capacity. The term of office of a director shall be three years; but he/she may be eligible for re-election. The total number of shares held by all supervisors shall be no less than the percentage of the total shareholdings required by the competent authority.

Article 27: In addition to performing duties according to law, the Company's supervisors may attend the board of directors meetings and may voice their opinions at such meetings but shall have no voting rights.

Article 28: In case all supervisors of a company are discharged, the board of directors shall, within 60 days, convene a special meeting of shareholders to elect succeeding directors. The term of service of the succeeding supervisor shall be limited to serve out the remainder of the original term of service.

Article 29: A supervisor shall not be concurrently the Company's director, a managerial officer or other staff/employee.

CHAPTER VI Managerial Officers

Article 30: The appointment of the general manager shall be decided by a resolution to be adopted by a majority vote of the directors at a meeting of the board of directors attended by at least a majority of the entire directors of the company.

Article 31: (Deleted)

CHAPTER VII Accounting

Article 32: The fiscal year of the Company shall start from January 1 and end on December 31.

Article 33: Upon close of each fiscal year, the directors shall prepare various financial statements and reports, and send them to the supervisors for examination 30 days prior to a regular shareholders' meeting. After receiving the supervisors' review report, the directors shall submit them to the general meeting of shareholders for its ratification.

1. the business report;
2. the financial statements; and

3. the surplus earning distribution or loss off-setting proposals.

Article 34: If the Company earned profits in the current fiscal year, it shall allocate more than 1% as employee compensation by way of cash or shares by the resolution of the Board of Directors. The Remuneration Committee may propose to set aside no more than 2% for the remuneration of directors and supervisors by resolution of the Board. The distribution of employee compensation and remuneration for directors and supervisors shall be adopted by a majority vote of a meeting of the board of directors attended by two-thirds or more of all the directors, and reported to the shareholders meeting. However, a reserve is allotted to be used to make up for the company's accumulated losses, and the balance shall be handled according to the proportion in the preceding paragraph for the compensation of employees and directors.

Article 34-1: If after the annual closing of books there is a profit, the Company shall make up for the losses in previous years and pay taxes according to relevant laws, then set aside ten percent of such profits as statutory reserves, and special reserves are set aside in accordance with the competent authority. The remaining earnings shall be appropriated as proposed by the Board of Directors in accordance with the dividend policies and resolved by the shareholders' meeting.

Article 34-2: The Company's main products are diversified, with different growth stages in various industries, and thus there is a need for investment. The Company shall pay dividends of no less than 20% to shareholders, and the cash dividends shall account for at least 50% of the total dividends.

Article 34-3: The board of directors is authorized to determine the remuneration for the Chairman, directors and supervisors with reference to their participation and contributions in the Company's operations, as well as the pay standards of industry peers.

Article 35: The salaries of directors, supervisors and employees shall be payable irrespective of whether the enterprises or societies operate at a profit or loss.

CHAPTER VIII Supplemental Information

Article 36: Business operations of a company shall be executed pursuant to the resolutions to be adopted by the board of directors, except for the matters the execution of which shall be effected pursuant the resolutions of the shareholders' meeting as required by relevant laws and regulations.

Article 37: The unresolved issues in the Articles of Incorporation shall be handled in accordance with the Company Act and other relevant laws.

Article 38: The amendments to the Articles of Incorporation shall be adopted by a majority of the shareholders present who represent two-thirds or more of the total number of shares. In the event the total number of shares represented by the shareholders present at a shareholders' meeting is less than the percentage of the total shareholdings required in the preceding paragraph, the resolution may be adopted by two-third of the voting rights exercised by the shareholders present at the shareholders' meeting who represent a

majority of the outstanding shares of the company.

Article 39: External guarantees may be provided by the Company.

Article 40: The Company's Articles of Incorporation was established on January 9, 1987, and came into force after it has been submitted to the prospective competent authority for approval of registration.

1st amendment on August 31, 1987.

2nd amendment on March 31, 1988.

3rd amendment on February 20, 1989.

4th amendment on May 1, 1989.

5th amendment on December 31, 1989.

6th amendment on January 16, 1990.

7th amendment on April 11, 1990.

8th amendment on May 10, 1991.

9th amendment on September 19, 1991.

10th amendment on May 22, 1992.

11th amendment on April 23, 1993.

12th amendment on May 5, 1995.

13th amendment on May 8, 1998.

14th amendment on April 21, 1999.

15th amendment on May 11, 2000.

16th amendment on May 9, 2002.

17th amendment on May 14, 2004.

18th amendment on May 12, 2005.

19th amendment on June 15, 2007.

20th amendment on June 22, 2011.

21st amendment on June 22, 2012.

22nd amendment on June 22, 2015.

23rd amendment on June 21, 2016.

24th amendment on June 13, 2017.

25th amendment on June 11, 2020.

Taiwan Calsonic Co.,Ltd.

Rules of Procedure for Shareholder Meetings

- Article 1 The rules of procedures for the Company's shareholders meetings shall be as provided in these Rules.
- Article 2 The Company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders will be accepted, the place to register for attendance, and other matters for attention.
- The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.
- The shareholders, solicitors and proxies (collectively "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.
- 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.
- 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.
- Article 3 Attendance at shareholders meetings shall be calculated based on the number of shares, which shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, plus the number of shares whose voting rights are exercised by correspondence or electronically.
- Article 4 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.
- Article 5 If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairman. When the chairman is on leave or for any reason unable to exercise the powers of the chairman, the vice chairman shall act in place of the

chairman; if there is no vice chairman or the vice chairman also is on leave or for any reason unable to exercise the powers of the vice chairman, the chairman shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairman does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

When a managing director or a director serves as chair, 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 chair.

It is advisable that shareholders meetings convened by the board of directors be attended by a majority of the directors.

For a shareholders' meeting convened by any other person than the board of directors having the convening right, he/she shall act as the chairman of that meeting provided, however, that if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.

Article 6 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.

Article 7 The 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. However, if a lawsuit has been instituted by any shareholder in accordance with Article 189 of the Company Act, the minutes of the shareholders' meeting involved shall be kept by the company until the legal proceedings of the foregoing lawsuit have been concluded.

In order to maintain order in a meeting, except for the mass media who have applied for press credentials in advance and personnel appointed by the Company, no photos or videos are permitted, so as to avoid affecting the progress of the meeting, and protect the privacy rights of attending shareholders.

Article 8 When the attending shareholders represent a majority of the total number of issued shares, the chair shall call the meeting to order, and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. When the attending shareholders is not enough at the appointed meeting time, the chair may announce a postponement, provided that no more than

two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, it shall be handled pursuant to Article 175 of the Company Act: A tentative resolution may be passed by a majority of those present. If the attending shareholders is enough to adopt the aforesaid tentative resolution, the chair may immediately call the meeting to order, and resubmit the tentative resolution to the shareholders' meeting for ratification.

Article 9 If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

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.

The chair 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.

After close of the said meeting, shareholders shall not elect another chairman to hold another meeting at the same place or at any other place. However, during the session of a shareholders' meeting, if the chairman declares the adjournment of the meeting in a manner in violation of such rules governing the proceedings of meetings, a new chairman of the meeting may be elected by a resolution to be adopted by a majority of the voting rights represented by the shareholders attending the said meeting to continue the proceedings of the meeting.

Article 10 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 chair.

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.

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

Article 11 Except with the consent of the chair, 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 chair may terminate the speech.

Article 12 When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

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.

Article 13 After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 14 During the meeting for discussion of proposals, when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, and call for a vote.

Article 15 Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be the Company's shareholders. Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

The election of directors or supervisors 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 supervisors and the numbers of votes with which they were elected, and the names of directors and supervisors not elected and number of votes they received.

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 one year. However, if a lawsuit has been instituted by any shareholder in accordance with Article 189 of the Company Act, the minutes of the shareholders' meeting involved shall be kept by the company until the legal proceedings of the foregoing lawsuit have been concluded.

Article 16 When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

Article 17 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.

- Article 18 When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
- Article 19 The chair may direct the proctors to help maintain order at the meeting place. When proctors or help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."
When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors to escort the shareholder from the meeting.
- Article 20 Any incomplete matters in the rules of procedure shall be handled pursuant to relevant laws and regulations and the Company's Articles of Incorporation.
- Article 21 These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.
- Article 22 The Regulations have been established on May 10, 1991.
1st amendment on May 8, 1998.
2nd amendment on April 21, 1999.
3rd amendment on May 9, 2002.
4th amendment on June 21, 2013.
5th amendment on June 11, 2020.
6th amendment on June 11, 2021.

Taiwan Calsonic Co.,Ltd.
Director's Shareholding

Paid-up capital: 64,000,000 shares

Book close date of the general shareholders' meeting: April 11, 2022

Position	Name	Number of shares held during the extraordinary general meeting of shareholders
Chairman	Yen ,Ming-Hung	0
Director	Sung ,Juei-Tsung	27,393
Director	Li, Fang-Ming	3,731
Director	Chia Chun Investment Co., Ltd. Representative: Chang ,Yu-Chang	27,293,657
Director	Ho Chu Investment Co., Ltd. Representative: Huang ,Tang-Hsuan	2,000
Director	Ho Chu Investment Co., Ltd. Representative: Hsu ,Chih-Wei	0
Independent Director	Chen ,Chung-Yu	0
Independent Director	Tsai ,Chung-Ching	0
Independent Director	Cheng ,Kuang-I	0
The actual number of shares held by all directors		27,326,781
The minimum number of shares required to be held by all directors		5,120,000