

Stock code : 5864



Concord International Securities CO., LTD

Handbook for
2021 Shareholders' Meeting

May 4, 2021

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I. Procedures for 2021 shareholders' meeting of Concord International Securities Co., Ltd.

1. Call the Meeting to Order

2. Chairman's Speech

3. Report Matters

4. Resolution

5. Discussion

6. Extraordinary Motion

7. Adjournment

II. Agenda of the 2021 Regular Shareholders' Meeting of Concord International Securities Co., Ltd.

1. Time : May 4, 2021 (Tuesday) 10:30 am

2. Location : Hotel Château Anping (3rd Floor, No. 47, Xinjian Road, South District, Tainan City)

3. Meeting Procedures

1. Call the Meeting to Order

2. Chairman's Speech

3. Report Matters

(1) 2020 Business Report and Future Management Policy Report.

(2) Audit committee reviewing the 2020 final accounts report.

(3) Employee compensation report.

(4) Revising the report of the Company's "Code of Ethical Conduct", "Procedures for Ethical Management and Guidelines for Conduct", "Rules of Procedure for Board of Directors' Meetings", and "Code of Practice for Corporate Governance".

4. Resolution

(1) The Company's 2020 Final Accounts and Business Report.

(2) Proposal for Profits' Distribution.

5. Discussion

(1) Revising the "Rules of Procedure for Shareholders' Meetings" and "Director Election Process" of the Company

(2) Proposal for Profits Transferring to Capital Increase

6. Extraordinary Motion

7. Adjournment

III. Report Matters

1. The 2020 business report and future management policy report
(Please see page 11-15 of this manual)

2. The Audit Committee reviewing the 2020 final accounts report
(Please see page 16 of this manual)

3. Employee compensation report.

On March 9, 2021, the board of directors of the Company resolved to distribute employee remuneration of NT\$4,820,720 in accordance with Article 29 of the Association of the Company, which will be distributed in cash.

4. The revision report of the Company's "Code of Ethical Conduct", "Procedures for Ethical Management and Guidelines for Conduct", "Rules of Procedure for Board of Directors' Meetings", and "Code of Practice for Corporate Governance"
(Please see page 26 to 43 of this manual for the revision comparison table)

IV. Resolution

1st Case

Proposed by Board of Directors

Proposal : The company's 2020 final accounts and business report are hereby submitted for resolution.

Explanation : The company's 2020 final accounts report was processed in accordance with the law, and Baker Tilly Clock & Co Accountants Zheng Xianxiu and Zhou Yinlai completed the audit and issued an unqualified audit report. After completed the review by the audit committee and passed the resolution of the Twelfth Session of the Eleventh Board of Directors of the Company, the business report, financial statements, etc. are attached for approval.

Business report (Please see page 11-15)

Balance sheet (Please see page 17-18)

Statement of comprehensive income (Please see page 19)

Statements of Changes in Equity (Please see page 20)

Statements of Cash Flows (Please see page 21-22)

Resolution :

2nd Case

Proposed by Board of Directors

Proposal : The Company's 2020 Proposal for Profits' Distribution is hereby submitted for resolution.

Explanation : 1. The company's 2020 after-tax net profit after verification by an accountant is NT\$469,076,583. After adding the special surplus reserve of NT\$45,215,102 and deducting other comprehensive income of NT\$13,251,559, the after-tax net profit for the current period plus the items other than that are included in the undistributed surplus of the current year as NT\$501,040,126; According to the regulations, 10% of the statutory surplus reserve of NT\$45,582,502 and 20% of the special surplus reserve of NT\$93,815,316 are allocated. It is estimated that NT\$142,494,253 will be allocated for cash dividends and NT\$94,996,170 for stock dividends. Based on the total number of shares issued by the Company 237,490,422 shares, the cash dividend per share is

approximately NT\$ 0.6 and the stock dividend is approximately NT\$ 0.4. Please refer to the attachment for the Profit Distribution Statement (Please see page 23).

2. After approved by the general meeting of shareholders, the board of directors was authorized to set another base date for allotment (dividend), and in the case of a change in the Company's issued common stocks causing a change in the allotment rate, the chairman is authorized to adjust the allotment rate based on the actual number of shares issued on the base day of ex-rights allotment (dividend) and the base day for capital increase, and to issue it at an optional time.
3. The calculation unit of the cash dividend is rounded up to New Taiwan Dollar, and the value below New Taiwan Dollar is rounded down. If the distribution is less than one New Taiwan Dollar, the abnormal amount shall be transferred to the employee welfare committee of the Company, and the abnormal share amount will be used to offset the allocated expenses. The remaining shares of the Company shall be purchased by a specific person asked by the chairman of the board of directors, at face value.

Resolution :

V. Discussion

1st Case

Proposed by Board of Directors

Proposal : Revising the "Rules of Procedure for Shareholders' Meetings" and " Director Election Process " of the company is hereby submitted for discussion.

Explanation : 1. Revising some of the provisions of the ``Rules of Procedures for Shareholders' Meetings" of the Company in accordance with the Securities and Cabinet Supervisory Letter No. 10900500261 dated January 13, 2020, and the Securities and Cabinet Supervisory Number 11000519042 dated February 9, 2021 from the Securities and Exchange Center of the Republic of China Securities Co., Ltd. Provisions; revising some of the provisions of the " Director Election Process" of the Company, in conjunction with the Company Art, the Ministry of Economic Affairs' letter of interpretation, and the relevant regulations on corporate governance of listed companies.

2. Please refer to pages 44~50 for the revised content of the "Rules of Procedures for Shareholders' Meetings" and " Director Election Process " of the Company.

Resolution :

2nd Case

Proposed by Board of Directors

Proposal : Proposal of profits transferring to capital increase and issuance of new shares is hereby submitted for discussion.

Explanation :

1. It is proposed to use the Company's 2020 profits to increase capital of NT\$94,996,170 to issue new shares, and distribute NT\$0.4 stock dividends to shareholders, with NT\$10 par value per share. After the capital increase, the paid-in capital will be NT\$2,469,900,390.
2. Each shareholder shall allocate approximately 40 shares for every thousand shares as recorded in the shareholder register on the base day of capital increase. If the allotment is less than one share of abnormal shares, the shareholders may piece together one whole share by

themselves. Due to the Company adopted non-physical issuance according to law, the odd shares are used to offset the transfer fee, and the remaining shares will be purchased by a specific person asked by the chairman of the board of directors at face value.

3. The new shares issued this time are all registered ordinary shares, which share the same rights and obligations as the original shares.
4. This capital increase and allotment ex-rights base date as the capital increase base date shall be resulted by the authorized board of directors after the case is reported to the competent authority for approval. In the case of a change in the company's issued common shares resulting in a change in the allotment rate, the chairman is authorized to adjust the allotment rate based on the actual number of shares issued on the base day for allotment of new shares, and if the content is revised by the competent authority, the revised and approved content shall prevail. When the relevant laws and regulations are amended, the chairman of the board is authorized to deal with it in accordance with the law.

Resolution :

VI. Extraordinary Motion

Adjournment

Appendix

【Appendix: 2020 Business Report and Future Management Policy Report】

Letters to Shareholders

- I. When we look back on 2020, the outbreak of COVID-19 pandemic which is still raging worldwide, has not only become a hot topic, but also marked as a once-in-a-century global event. The number of confirmed cases around the world is over 1,100,000,000 with more than 2,500,000 deaths, which even exceeded the number of World War II. The global economy is at a standstill and COVID-19 pandemic has significantly changed the world in daily life and activity patterns, many cities or even countries across the world-imposed lockdowns, the whole world is into a state of silence, the spread of COVID-19 crushed the stock market which caused a rapid drop and economic output; people made the abrupt shift to working at home, interact with others safely by following the social distancing guidelines, etc.

In political terms, the US presidential election forecasted that there would be a transfer of power, and the China-US trade war has not ended. Unfavorable views of China and its dictatorship increased due to COVID-19. Many countries started to have awakening structure to China's dictatorship, took actions to fight against and contain China; be friends with Taiwan gradually at the same time.

In technology term, due to chain-breaking crisis caused by the global chip shortage, many countries around the world asked Taiwan and Taiwan Semiconductor Manufacturing Company (hereinafter referred as "TSMC") to help resolving the shortage. Taiwan's importance will be seen in the international community due to Taiwan's achievements in technology, and it also has ability to influence the world.

The countries of the international community were all facing the above-mentioned emerged crises in all aspects. Governments around the world have been awakened and rapidly launched billions of dollars of economic relief packages in order to stabilize the economy. This caused the overflow of hot money and has driven lower interest rates, and the incoming foreign capital flooded local stock markets. In addition, capital investment occurs stimulated securities market and brought in unexpected growth to the financial markets. A booming securities market which flourished businesses, it was just like a timely rain to us.

- II. The annual overall profit before tax in 2020 was NT\$490,470,000 (profit from Brokerage Department was NT\$122,010,000; profit from Proprietary Trading Department was NT\$418,890,000; profit from Underwriting Department was NT\$7,130,000; others were -NT\$57,560,000) and the earnings per share were

around NT\$1.98 which showed the business is still capable to maintain basic profitability.

- III. As we look ahead to 2021, the research, development and vaccination of COVID-19 vaccines bring a hope to the world; it is expected that the global nations will gradually end the country's lockdown, reopen their borders, begin slowly to resume economic activities and hope for an economic recovery from the coronavirus pandemic. People's daily lives haven't returned to normal as the way we were before the pandemic, yet structural changes in the world have occurred in each region. As for Taiwan, the global shortage of auto chips has exposed Taiwan's key role in the supply chain. The automakers in the world are even lobbying their governments to reach out to Taiwan for help. While the global economy has experienced negative growth due to the COVID-19 pandemic, Taiwan has shown to the world that due to the preemptive preparations as the right policy implemented by the government, the effective handling of the COVID-19 pandemic has enabled it to perform better than most of the world's economies. Taiwan's annual overall GDP growth rate for 2020 was 2.49%, the economic growth of Taiwan even outpaced that of China's, which categorized as a developing country.

With the coronavirus epidemic has remained stable in Taiwan, overseas-based Taiwanese firms have returned to this island to invest; furthermore, due to "sacred mountain, protector of the nation" effect, TSMC has attracted many world-class manufactures to invest Taiwan. In 2021, Taiwan's GDP annual growth rate is expected to expand higher than 4%, according to the forecast of the major institutes of international finance. The financial markets and investment of Taiwan will be continue booming, and the securities investment will also be benefited by the flourishing financial market.

The Company will continue to provide DRAM and relevant products, increase electronic transaction, margin trading business, non-restricted purpose loans and the Lot's trading number of future product; Plus the strategy appliances of the other departments, especially in the era of computerized trading, the Company will purchase new network equipment and improve our internet services, establish the systems for opening online trading accounts and customer ledgers settlement accounts in order to catch up to our competitors in the industry. In the meantime, we aim to operate the Company stably and maintain healthy business, gain reliability, build a small but successful business.

Wishing you all, our dear shareholders good health and great fortune in the year of Ox! Thank you.

【Business Performance and Future Management Policy Report】

I. The profit and loss of the Company's departments for year 2020 is listed below :

(In Thousands of New Taiwan Dollars)

| | 2020 | | | | |
|-------------------------------|----------------------|--------------------------------|-------------------------|--------------------|---------|
| | Brokerage Department | Proprietary Trading Department | Underwriting Department | Another Department | TOTAL |
| Income from External Customer | 290,566 | 425,891 | 8,969 | 4,390 | 729,816 |
| Inter-segment Revenue | -- | -- | -- | -- | -- |
| Total Income | 290,566 | 425,891 | 8,969 | 4,390 | 729,816 |
| Segment Profit or loss | 122,015 | 418,887 | 7,130 | (57,558) | 490,474 |

II. Financial Receipts and Expenditures, and Profitability Analysis

1. Financial Revenue

(In Thousands of New Taiwan Dollars)

| Item \ Year | 2020 | 2019 | Increase (Decrease) |
|---|-----------|----------|---------------------|
| Net cash inflow (used in) from operating activities | (217,920) | 76,939 | (294,859) |
| Net cash flows (used in) from Investing Activities | (27,054) | (9,246) | (17,808) |
| Net cash flows (used in) from Financing Activities | 217,984 | (96,752) | 314,736 |

2. Profitability Analysis

| Item | 2020 | 2019 | |
|------------------------------|-------------------|-------|------|
| Return on Assets (%) | 8.2 | 2.82 | |
| Return on Owner's Equity (%) | 12.49 | 3.81 | |
| Ratio of Paid-in Capital (%) | Operating Income | 19.5 | 4.72 |
| | Income Before Tax | 20.65 | 5.83 |
| Net Profit Ratio (%) | 64.27 | 40.66 | |
| Earnings per Share (NT\$) | 1.98 | 0.57 | |

3. Business Performance Analysis

(In Thousands of New Taiwan Dollars)

| Item | 2020 | 2019 | Increase/ Decrease Amount | Variable Ratio (%) |
|------------------------------------|---------|---------|---------------------------|--------------------|
| Earnings | 729,816 | 333,592 | 396,224 | 118.78 |
| Operating Expenses and Expenditure | 266,731 | 221,587 | 45,144 | 20.37 |
| Operating Income (Loss) | 463,085 | 112,005 | 351,080 | 313.45 |

| | | | | |
|---|----------|---------|----------|--------|
| Non-operating Income (Loss) | 27,389 | 26,470 | 919 | 3.47 |
| Income (Loss) from Continuing Operations before Tax | 490,474 | 138,475 | 351,999 | 254.2 |
| Income Tax Benefit (Expense) | (21,397) | (2,823) | (18,574) | 657.95 |
| Income (Loss) from Continuing Operations After Tax | 469,077 | 135,652 | 333,425 | 245.79 |

I. The analysis and interpretation for the changes in variable ratio of increase and decrease in the last two years (regarding those which have increased or decreased by more than 10%):

1. Earnings, Profit before Tax and Income after Tax: The main reason was that due to the impact of COVID-19 pandemic, otaku economy led Taiwan Stock Market turned better, therefore the trading volume increased, then both of the brokerage handling fee revenue and net gains or losses on operating securities at fair value through profit or loss increased when compared with the previous period.
2. Operating Expenses and Expenditure: The increase was mainly as a result of the impact of COVID-19 pandemic, otaku economy led Taiwan Stock Market turned better, thus the trading volume increased 64%, and broker got salary raise(s) when compared with the previous period.
3. Income Tax Expense: The main reason was that Net Income before Tax increased when compared with the previous period; and the decrease of Recognition of Deferred Income Tax Assets for Unrealized losses.

II. Potential improvements and corresponding plans for the Company's future financial operations: NIL

III. The Summary of Operational plan for the current year

1. The Company will continue to promote securities-related products this year, and expects to grow steadily based on the maintenance of last year's performance under the growth of the economic environment, and strengthen the promotion of futures and financing as a source of profit.
2. The Company will implement anti-money laundering and countering the financing of terrorism, improve employee functional content training, strengthen the risk management, and establish a complete risk institution and system. Moreover, the Company will implement the virtuous image of ESG, organize social welfare activities, and build a green energy environmental protection operation environment.
3. Optimize online trading platform, promote more diverse trading platform, and

enhance business growth.

4. Activate the use of company assets and increase the overall interests of the company.
5. Attract loyal customers with appropriate humanized services, comply with the legal environment, follow the market competition environment to meet the challenges, and achieve sustainable operation.

Chairman : Hsu, Wen-Ko

General manager : Pan, Hua-Chen

Accounting Supervisor : Zhou, Tin-Ho

【Appendix: Audit Committee Report】

**Concord International Securities Co., Ltd.
Audit Committee Report**

The company's 2020 financial report was verified and signed by Accountants Zheng Xianxiu and Zhou Yinlai from Baker Tilly Clock & Co, and issued an unqualified verification report, together with the business report and the profit distribution proposal, etc., all members believe that there is no discrepancy after the audit committee has completed its deliberation, and prepare a report in accordance with the Securities Exchange Law and the Company Act.

Please verify.

Sincerely,

Concord International Securities Co., Ltd.2020 Shareholders' Meeting

Concord International Securities Co., Ltd. The Audit Committee

Convener : Hsu, Shun-Fa

March 9, 2021

Concord International Securities Company Limited

Balance Sheets

For the years ended December 31, 2020 and 2019

(In Thousands of New Taiwan dollars)

| Assets | | Notes | December 31, 2020 | | December 31, 2019 | |
|--------|--|-------|---------------------|------------|---------------------|------------|
| Codes | Items | | AMOUNT | % | AMOUNT | % |
| 110000 | Current assets | | | | | |
| 111100 | Cash and cash equivalents | 4, 6 | \$ 88,472 | 2 | \$ 115,462 | 2 |
| 112000 | Financial assets at fair value through profit or loss - current | 4, 7 | 2,029,728 | 32 | 1,521,236 | 31 |
| 114010 | Bonds purchased under resale agreements | 4, 8 | 63,001 | 1 | 62,840 | 1 |
| 114030 | Margin loans receivable | 4, 9 | 1,188,146 | 18 | 994,329 | 20 |
| 114040 | Refinancing security deposits | 4, 9 | - | - | 695 | - |
| 114050 | Receivables from refinance guaranty | 4, 9 | - | - | 652 | - |
| 114060 | Receivable of securities business money lending | 4, 9 | 840 | - | - | - |
| 114066 | Receivables from security lending | 4, 9 | 7,443 | - | 3,784 | - |
| 114130 | Accounts receivable | 4, 9 | 1,274,117 | 20 | 688,772 | 14 |
| 114150 | Prepayments | | 2,481 | - | 4,267 | - |
| 114170 | Other receivables | 4 | 17,237 | - | 17,455 | - |
| 119000 | Other current assets | 10 | 275,426 | 4 | 173,902 | 4 |
| 110000 | Total current assets | | 4,946,891 | 77 | 3,583,394 | 72 |
| 120000 | Noncurrent assets | | | | | |
| 123200 | Financial assets at fair value through other comprehensive income - noncurrent | 4 ,11 | 370,153 | 6 | 258,350 | 5 |
| 125000 | Property and equipment, net | 4 ,12 | 713,604 | 11 | 707,534 | 14 |
| 125800 | Right-of-use assets | 4 ,13 | 20,041 | - | 22,275 | 1 |
| 126000 | Investment property | 4 ,14 | 118,258 | 2 | 119,568 | 2 |
| 127000 | Intangible assets | 4 ,15 | 7,462 | - | 1,797 | - |
| 128000 | Deferred tax assets | 4 ,25 | 13,909 | - | 13,936 | - |
| 129000 | Other assets - noncurrent | 16 | 274,332 | 4 | 275,773 | 6 |
| 120000 | Total noncurrent assets | | 1,517,759 | 23 | 1,399,233 | 28 |
| | Total Assets | | \$ 6,464,650 | 100 | \$ 4,982,627 | 100 |

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

Concord International Securities Company Limited

Balance Sheets (continued)

For the years ended December 31, 2020 and 2019

(In Thousands of New Taiwan dollars)

| Liabilities and Equity | | Notes | December 31, 2020 | | December 31, 2019 | |
|------------------------|--|-------|----------------------|-----|----------------------|-----|
| Codes | Items | | AMOUNT | % | AMOUNT | % |
| 210000 | Current liabilities | | | | | |
| 211100 | Short-term loans | 17 | \$ 230,000 | 4 | \$ 130,000 | 2 |
| 211200 | Commercial papers payable | 18 | 600,825 | 9 | 349,868 | 7 |
| 214040 | Deposits on short sales | 9 | 51,319 | 1 | 48,051 | 1 |
| 214050 | Short sale proceeds payable | 9 | 54,754 | 1 | 52,457 | 1 |
| 214110 | Notes payable | | 2,626 | - | 4,033 | - |
| 214130 | Accounts payable | 19 | 1,297,494 | 20 | 728,865 | 15 |
| 214160 | Collections on behalf of third parties | | 96,677 | 2 | 3,044 | - |
| 214170 | Other payables | 20 | 63,734 | 1 | 35,115 | 1 |
| 214600 | Current tax liability | 4, 25 | 4,194 | - | 5,516 | - |
| 216000 | Current lease liabilities | | 2,170 | - | 2,148 | - |
| 219000 | Other current liabilities | | 1,040 | - | 886 | - |
| 210000 | Total current liabilities | | 2,404,833 | 38 | 1,359,983 | 27 |
| 220000 | Noncurrent liabilities | | | | | |
| 224020 | Long-term deferred revenue | | 2,411 | - | - | - |
| 226000 | Non-current lease liabilities | | 18,137 | - | 20,307 | 1 |
| 229030 | Guarantee deposit received | | 1,071 | - | 1,131 | - |
| 229070 | Non-current liability –Accrued pension liabilities | 4, 21 | 64,468 | 1 | 64,484 | 1 |
| 220000 | Total noncurrent liabilities | | 86,087 | 1 | 85,922 | 2 |
| | Total Liabilities | | 2,490,920 | 39 | 1,445,905 | 29 |
| 301000 | Capital | | | | | |
| 301010 | Common stock | | 2,374,904 | 37 | 2,374,904 | 48 |
| 302000 | Capital reserve | | 119,608 | 2 | 119,608 | 2 |
| 304000 | Retained earnings | | | | | |
| 304010 | Legal reserve | | 90,357 | 1 | 77,389 | 2 |
| 304020 | Special reserve | | 866,420 | 13 | 806,609 | 16 |
| 304040 | Unappropriated earnings | | 455,854 | 7 | 203,427 | 4 |
| 305000 | Other equity interest | | 66,587 | 1 | (45,215) | (1) |
| | Total Equity | 22 | 3,973,730 | 61 | 3,536,722 | 71 |
| | Total liabilities and equity | | \$ 6,464,650 | 100 | \$ 4,982,627 | 100 |

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

Chairman: Hsu Wen Ko General Manager: Pan Hua Jian Accounting manager: Chou Tin Ho

Concord International Securities Company Limited
Statements of Comprehensive Income
For the years ended December 31, 2020 and 2019

(In Thousands of New Taiwan dollars)

| Codes | Items | Notes | 2020 | | 2019 | |
|--------|---|-------|------------|------|------------|------|
| | | | AMOUNT | % | AMOUNT | % |
| 400000 | Income | | \$ 729,816 | 100 | \$ 333,592 | 100 |
| 401000 | Brokerage commissions | 24 | 234,184 | 32 | 150,447 | 45 |
| 404000 | Underwriting commissions | | 2,424 | - | 822 | - |
| 410000 | Net gains (losses) on sale of trading securities | 24 | 67,529 | 9 | 48,811 | 15 |
| 421200 | Interest revenue | 24 | 52,888 | 7 | 50,399 | 15 |
| 421300 | Dividend revenue | | 61,808 | 9 | 64,497 | 19 |
| 421500 | Net gains (losses) on measurement of trading securities at fair value through profit or loss | 24 | 307,751 | 42 | 16,014 | 5 |
| 424100 | Futures commission revenues | | 3,238 | 1 | 2,555 | 1 |
| 425300 | Impairment losses and reversal gains | | (194) | - | (15) | - |
| 428000 | Other operating revenues | | 188 | - | 62 | - |
| 500000 | Expenses | | (266,731) | (37) | (221,587) | (67) |
| 501000 | Brokerage fees | | (14,559) | (2) | (8,937) | (3) |
| 502000 | Brokerage and clearing fees - proprietary trading | | (88) | - | (52) | - |
| 503000 | Clearing and exchange fees - refinancing | | (60) | - | (25) | - |
| 504000 | Clearing and exchange fees - underwriting | | (54) | - | (75) | - |
| 521200 | Financial costs | | (4,279) | (1) | (3,853) | (1) |
| 531000 | Employee benefits expenses | | (169,622) | (23) | (134,765) | (40) |
| 532000 | Depreciation and amortization expense | | (20,228) | (3) | (18,788) | (6) |
| 533000 | Other operating expenses | | (57,841) | (8) | (55,092) | (17) |
| 5xxxxx | Operating profit | | 463,085 | 63 | 112,005 | 33 |
| 602000 | Other gains and losses | 24 | 27,389 | 4 | 26,470 | 8 |
| 902001 | Net income before income tax | | 490,474 | 67 | 138,475 | 41 |
| 701000 | Less: Income tax expenses | 4, 25 | (21,397) | (3) | (2,823) | - |
| 902005 | Net income | | 469,077 | 64 | 135,652 | 41 |
| 805000 | Other comprehensive income | | | | | |
| 805500 | Components that may not be reclassified to profit or loss in subsequent periods | | 98,551 | 14 | (39,839) | (12) |
| 805510 | Gains (losses) on remeasurements of defined benefit plans | | (16,564) | (2) | (7,458) | (2) |
| 805540 | Unrealized gains (losses) from investments in equity instruments at fair value through other comprehensive income | | 111,802 | 15 | (33,873) | (10) |
| 805599 | Less: Income tax related to components of other comprehensive income | | 3,313 | 1 | 1,492 | - |
| | Other comprehensive income, net | | 98,551 | 14 | (39,839) | (12) |
| 902006 | Total comprehensive income | | \$ 567,628 | 78 | \$ 95,813 | 29 |
| | Earning per share | 23 | | | | |
| 975000 | Basic earnings per share | | \$ 1.98 | | \$ 0.57 | |
| 985000 | Diluted earnings per share | | \$ 1.97 | | \$ 0.57 | |

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

Chairman: Hsu Wen Ko General Manager: Pan Hua Jian Accounting manager: Chou Tin Ho

Concord International Securities Company Limited
Statements of Changes in Equity
From January 1 to December 31, 2020 and 2019

(In Thousands of New Taiwan dollars)

| Items | Common stocks | Capital surplus | Retained earnings | | | Total other equity interest | | Total Equity |
|---|---------------|-----------------|-------------------|-----------------|-------------------------|--|---|--------------|
| | | | Legal reserve | Special reserve | Unappropriated earnings | Unrealized gains (losses) on financial assets available for sale | Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income | |
| Balance at January 1, 2019 | \$ 2,240,475 | \$ 119,608 | \$ 32,913 | \$ 756,341 | \$ 437,492 | \$ — | \$ (11,342) | \$ 3,575,487 |
| Effects of retrospective application | - | - | - | - | (150) | - | - | (150) |
| Balance at January 1, 2019 after adjustments | 2,240,475 | 119,608 | 32,913 | 756,341 | 437,342 | - | (11,342) | 3,575,337 |
| Appropriations of prior year's earning | | | | | | | | |
| Legal reserve | | | 44,476 | | (44,476) | | | - |
| Special reserve | | | | 91,176 | (91,176) | | | - |
| Cash dividends of ordinary shares | | | | | (134,428) | | | (134,428) |
| Stock dividends of ordinary shares | 134,429 | | | | (134,429) | | | - |
| Reversal of Special Reserve Appropriated | | | | (40,908) | 40,908 | | | - |
| Net income for the year ended December 31, 2019 | | | | | 135,652 | | | 135,652 |
| Other comprehensive income | | | | | (5,966) | | (33,873) | (39,839) |
| Total comprehensive income | - | - | - | - | 129,686 | - | (33,873) | 95,813 |
| Balance at December 31, 2019 | 2,374,904 | 119,608 | 77,389 | 806,609 | 203,427 | - | (45,215) | 3,536,722 |
| Appropriations of prior year's earnings | | | | | | | | |
| Legal reserve | | | 12,968 | | (12,968) | | | - |
| Special reserve | | | | 59,811 | (59,811) | | | - |
| Cash dividends of ordinary shares | | | | | (130,620) | | | (130,620) |
| Net income for the year ended December 31, 2020 | | | | | 469,077 | | | 469,077 |
| Other comprehensive income | | | | | (13,251) | | 111,802 | 98,551 |
| Total comprehensive income | - | - | - | - | 455,826 | - | 111,802 | 567,628 |
| Balance at December 31, 2020 | \$ 2,374,904 | \$ 119,608 | \$ 90,357 | \$ 866,420 | \$ 455,854 | \$ — | \$ 66,587 | \$ 3,973,730 |

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

Chairman: Hsu Wen Ko

General Manager: Pan Hua Jian

Accounting manager: Chou Tin Ho

Concord International Securities Company Limited

Statements of Cash Flows

From January 1 to December 31, 2020 and 2019

(In Thousands of New Taiwan Dollars)

| Items | 2020 | 2019 |
|--|------------------|---------------|
| | AMOUNT | AMOUNT |
| Cash flows from operating activities: | | |
| Net income before tax | \$ 490,474 | \$ 138,475 |
| Adjustments: | | |
| Income Charges not Affecting Cash | | |
| Depreciation expense | 17,620 | 17,353 |
| Amortization expense | 2,608 | 1,435 |
| Impairment loss | 194 | 15 |
| Net losses (gains) on financial assets or liabilities at fair value through profit or loss | (307,751) | (16,014) |
| Interest expense | 4,279 | 3,853 |
| Interest revenue | (56,232) | (54,700) |
| Dividend revenue | (61,808) | (64,497) |
| Losses (gains) on disposal and retirement of property and equipment | 20 | 13 |
| Changes in operating assets and liabilities | | |
| Financial assets at fair value through profit or loss | (200,741) | 17,432 |
| Bonds purchased under resale agreements | (161) | (196) |
| Refinancing security deposits | (193,817) | (167,869) |
| Refinancing margin | 695 | (619) |
| Receivable on refinancing collateral securities business money lending | (4,499) | 532 |
| Notes receivable | - | 35 |
| Accounts receivable | (585,345) | (206,288) |
| Prepayments | 1,786 | (2,170) |
| Other receivables | (52) | (232) |
| Other current assets | (101,524) | 432 |
| Securities lending refundable deposits | 3,268 | 19,818 |
| Payable from short sales | 2,297 | 22,369 |
| Notes payable | (1,407) | 1,612 |
| Accounts payable | 568,629 | 275,104 |
| Collections on behalf of third parties | 93,633 | 931 |
| Other payable | 28,758 | (9,782) |
| Other current liabilities | 3 | 10 |
| Net defined benefit liability | (16,579) | 1,059 |
| Long-Term deferred revenue | 2,411 | - |
| Cash (outflow) inflow generated from operations | (312,589) | (22,478) |
| Interest received | 56,301 | 55,119 |
| Dividends received | 61,808 | 64,497 |
| Interest paid | (4,061) | (3,714) |
| Income tax paid | (19,379) | (16,485) |
| Net cash flows used in operating activities | (217,920) | 76,939 |

Concord International Securities Company Limited

Statements of Cash Flows (continued)

From January 1 to December 31, 2020 and 2019

(In Thousands of New Taiwan Dollars)

| Items | 2020 | 2019 |
|--|-------------|-------------|
| | AMOUNT | AMOUNT |
| Cash flows from investing activities | | |
| Acquisition of property and equipment | (21,055) | (8,758) |
| Increase in clearing and settlement fund | - | (1,937) |
| Decrease in clearing and settlement fund | 2,258 | 1,818 |
| Acquisition of intangible assets | (8,153) | (210) |
| Increase in other non-current assets | (104) | (159) |
| Net cash flows used in investing activities | (27,054) | (9,246) |
| Cash flows from financing activities | | |
| Increase in short-term loans | 1,950,200 | 1,630,000 |
| Decrease in short-term loans | (1,850,200) | (1,800,000) |
| Increase in commercial papers payable | 4,121,000 | 3,570,000 |
| Decrease in commercial papers payable | (3,870,000) | (3,360,000) |
| Increase in guarantee deposit received | 90 | 30 |
| Payment of lease liabilities | (2,371) | (2,341) |
| Cash dividends paid | (130,735) | (134,441) |
| Net cash flows provided used in financing activities | 217,984 | (96,752) |
| Decrease in cash and cash equivalents | (26,990) | (29,059) |
| Cash and cash equivalents at beginning of period | 115,462 | 144,521 |
| Cash and cash equivalents at end of period | \$ 88,472 | \$ 115,462 |

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

Chairman : Hsu, Wen-Ko General manager : Pan, Hua-Chen Accounting Supervisor : Zhou, Tin-Ho

Concord International Securities Co., Ltd.

Profit Distribution Statement

Year 2020

Unit: New Taiwan Dollar

| Item | Subtotal | Total | Explanation |
|--|---------------|---------------|--|
| Undistributed profits at the beginning period | | 28,895 | |
| plus | | | |
| Current profit and loss | 469,076,583 | | |
| Special surplus reserve | 45,215,102 | | Note 2(10% legal surplus reserve was proposed in previous years) |
| Other comprehensive gains and losses (after tax for the determined actuarial gains and losses of the benefit plan) | (13,251,559) | | Re-measurement loss for determining the benefit plan 16,564,449*0.80 |
| The net profit after tax for the current period plus the items other than that are included in the undistributed surplus of the current year | | 501,040,126 | |
| Minus: | | | |
| Statutory surplus reserve 10% | | (45,582,502) | (469,076,583-13,251,559) *0.10 |
| Special surplus reserve 20% | | (93,815,316) | 469,076,583*0.20 |
| Distributable surplus for the current period | | 361,671,203 | |
| | | | |
| Distributable items: | | | |
| Cash dividend of NT\$0.6 | (142,494,253) | | |
| Stock dividend about NT\$0.4 | (94,996,170) | (237,490,423) | |
| Undistributed retained surplus | | 124,180,780 | |
| | | | |
| Note: 1. Distribute employee remuneration of NT\$4,820,720; director and supervisor's remuneration of NT\$0 | | | |
| 2. After starting to use the International Financial Reporting Guidelines to prepare financial reports for 2012, June 29, FSC Securities No. 1010028514 No. (2), when distributing the distributable surplus, the net deduction of other shareholders' equity shall be reported in the accounts in the current year, which is the special surplus reserve shall not be distributed from the undistributed surplus from the previous period; However, if a securities firm has set aside a special surplus reserve in accordance with the provisions of the preceding paragraph, it shall make a supplement to the special surplus reserve for the difference between the stated amount and the net deduction of other equity.) and distribute the surplus on the reversal part. | | | |

Chairman : Hsu, Wen-Ko General manager : Pan, Hua-Chen Accounting Supervisor : Zhou, Tin-Ho

Supplementary information for the Meeting

1. The minimum number of shares that all directors should hold (5.0%): 12,000,000 shares
2. The minimum number of shares that all supervisors should hold (0.5%): 0 shares
3. The details of the number of shares held by all directors as of the date of closing of the transfer are as follows:

| Title | Name | Number of shares held | Remarks |
|----------------------------|--|-----------------------|---------|
| Chairman of the Board | Baulidu Investment Co., Ltd Representative: Hsu, Wen-Ko | 35,191,052 | |
| Director | Baulidu Investment Co., Ltd | | |
| Vice Chairman of the Board | Chen, Mi-Juan | 5,732,183 | |
| Managing Director | Chen, Rong-Ji | 216,171 | |
| Director | Li, Wen-bin | 108,651 | |
| Director | Huang, Ming-Shan | 1,970,137 | |
| Director | Liu, Zhen-Yi | 214,120 | |
| Director | Sha, Mei-Chi | 1,528,200 | |
| Director | Chen, PinChan | 4666,966 | |
| Director | Vishay Trading Co., Ltd. Representative: Huang Yiru | 1,024,600 | |
| Independent Director | Hsu, Shunfa | 0 | |
| Independent Director | Chen, Jian-Chuan | 318 | |
| Independent Director | Wei, Fu-Chuan | 20,784 | |
| Total | | 50,673,182 | |

4. Election and dismissal of directors:

I. On April 24, 2019, 10 directors and 3 independent directors were elected for the 11th term.

II. On March 20, 2020, the representative of Baulidu Investment Co., Ltd: Chen, Long-Fa resigned

5. Amendment of article: None

6. Explanation of the proposed capital increase:

In 2021, the company will issue 9,499,617 new shares through capital increase of surplus, with a par value of NT\$10 per share. After the capital increase, the paid-in capital will amount to NT\$2,469,900,390.

7. Capital Reduction: None

8. Raising corporate bonds: None

9. Conduct which is related to Paragraph 1 of Article 185 of the Company Act: None

10. Merger: None

Concord International Securities Co., Ltd.

The Comparison Table of Amendments to the Code of Ethical Conduct

2020.08

| Amendments | Current provisions | Explanation |
|---|--|---|
| <p>Article 4 (Prevention of Conflict of Interest)</p> <p>Directors and managers shall handle official duties in an objective and efficient manner, and shall not use their positions in the company to obtain improper benefits for themselves, their spouses, and their relatives within the second class.</p> <p>The company should formulate the policies to prevent conflicts of interest, and provide appropriate channels for relevant directors or managers to proactively explain to the company that they have no potential conflicts of interest with the company, when the affiliated company, the Company and its subsidiaries to which the person mentioned in the preceding paragraph belongs, provide capital loans or guarantees, major asset transactions, and purchases (sales) of goods.</p> | <p>Article 4 (Prevention of Conflict of Interest)</p> <p>Directors and managers shall handle official duties in an objective and efficient manner, and shall not use their positions in the company to obtain improper benefits for themselves, their spouses, <u>parents, children, or their relatives within the third</u> class.</p> <p>The company should formulate the policies to prevent conflicts of interest, and provide appropriate channels for relevant directors or managers to proactively explain to the company that they have no potential conflicts of interest with the company, when the affiliated company, the Company and its subsidiaries to which the person mentioned in the preceding paragraph belongs, provide capital loans or guarantees, major asset transactions, and purchases (sales) of goods.</p> | <p>Considering that the parents and children are the relatives within the second class, the text can be simplified.</p> |
| <p>Article 9 Paragraph 1 (Encouraging reporting on illegal or unethical activities)</p> | <p>Article 9 Paragraph 1 (Encouraging reporting on illegal or unethical activities)</p> | <p>Refer to Article 23 of the Code of Integrity Management of Listed Companies to allow</p> |

| Amendments | Current provisions | Explanation |
|---|---|---|
| <p>The Company and its subsidiaries should encourage employees to proactively report to the board of directors, managers, internal audit supervisors or other appropriate individuals upon suspicion or discovery of any activity in violation of a law or regulations or the code of ethical conduct, and provide sufficient information to enable the company to properly handle the follow-up matters. In order to encourage employees to report violations, the company should establish a specific reporting system to <u>allow anonymous reporting</u>, and let employees know that the company will do its utmost to protect the safety of <u>whistleblowers</u> from retaliation.</p> | <p>The Company and its subsidiaries should encourage employees to proactively report to the board of directors, managers, internal audit supervisors or other appropriate individuals upon suspicion or discovery of any activity in violation of a law or regulations or the code of ethical conduct, and provide sufficient information to enable the company to properly handle the follow-up matters. In order to encourage employees to report violations, the company should establish a specific reporting system, and let employees know that the company will do its utmost to protect the safety of <u>reporters</u> from retaliation.</p> | <p>anonymous reports, amend relevant texts.</p> |

**Adopted at the 8th meeting of the 11th session of the
Board of Directors on August 18, 2020**

Concord International Securities Co., Ltd.

The Comparison Table of Amendments of Procedures for Ethical Management and Guidelines for Conduct

| Amendments | Current provisions | Explanation |
|---|---|---|
| <p>Article 5 (Dedicated Units <u>and Duties</u>) The Company shall designate <u>the Corporate Governance Department</u> as the solely responsible unit (hereinafter, "responsible unit") <u>under the board of directors, and allocate sufficient resources and qualified personnel</u>, and 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 (<u>at least once a year</u>) 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. <u>Regularly analyzing and evaluating the risks of dishonest behaviors in the business scope, and based on it</u> adopting programs to prevent unethical conduct and setting out <u>in</u> each program the standard operating procedures and conduct guidelines with respect to the Company's operations and business. 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>Article 5 Dedicated Unit The company designates the following departments as the specialized unit (hereinafter referred to as the specialized unit of the company) for handling the operating procedures and behavior guidelines, according to the following development personnel, they are responsible for implementation, interpretation, consulting services and notification content registration and file creation and other related operations, and supervision of implementation; and designate the audit office to be responsible for the formulation and supervision of the integrity management policy and prevention plan, who should report to the board of directors on a regular basis.</p> <ol style="list-style-type: none"> 1. General Manager's Office: Directors, persons with substantial control capabilities or other stakeholders. 2. Personnel management unit: managers and employees. <p>The main duties of the specialized unit in the preceding paragraph for handling this operating procedure are as follows:</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. Planning and assisting all units to prevent dishonest behavior. | <p>In accordance with Article 17 of the "Code of Integrity Management of Listed Companies on OTC", providing sufficient resources and qualified personnel for the dedicated unit, and the frequency of reporting to the board of directors at least once a year, and amending the title and preamble of this article.</p> <p>In accordance with Article 17 of the "Code of Integrity Management of Listed Companies on the OTC", the main matters handled by the dedicated unit including regular analysis and assessment of the risks of dishonest conduct within the business scope, and the amendment is moved to the current paragraph 2 provisions.</p> <p>In accordance with Article 8 of the "Code of Integrity Management of Listed Companies on the OTC", documented information should be produced and properly</p> |

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| <p>4. <u>Promoting and coordinating awareness and educational activities with respect to ethics policy.</u></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. <u>Prepare and properly preserve the relevant documented information such as the integrity management policy and its compliance statement, the implementation of commitments and implementation status.</u></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. Developing a whistle-blowing system and ensuring its operating effectiveness.</p> <p>5. 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>stored regarding the integrity management policies, statements, commitments, and implementation, and paragraph 7 is revised.</p> |
| <p>Article 11 (Recusal)</p> <p>When a Company director , supervisor, officer or other stakeholder attending or present at a board meeting, or the juristic person represented thereby, has <u>a meeting matters</u> , that director, supervisor, officer or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of the Company would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.</p> <p><u>A director’s spouse, second relative and other blood relatives, or a company that has a controlling affiliation with the director, who has</u></p> | <p>Article 11 Recusal</p> <p>When a Company director , supervisor, officer or other stakeholder attending or present at a board meeting, or the juristic person represented thereby, has <u>a stake in a proposal at the meeting</u> , that director, supervisor, officer or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of the Company would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.</p> <p>If in the course of conducting company business, any personnel of the Company discovers that a potential conflict of interest exists involving themselves or the juristic</p> | <p>In accordance with the first paragraph of Article 16 of regulations governing procedure, the text of the first paragraph of this article shall be revised as appropriate. In line with the 3rd item of Article 206 of the Company Act, the 2nd item of this article has been revised to provide that a director’s spouse, second relative and other blood relatives, or a company that has a controlling affiliation with the director, who has an interest in the matters of the preceding meeting shall be deemed as the</p> |

| | | |
|---|---|--|
| <p><u>an interest in the matters of the preceding meeting shall be deemed as the directors have their own interest in the matter.</u></p> <p>If in the course of conducting company business, any personnel of the Company discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both his or her immediate supervisor and the responsible unit, and the immediate supervisor shall provide the personnel with proper instructions.</p> <p>No personnel of the Company may use company resources on commercial activities other than those of the Company, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of the Company.</p> | <p>person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both his or her immediate supervisor and the responsible unit, and the immediate supervisor shall provide the personnel with proper instructions.</p> <p>No personnel of the Company may use company resources on commercial activities other than those of the Company, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of the Company.</p> | <p>directors have their own interest in the matter.</p> <p>The current 2nd item is moved to the 3rd item, and the content has not been revised.</p> <p>The current 3rd item is moved to the 4th item, and the content has not been revised</p> |
| <p><u>Article 13 (Prohibition against engaging in unfair competition)</u></p> <p>The Company shall follow the Fair-Trade Act and applicable competition laws and regulations when engaging in business activities, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.</p> | <p><u>Article 13 Prohibition against disclosure of confidential information</u></p> <p>The Company shall follow the Fair-Trade Act and applicable competition laws and regulations when engaging in business activities, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.</p> | <p>This article is formulated in accordance with Article 15 of the "Code of Integrity Management of Listed Companies on the OTC" concerning the prohibition against engaging in unfair competition, so the title of this article has been revised.</p> |
| <p><u>Article 14 (Prevent products or services from damaging stakeholders)</u></p> <p>The Company shall collect and understand the applicable laws and regulations and international standards governing its products and services which it shall observe and gather and</p> | <p><u>Article 14 Prohibition against insider trading</u></p> <p>The company shall collect and understand the applicable laws and regulations and international standards governing its products and services which it shall observe and gather and</p> | <p>This article is formulated in accordance with Article 16 of the "Code of Integrity Management of Listed Companies</p> |

| | | |
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| <p>publish all guidelines to cause personnel of the Company to ensure the transparency of information about, and safety of, the products and services in the course of their research and development, procurement, manufacture, provision, or sale of products and services.</p> <p>This Corporation shall adopt and publish on its website a policy on the protection of the rights and interests of consumers or other stakeholders to prevent its products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are media reports, or sufficient facts to determine, that the Company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the Company shall, within 120 days, recall those products or suspend the services, verify the facts and present a review and improvement plan.</p> <p>The responsible unit of the Company shall report the event as in the preceding paragraph, actions taken, and subsequent reviews and corrective measures taken to the board of directors.</p> | <p>publish all guidelines to cause personnel of the Company to ensure the transparency of information about, and safety of, the products and services in the course of their research and development, procurement, manufacture, provision, or sale of products and services.</p> <p>This Corporation shall adopt and publish on its website a policy on the protection of the rights and interests of consumers or other stakeholders to prevent its products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are media reports, or sufficient facts to determine, that the Company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the Company shall, within 120 days, recall those products or suspend the services, verify the facts and present a review and improvement plan.</p> <p>The responsible unit of the Company shall report the event as in the preceding paragraph, actions taken, and subsequent reviews and corrective measures taken to the board of directors.</p> | <p>on the OTC" concerning the prevention of product or service damage to stakeholders, and the title of this article has been revised.</p> |
| <p><u>Article 15 (Prohibition against Insider Trading and Non-Disclosure Agreement)</u></p> <p>All Company personnel shall adhere to the provisions of the Securities and Exchange Act, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other party from using such information to engage in insider trading.</p> <p>Any organization or person outside of the Company that is involved in any</p> | <p><u>Article 15 Non-disclosure agreement</u></p> <p>All Company personnel shall adhere to the provisions of the Securities and Exchange Act, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other party from using such information to engage in insider trading.</p> <p>Any organization or person outside of the Company that is involved in any merger, demerger, acquisition and share transfer, major memorandum of understanding, strategic alliance, other</p> | <p>The first item of this article is related to the prohibition against insider trading, and the title of this article has been revised in cooperation.</p> |

| | | |
|--|---|---|
| <p>merger, demerger, acquisition and share transfer, major memorandum of understanding, strategic alliance, other business partnership plan, or the signing of a major contract by the Company shall be required to sign a non-disclosure agreement in which they undertake not to disclose to any other party any trade secret or other material information of the Company acquired as a result, and that they may not use such information without the prior consent of the Company.</p> | <p>business partnership plan, or the signing of a major contract by the Company shall be required to sign a non-disclosure agreement in which they undertake not to disclose to any other party any trade secret or other material information of the Company acquired as a result, and that they may not use such information without the prior consent of the Company.</p> | |
| <p>Article 16 The Company should require directors and senior management to issue a statement of compliance with the integrity management policy, and require employees to comply with the integrity management policy in terms of employment conditions. The Company shall disclose its policy of ethical management in its internal rules, annual reports, on the company's websites, and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties such as product launches and investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management.</p> | <p>Article 16 Announcement of policy of ethical management to outside parties The Company shall disclose its policy of ethical management in its internal rules, annual reports, on the company's websites, and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties such as product launches and investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management.</p> | <p>1. Cooperate with "on the market "Code of Integrity Management of OTC Companies" Article 8, A listed OTC company should require directors and senior management to issue a statement of compliance with the integrity management policy, and require employees to comply with the integrity management policy in terms of employment conditions. The first paragraph of this article has been revised and the title of this article has been amended. 2. The current provisions are moved to the 2nd item, and the content has not been amended.</p> |
| <p>Article 21 (Handling of unethical conduct by personnel of the Company)</p> | <p>Article 21 Handling of unethical conduct by personnel of the Company When the Company discovers or receives reports of unethical conduct by its personnel, it shall ascertain the relevant facts immediately.</p> | <p>In accordance with Article 23 of the "Code of Integrity Management of Listed Companies on the OTC", anonymous</p> |

| | | |
|--|--|--|
| <p>As an incentive to insiders and outsiders for informing of unethical or unseemly conduct, depending the seriousness of the circumstance concerned, the Company will <u>grant a reward</u>. Insiders having made a false report or malicious accusation shall be subject to disciplinary action and be removed from office if the circumstance concerned is material.</p> <p>The Company shall internally establish and publicly announce on its website and the intranet, or provide through an independent external institution, an independent mailbox or hotline, for Company insiders and outsiders to submit reports. A whistleblower shall at least furnish the following information: 1.the whistleblower’s name and I.D. number, <u>which may also be reported anonymously</u>, and an address, telephone number and e-mail address where it can be reached. 2. The name of the informant or other information sufficient to identify the identity of the informant. 2.the informed party's name or other information sufficient to distinguish its identifying features. 3.specific facts available for investigation. Company personnel handling whistle-blowing matters shall represent in writing they will keep the whistleblowers’ identity and contents of information confidential. The Company also undertakes to protect the whistleblowers from improper treatment due to their whistle-blowing.</p> <p>The responsible unit of the Company shall handle <u>the whistleblowing</u> in accordance with the following procedures: 1.An information shall be reported to the department head if involving the rank and file and to an independent director or supervisor if involving a</p> | <p>As an incentive to insiders and outsiders for informing of unethical or unseemly conduct, the Company will grant a reward depending the seriousness of the circumstance concerned. Insiders having made a false report or malicious accusation shall be subject to disciplinary action and be removed from office if the circumstance concerned is material.</p> <p>The Company shall internally establish and publicly announce on its website and the intranet, or provide through an independent external institution, an independent mailbox or hotline, for Company insiders and outsiders to submit reports. A whistleblower shall at least furnish the following information: 1.the whistleblower’s name and I.D. number, and an address, telephone number and e-mail address where it can be reached. 2.the informed party's name or other information sufficient to distinguish its identifying features. 3.specific facts available for investigation. Company personnel handling whistle-blowing matters shall represent in writing they will keep the whistleblowers’ identity and contents of information confidential. The Company also undertakes to protect the whistleblowers from improper treatment due to their whistle-blowing.</p> <p>And the responsible unit of the Company shall observe the following procedure: 1.An information shall be reported to the department head if involving the rank and file and to an independent director or supervisor if involving a director or a senior executive.</p> | <p>reporting is permitted, and appropriate follow-up actions shall be implemented after the investigation of the reporting incident is completed. The text of the 1st subparagraph of the 2nd paragraph, the 4th paragraph, and the 3rd subparagraph of the same paragraph have been amended.</p> |
|--|--|--|

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| <p>director or a senior executive.</p> <p>2.The responsible unit of the Company and the department head or personnel being reported to in the preceding subparagraph shall immediately verify the facts and, where necessary, with the assistance of the legal compliance or other related department.</p> <p>3.If a person being informed of is confirmed to have indeed violated the applicable laws and regulations or the Company’s policy and regulations of ethical management, the Company shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, the Company will <u>report to the competent authority, transfer to the judicial authority for investigation, or</u> institute legal proceedings and seek damages to safeguard its reputation and its rights and interests.</p> <p>4.Documentation of case acceptance, investigation processes and investigation results shall be retained for five years and may be retained electronically. In the event of a suit in respect of the whistleblowing case before the retention period expires, the relevant information shall continue to be retained until the conclusion of the litigation.</p> <p>5.With respect to a confirmed information, the Company shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent recurrence.</p> <p>6.The responsible unit of the Company shall submit to the board of directors a report on the whistleblowing case, actions taken, and subsequent reviews and corrective measures.</p> | <p>2.The responsible unit of the Company and the department head or personnel being reported to in the preceding subparagraph shall immediately verify the facts and, where necessary, with the assistance of the legal compliance or other related department.</p> <p>3.If a person being informed of is confirmed to have indeed violated the applicable laws and regulations or the Company’s policy and regulations of ethical management, the Company shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, the Company will institute legal proceedings and seek damages to safeguard its reputation and its rights and interests.</p> <p>4.Documentation of case acceptance, investigation processes and investigation results shall be retained for five years and may be retained electronically. In the event of a suit in respect of the whistleblowing case before the retention period expires, the relevant information shall continue to be retained until the conclusion of the litigation.</p> <p>5.With respect to a confirmed information, the Company shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent recurrence.</p> <p>6.The responsible unit of the Company shall submit to the board of directors a report on the whistleblowing case, actions taken, and subsequent reviews and corrective measures.</p> | |
| <p>Article 23 (<u>Internal advocacy</u>, establishment of a system for rewards, penalties, and complaints, and related disciplinary measures</p> <p>The responsible unit of the Company shall organize one awareness session each year and arrange for the chairman, general manager, or senior</p> | <p>Article 23 Establishment of a system for rewards, penalties, and complaints, and related disciplinary measures</p> <p>The responsible unit of the Company shall organize one awareness session each year and arrange for the chairman, general manager, or senior management to communicate the</p> | <p>The 1st paragraph of the article is related to internal propaganda, and the title of this article has been amended with the coordination.</p> |

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| <p>management to communicate the importance of ethics to its directors, employees, and mandataries. The Company shall link ethical management to employee performance evaluations and human resources policy, and establish clear and effective systems for rewards, penalties, and complaints. If any personnel of the Company seriously violate ethical conduct, the Company shall dismiss the personnel from his or her position or terminate his or her employment in accordance with applicable laws and regulations or the personnel policy and procedures of the Company. The Company shall disclose on its intranet information the name and title of the violator, the date and details of the violation, and the actions taken in response.</p> | <p>importance of ethics to its directors, employees, and mandataries. The Company shall link ethical management to employee performance evaluations and human resources policy, and establish clear and effective systems for rewards, penalties, and complaints. If any personnel of the Company seriously violate ethical conduct, the Company shall dismiss the personnel from his or her position or terminate his or her employment in accordance with applicable laws and regulations or the personnel policy and procedures of the Company. The Company shall disclose on its intranet information the name and title of the violator, the date and details of the violation, and the actions taken in response.</p> | |
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**Adopted at the 8th meeting of the 11th session
of the Board of Directors on August 18, 2020**

Concord International Securities Co., Ltd.

The Comparison Table for the Amendments of part of the provisions of Rules of
Procedure for Board of Directors Meetings

| Amendments | Current provisions | Explanation |
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| <p>Article 7</p> <p>The following matters should be discussed by the board of directors of the Company:</p> <ol style="list-style-type: none"> 1. The Company's operating plan. 2. The annual financial report and <u>the second quarter financial report which requires a verification by an accountant.</u> <p>The following is omitted.</p> | <p>Article 7</p> <p>The following matters should be discussed by the board of directors of the Company:</p> <ol style="list-style-type: none"> 1. The Company's operating plan. 2. Annual financial report and semi-annual financial report. However, not limited to the semi-annual financial report which does not need to be verified by an accountant in accordance with the laws and regulations. <p>The following is omitted.</p> | <p>In line with the amendment of Article 14-5 of the Securities Exchange Law, the 2nd subparagraph of the 1st paragraph has been adjusted.</p> |

Concord International Securities Co., Ltd.
The Comparison Table for the Amendments of part of the provisions of
Code of Practice for Corporate Governance

| Amendments | Current Provisions | Explanation |
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| <p>Article 3 (Establishing an internal control system) The Company shall follow the Criteria Governing Establishment of Internal Control Systems by Public Reporting Companies and take into consideration the overall operational activities of itself and its subsidiaries to design and fully implement an internal control system, and shall conduct continuing reviews of the system, in order to ensure the continued effectiveness of its design and implementation in light of changes in the company's internal and external environment.</p> <p>The Company shall perform full self-assessments of its internal control system. Its board of directors and management shall review the results of the self-assessments by each department at least annually and the reports of the internal audit department on a quarterly basis. The audit committee shall also attend to and supervise these matters. Directors shall periodically hold discussions with their internal auditors about reviews of internal control system deficiencies. A record of the discussions shall be kept, and the discussions shall be followed up, improvements implemented, and a report submitted to the board of directors. The Company is advised to establish channels and mechanisms of communication between their independent directors, audit committees and chief internal auditors, and the convener of the audit committee shall report their communication with the member of the audit committee and chief internal auditors at the shareholders'</p> | <p>Article 3 (Establishing an internal control system) The Company shall follow the Criteria Governing Establishment of Internal Control Systems by Public Reporting Companies and take into consideration the overall operational activities of itself and its subsidiaries to design and fully implement an internal control system, and shall conduct continuing reviews of the system, in order to ensure the continued effectiveness of its design and implementation in light of changes in the company's internal and external environment.</p> <p>The Company shall perform full self-assessments of its internal control system. Its board of directors and management shall review the results of the self-assessments by each department at least annually and the reports of the internal audit department on a quarterly basis. The audit committee shall also attend to and supervise these matters. Directors shall periodically hold discussions with their internal auditors about reviews of internal control system deficiencies. A record of the discussions shall be kept, and the discussions shall be followed up, improvements implemented, and a report submitted to the board of directors. The Company is advised to establish channels and mechanisms of communication between their independent directors, audit committees and chief internal auditors, and the convener of the audit committee shall report their communication with the member of <u>independent directors</u> and chief internal auditors at the shareholders'</p> | <p>The second item of this article proposes to establish communication channels and systems between independent directors, audit committees and internal audit supervisors, and the convener of the audit committee will report to the shareholders meeting on the communication between the audit committee members or supervisors and the internal audit supervisor, with appropriate text correction.</p> |

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| <p>meeting.</p> <p>The following is omitted</p> | <p>meeting.</p> <p>The following is omitted</p> | |
| <p>Article 3 Paragraph 1 (Personnel responsible for corporate governance affairs)</p> <p>The Company is advised to have an adequate number of corporate governance personnel with appropriate qualifications based on the size of the company, business situations and management needs, and to appoint a chief corporate governance officer as the most senior officer to be in charge of corporate governance affairs, <u>in accordance with the regulations of the competent authority, stock exchange or over-the-counter trading center</u>. Said officer shall be a qualified, practice-eligible lawyer or accountant or have been in a managerial position for at least three years in a security, financial, or futures related institution or a public company in handling legal affairs, <u>legal compliance, internal audit</u>, financial affairs, stock affairs, or corporate governance affairs.</p> <p>The following is omitted</p> | <p>Article 3 Paragraph 1 (Personnel responsible for corporate governance affairs)</p> <p>The Company is advised to have an adequate number of corporate governance personnel with appropriate qualifications based on the size of the company, business situations and management needs, and to appoint a chief corporate governance officer as the most senior officer to be in charge of corporate governance affairs. Said officer shall be a qualified, practice-eligible lawyer or accountant or have been in a managerial position for at least three years in a security, financial, or futures related institution or a public company in handling legal affairs, financial affairs, stock affairs, or corporate governance affairs.</p> <p>The following is omitted</p> | <p>Coordinating with practical needs, and with reference to Article 20 and Article 23 of the main points of the matters to be followed in the establishment and exercise of the board of directors, and the Article 36-3 of the Competent Authority’s “Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets”, and amends the 1st provision of this article to completion.</p> |
| <p>Article 7 (The Company shall encourage its shareholders to actively participate in corporate governance)</p> <p>The Company shall encourage its shareholders to actively participate in corporate governance. It is advisable that the company engage a professional shareholder services agent to handle shareholders meeting matters, so that shareholders’ meetings can proceed on a legal, effective and secure basis. The Company shall seek all ways and means, including fully exploiting technologies for information disclosure, to upload annual reports, annual financial statements, notices, agendas and supplementary information of shareholders’ meetings <u>in both</u></p> | <p>Article 7 (The Company shall encourage its shareholders to actively participate in corporate governance)</p> <p>The Company shall encourage its shareholders to actively participate in corporate governance. It is advisable that the company engage a professional shareholder services agent to handle shareholders meeting matters, so that shareholders’ meetings can proceed on a legal, effective and secure basis. The Company shall seek all ways and means, including fully exploiting technologies for information disclosure, to upload annual reports, annual financial statements, notices, agendas and supplementary information of shareholders’ meetings <u>in both</u></p> | <p>The election of directors, the nomination system for candidates is regulated in Article 22 and Article 42, and the text in the 2nd paragraph of this article is deleted.</p> |

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| <p><u>Chinese and English</u> concurrently, and shall adopt electronic voting, in order to enhance shareholders' attendance rates at shareholders meetings and ensure their exercise of rights at such meetings in accordance with laws.</p> <p>The Company is advised to avoid raising extraordinary motions and amendments to original proposals at a shareholders meeting.</p> <p>The Company is advised to arrange for their shareholders to vote on each separate proposal in the shareholders meeting agenda, and following conclusion of the meeting, to enter the voting results the same day, namely the numbers of votes cast for and against and the number of abstentions, on the Market Observation Post System.</p> | <p><u>Chinese and English</u> concurrently, and shall adopt electronic voting, in order to enhance shareholders' attendance rates at shareholders meetings and ensure their exercise of rights at such meetings in accordance with laws.</p> <p>The Company is advised to avoid raising extraordinary motions and amendments to original proposals at a shareholders meeting, <u>and is advised to adopt a candidate nomination system for the election of directors and supervisors.</u></p> <p>The Company is advised to arrange for their shareholders to vote on each separate proposal in the shareholders meeting agenda, and following conclusion of the meeting, to enter the voting results the same day, namely the numbers of votes cast for and against and the number of abstentions, on the Market Observation Post System.</p> | |
| <p>Article 10 (The company shall pay attention to the shareholders' rights to know) <u>The Company shall place high importance on the shareholder right to know, and shall faithfully comply with applicable regulations regarding information disclosure in order to provide shareholders with regular and timely information on company financial conditions and operations, insider shareholdings, and corporate governance status through the MOPS or the website established by the company.</u></p> <p><u>To treat all shareholders equally, it is advisable that the company concurrently disclose the information under the preceding paragraph in English.</u></p> <p><u>To protect its shareholders' rights and interests and ensure their equal</u></p> | <p>Article 10 (The company shall pay attention to the shareholders' rights to know) The shareholder right to know shall be placed high importance on, and shall faithfully comply with applicable regulations regarding information disclosure in order to provide shareholders with regular and timely information on company financial conditions and operations, insider shareholdings, and corporate governance status through the MOPS or the website established by the company.</p> | <p>Add the 4th paragraph. In order to prevent insider trading, OTC companies have established stock trading control measures for insiders from the day when they learn about the company's financial report or related performance.</p> |

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| <p><u>treatment, the Company shall adopt internal rules prohibiting company insiders from trading securities using information not disclosed to the market.</u></p> <p><u>The preceding specification should include the stock trading control measures taken by the company's insiders from the day when they learn the company's financial report or related performance content.</u></p> | | |
| <p>Article 22 (The candidate nomination system to elect directors specified in the Articles of Association)</p> <p>The Company shall specify in its articles of incorporation that it adopts the candidate nomination system for elections of directors in accordance with <u>the laws and regulations of the competent authority</u>, carefully review the qualifications of a nominated candidate and the existence of any other matters set forth in Article 30 of the Company Act, and act in accordance with Article 192-1 of the Company Act.</p> | <p>Article 22 (The candidate nomination system to elect directors specified in the Articles of Association)</p> <p>The Company <u>is advised to</u> specify in the articles of association the use of a candidate nomination system to <u>elect directors</u> in accordance with <u>the provisions of the Company Art</u>, carefully review the qualifications of a nominated candidate and the existence of any other matters set forth in Article 30 of the Company Act, and act in accordance with Article 192-1 of the Company Act.</p> | <p>The competent authority's Order No. 1080311451 dated April 25, 2019 of the FSC Securities Regulatory Commission stipulates that: The election of directors and supervisors of listed (counter) companies shall adopt a candidate nomination system, and stated in the articles of association that shareholders shall select the directors and supervisors from the list of candidates. Hence with the amendment of the content of this article for completion.</p> |
| <p>Article 23</p> <p>Clear distinctions shall be drawn between the responsibilities and duties of the chairman of the board of the Company and those of its general manager.</p> <p>It is inappropriate for the chairman to also act as the general manager or other equivalent position.</p> | <p>Article 23</p> <p>Clear distinctions shall be drawn between the responsibilities and duties of the chairman of the board of the Company and those of its general manager.</p> <p>It is inappropriate for the chairman to also act as the general manager or other equivalent position (highest</p> | <p>"The establishment and exercise of powers of the board of directors of a listed company shall follow the main points of matters" specifies the relevant</p> |

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| <p>The Company with a functional committee shall clearly define the responsibilities and duties of the committee.</p> | <p>managerial position). If the chairman also acts as the general manager or other equivalent position (highest managerial position) or the chairman and general manager or other equivalent position (highest managerial position) are spouses or relatives within one degree of consanguinity, it is advisable that the number of independent directors be increased and there be a majority of the members of the board of directors who are not employees or managers. Set up a functional committee and clearly define the responsibilities and duties of the committee.</p> | <p>supporting measures for the chairman and the general manager or equivalent positions of the same person or each other's spouse or relatives. Hence delete the 2nd paragraph of this article and amend it as appropriate.</p> |
| <p>Article 28 Paragraph 2 <u>The company shall set up a nomination committee and formulate organizational rules, and a majority of the members should be independent directors, and independent directors should be the chairman.</u></p> | <p>Article 28 Paragraph 2</p> | <p>The competent authority encourages TWSE/TPEX listed companies to set up a nomination committee, and amends the provisions of this article to completion.</p> |
| <p>Article 28 Paragraph 3 (Report System) The Company is advised to establish and announce channels for internal and external whistleblowers and have whistleblower protection mechanisms in place. The unit that handles whistleblowers' reporting shall be independent, provide encrypted protection for the files furnished by whistleblowers, and appropriately restrict access to such files. It shall also formulate internal procedures and incorporate those procedures into the company's internal control system for management purposes.</p> | | |
| <p>Article 37 Members of the board of directors shall faithfully conduct corporate affairs and perform the duty of care of a good administrator. In conducting the affairs of the</p> | <p>Article 37 Members of the board of directors shall faithfully conduct corporate affairs and perform the duty of care of a good administrator. In conducting the affairs of the</p> | <p>In line with Article 18 and Article 19 of "The establishment and exercise of functions and powers of the board of directors</p> |

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| <p>company, they shall exercise their powers with a high level of self-discipline and prudence. Unless matters are otherwise reserved by law for approval in shareholders' meetings or in the articles of incorporation, they shall ensure that all matters are handled according to the resolutions of board of directors.</p> <p>It is advisable that the Company formulate rules and procedures for board of directors' performance assessments, and <u>except</u> that each year it <u>conducts</u> regularly scheduled performance assessments of the board of directors and individual directors through self-assessment <u>or</u> peer-to-peer assessments, <u>also</u> engaging outside professional institutions, or in any other appropriate manner. It is advisable that the performance assessment of the board of directors include the following aspects, and that appropriate assessment indicators be developed in consideration of the company's needs:</p> <ol style="list-style-type: none"> 1. The degree of participation in the company's operations. 2. Improvement in the quality of decision making by the board of directors. 3. The composition and structure of the board of directors. 4. The election of the directors and their continuing professional education. 5. Internal controls. <p>The performance assessments of board members (self-assessments or peer-to-peer assessments) <u>should</u> include the following aspects, with appropriate adjustments made on the basis of the company's needs:</p> <ol style="list-style-type: none"> 1. Their grasp of the company's goals and missions. | <p>company, they shall exercise their powers with a high level of self-discipline and prudence. Unless matters are otherwise reserved by law for approval in shareholders' meetings or in the articles of incorporation, they shall ensure that all matters are handled according to the resolutions of board of directors.</p> <p>It is advisable that the Company formulate rules and procedures for board of directors' performance assessments, and that each year it conducts regularly scheduled performance assessments of the board of directors, functional committees, and individual directors through self-assessment, peer-to-peer assessments, engaging outside professional institutions, or in any other appropriate manner. It is advisable that the performance assessment of the board of directors include the following aspects, and that appropriate assessment indicators be developed in consideration of the company's needs:</p> <ol style="list-style-type: none"> 1. The degree of participation in the company's operations. 2. Improvement in the quality of decision making by the board of directors. 3. The composition and structure of the board of directors. 4. The election of the directors and their continuing professional education. 5. Internal controls. <p>The performance assessments of board members (self-assessments or peer-to-peer assessments) is advised to include the following aspects, with appropriate adjustments made on the basis of the company's needs:</p> <ol style="list-style-type: none"> 1. Their grasp of the company's | <p>of listed companies", the 2nd paragraph of this article is revised, and the 4th paragraph of this article is adjusted and the 3rd paragraph of this article is revised.</p> |
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| <p>2. Their recognition of director's duties.</p> <p>3. Their degree of participation in the company's operations.</p> <p>4. Their management of internal relationships and communication.</p> <p>5. Their professionalism and continuing professional education.</p> <p>6. Internal controls.</p> <p><u>It is advisable that the Company conduct the performance assessment of a functional committee cover the following aspects, subject to changes according to the company's needs:</u></p> <p>1. Their degree of participation in the company's operations.</p> <p>2. Their recognition of the duties of the functional committee.</p> <p>3. Improvement in the quality of decision making by the functional committee.</p> <p>4. The composition of the functional committee, and election and appointment of committee members.</p> <p>5. Internal control.</p> <p>The Company is advised to submit the results of performance assessments to the board of directors and use them as reference in determining compensation for individual directors, their nomination and additional office term.</p> | <p>goals and missions.</p> <p>2. Their recognition of director's duties.</p> <p>3. Their degree of participation in the company's operations.</p> <p>4. Their management of internal relationships and communication.</p> <p>5. Their professionalism and continuing professional education.</p> <p>6. Internal controls.</p> <p>The evaluation content of functional committee performance should cover the following aspects, subject to changes according to the company's needs:</p> <p>1. Their degree of participation in the company's operations.</p> <p>2. Their recognition of the duties of the functional committee.</p> <p>3. Improvement in the quality of decision making by the functional committee.</p> <p>4. The composition of the functional committee, and election and appointment of committee members.</p> <p>5. Internal control.</p> <p>The Company is advised to submit the results of performance assessments to the board of directors and use them as reference in determining compensation for individual directors, their nomination and additional office term.</p> | |
| <p>Article 37 Paragraph 2</p> <p>The board of directors should evaluate and supervise the following aspects of the management direction and performance of the company's intellectual property, to ensure that the Company establishes an intellectual property management system with a management cycle of "planning, executing, inspection check and action":</p> <p>Formulate intellectual property management policies, goals and systems related to operational</p> | | <p><u>This article is newly added.</u></p> |

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| <p>strategies.</p> <p>According to the scale and type, establish, implement and maintain its intellectual property acquisition, protection, maintain and operate management system.</p> <p>Determine and provide sufficient resources to effectively implement and maintain the intellectual property management system.</p> <p>Observe internal and external risks or opportunities related to intellectual property management and take countermeasures.</p> <p>Plan and implement a continuous improvement system to ensure that the operation and effectiveness of the intellectual property management system meet the company's expectations.</p> | | |
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**Adopted at the 8th meeting of the 11th session of
the Board of Directors on August 10, 2020**

Concord International Securities Co., Ltd.

The Comparison Table of Amendments of “Rules of Procedure for Shareholders' Meetings”

| Amendments | Current Provisions | Explanation |
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| <p>Article 3 The first, second, and third items are omitted.</p> <p>Election or dismissal of directors, change of articles of association, capital reduction, application for suspension of public offering, directors’ competition license, surplus capital increase, public reserve capital increase, company dissolution, merger, division, or the first paragraph of Article 185 of the <u>Company Act Matters, Article 26-1, Article 43-6 of the Securities Exchange Act, Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers</u>, shall be set out in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.</p> <p>The fifth item is omitted.</p> <p>A shareholder holding 1 percent or more of the total number of issued shares may submit to the Company a written proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. <u>In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it</u></p> | <p>Article 3 The first, second, and third items are omitted.</p> <p>Election or dismissal of directors, change of articles of association, capital reduction, application for suspension of public offerings, directors’ competition license, capital increase from surplus, capital increase from public reserves, company dissolution, merger, division, or the matters mentioned in the first paragraph of Article 185, shall be set out in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion; <u>The main content should be placed on the website designated by the securities authority or the company, and the website shall be included in the notice.</u></p> <p>The fifth item is omitted.</p> <p>A shareholder holding 1 percent or more of the total number of issued shares may submit to the Company a written proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. However, if the shareholder's proposal is to urge the company to promote the public interest or fulfill its social responsibilities, the board of directors may still include it in the motion.</p> | <p>In order to prevent listed companies from misunderstanding that all matters other than the 1st paragraph of Article 185 of the Company Act can be proposed by extraordinary motions, it is proposed to include other regulations and provisions that cannot be proposed by means of extraordinary motions other than the Company Act listed in the original provisions before the amendment. And adjust the announcement method in line with the regulations.</p> <p>In line with the amendment to Article 172 Paragraph 5 of the Company Act, and Letter No. 10700105410 from the Department of Commerce of the Ministry of Economic Affairs, amending the 6th paragraph of this Article.</p> |

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| <p><u>from the agenda.</u> <u>Shareholders may submit proposed proposals to urge the company to promote the public interest or fulfill its social responsibilities. The procedures shall be limited to one item in accordance with the relevant provisions of Article 172-1 of the Company Act. Any proposal with more than one item shall not be included in the proposal.</u></p> <p>The following is omitted.</p> | <p>In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.</p> <p>The following is omitted.</p> | |
| <p>Article 9 The 1st paragraph is omitted.</p> <p>The chairman shall call the meeting to order at the appointed meeting time <u>and announce the relevant information such as the number of non-voting rights and the number of shares present.</u> However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairman may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chairman shall declare the meeting adjourned.</p> <p>The following is omitted.</p> | <p>Article 9 The 1st paragraph is omitted.</p> <p>The chairman shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairman may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chairman shall declare the meeting adjourned.</p> <p>The following is omitted.</p> | <p>In order to improve corporate governance and safeguard the rights and interests of shareholders, the 2nd paragraph is amended.</p> |
| <p>Article 14 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</p> | <p>Article 14 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</p> | <p>In order to improve corporate governance and safeguard the rights and interests of shareholders, the 1st paragraph is amended.</p> |

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| <p>they were elected, and the list of <u>unsuccessful corporate directors and supervisors and the number of voting rights they have obtained.</u></p> <p>The 2nd paragraph is omitted.</p> | <p>were elected.</p> <p>The 2nd paragraph is omitted.</p> | |
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Passed by the eighth meeting of the eleventh session on August 10, 2020 and the twelfth meeting of the eleventh session on March 9, 2021

Concord International Securities Co., Ltd.
The Comparison Table of Amendments of Director Election Process

| Amendments | Current Provisions | Explanation |
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| <p>Article 1 To ensure a just, fair, and open election of directors, this procedure is adopted pursuant to Articles 21 and 41 of the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies".</p> | <p>Article 1 To ensure a just, fair, and open election of directors, this approach is adopted pursuant to Articles 21 of the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies".</p> | <p>New applicable regulations</p> |
| <p>Article 4 Omission</p> | <p>Article 5 Omission</p> | <p>In line with the deletion of Article 4, adjust the Article number.</p> |
| <p>Article 5 Elections of both directors and supervisors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.</p> <p>The 2nd paragraph is omitted.</p> <p>When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.</p> | <p>Article 6 Elections of both directors and supervisors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. The Company shall review the qualifications, education, working experience, background, and the existence of any other matters set forth in Article 30 of the Company Act with respect to nominee directors and supervisors and may not arbitrarily add requirements for documentation of other qualifications. It shall further provide the results of the review to shareholders for their reference, so that qualified directors and supervisors will be elected.</p> <p>The 2nd paragraph is omitted.</p> <p>When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, or the related provisions of the Taiwan Stock Exchange Corporation rules</p> | <p>In line with the Article 192-1 of the Company Art, the procedure for nominating directors was amended and simplified, so that the 1st paragraph is amended.</p> <p>In line with the FSC Securities Issuance No. 1070345233 letter dated December 19, 2018, listed companies are required to set up independent directors, and the 3rd is adjusted.</p> |

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| | <p>governing the review of listings, or subparagraph 8 of the Standards for Determining Unsuitability for GTSM Listing under Article 10, Paragraph 1 of the GreTai Securities Market Rules Governing the Review of Securities for Trading on the GTSM, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.</p> | |
| <p>Article <u>6</u></p> <p>The cumulative <u>voting method</u> shall be used for election of the directors and supervisors at the Company. Each share will have voting rights in number equal to the directors or supervisors to be elected, and may be cast for a single candidate or <u>split</u> among multiple candidates.</p> | <p>Article <u>7</u></p> <p>The <u>single-name cumulative voting method</u> is used for election of the directors and supervisors at the Company. Each share will have voting rights in number equal to the directors or supervisors to be elected, and may be cast for a single candidate or elect several candidates separately, and the one with more voting rights represented by the votes obtained is elected as director.</p> | <p>In line with the deletion of Article 4, adjust the Article number.</p> <p>In line with the FSC issued on December 19, 2018, the Financial Regulatory Commission issued Order No. 10703452331.</p> |
| <p>Article <u>9</u> Omission</p> | <p>Article <u>10</u> Omission</p> | <p>In line with the deletion of Article 4, adjust the Article number.</p> |
| <p>Article <u>10</u> Delete</p> | <p>Article <u>11</u></p> <p>If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account</p> | <p>In line with the deletion of Article 4, adjust the Article number.</p> <p>In line with the Financial Regulatory Commission's issue of the Financial Regulatory Commission's Order No. 1080311451 on April 25, 2019. The election of directors and supervisors of listed (OCT) companies shall adopt</p> |

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| | <p>name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.</p> | <p>a candidate nomination system from 2021. Shareholders shall choose from the list of director candidates. Shareholders can learn the name, academic experience and other information of each candidate from the list of candidates before the shareholders meeting is held. It is not necessary to use the shareholder account number or ID number as the method to identify the candidate's identity. This article is deleted.</p> |
| <p>Article 10 A ballot is invalid under any of the following circumstances: 1. The ballot was not prepared by <u>a person with the right to convene</u>. 2. A blank ballot is placed in the ballot box. 3. The writing is unclear and indecipherable or has been altered. 4. The filled-in list of elected persons and director candidates do not match with each other after cross-check. 5. Other words or marks are entered in addition to the number of voting rights.</p> | <p>Article 12 A ballot is invalid under any of the following circumstances: 1. The ballot was not prepared by the board of directors. 2. A blank ballot is placed in the ballot box. 3. The writing is unclear and indecipherable or has been altered. 4. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match. 5. Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted. 6. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or</p> | <p>In line with the deletion of Article 4 and Article 11, adjust the article number.</p> <p>In accordance with Article 173 of the Company Act, shareholders may, under specific circumstances (for example, when the board of directors does not notify the convening), may report to the competent authority to convene by themselves, and intend to coordinate the adjustment of the first paragraph of this article. In addition, in conjunction with the FSC Securities Exchange Order No. 1080311451 issued by the FSC on April 25, 2019, the election of directors and</p> |

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| | identity card number is provided in the ballot to identify such individual. | supervisors of listed (OCT) companies should adopt a candidate nomination system from 2021, and shareholders should decide on candidates for directors from the list, the 4th and 5th paragraphs of this article are adjusted, and the 6th paragraph is deleted. |
| Article 11 to 13 Omission | Article 13 to 15 Omission | In line with the deletion of Article 4 and Article 11, adjust the article number. |

Adopted at the 8th meeting of the 11th session of the Board of Directors on August 10, 2020

Concord International Securities Co., Ltd.

Article of Incorporation

Set on August 10, 1989
1st revised on April 27, 1991
18th revised on May 9, 2013
19th revised on June 24, 2015
20th revised on May 5, 2016
21st revised on April 25, 2017

Chapter 1 General Provisions

Article 1: The Company is incorporated in accordance with the Company Act and registered under the business name of “Concord International Securities Co., Ltd.”.

Article 2: The businesses operated by the company are as follows:

[1] H301011 Securities Brokerage.

- (1) Accepting brokerage orders to trade securities on the centralized securities exchange
- (2) Trading securities for our own account on the centralized securities exchange
- (3) Accepting brokerage orders to trade securities on over-the-counter market
- (4) Trading securities for our own account on over-the-counter market
- (5) Underwriting securities
- (6) Carrying out shareholder services of a public company
- (7) Loans for securities business
- (8) Accepting brokerage orders to trade foreign securities
- (9) Conducting securities to trade margin purchase and short sale business
- (10) Borrowing and Lending of Funds for Unrestricted Purposes
- (11) Other relevant securities businesses approved by the Competent Authority.

[2] H408011 Futures Introducing Brokerage Services

Article 3: The company sets up its head office in Tainan City, subject to the resolution of Board of Directors, the Company may, apply for establishing branches according to law.

Article 4: Public notices given by the Company shall be made in accordance with laws and regulations or to be published in the prominent part of the daily newspapers where the company is located, and by circular letter.

Chapter II Shares

Article 5: The total capital of the Company is set as NT\$3 billion, divided into 300 million shares, at NT\$10 per share, and the shares may be issued by a resolution of the board of directors.

Article 6: The Company’s shares do not need to print the share certificates, but a centralized securities depository enterprise should be contacted for registering these shares.

- Article 7: Share certificates of the Company shall be in registered form, and shareholders should declare their names and addresses to the Company, fill in a seal card and send them to the Company for verification. All subsequent written exercises of shareholder rights will be based on the sealed reservation.
- Article 8: The Company handles all stock affairs in accordance with the “Regulations Governing the Administration of Shareholder Services of Public Companies” promulgated by the competent authority.
- Article 9: (Deleted)
- Article 10: (Deleted)
- Article 11: The registration of share transfer shall be suspended sixty (60) days immediately before the date of an annual meeting of shareholders, and thirty (30) days immediately before the date of a meeting of shareholders, or within five (5) days before the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Company.

Chapter III Shareholders’ Meeting

- Article 12: Shareholders’ meetings can be divided into two types: routine meetings and extraordinary meetings. Routine meetings of shareholders are held once every year and should be convened within six months after the end of each fiscal year. The routine meeting of shareholders shall be convened by the board of directors to notify each shareholder 30 days in advance. The extraordinary meeting of shareholders shall be convened according to law when necessary, and the convening of the extraordinary meeting of shareholders shall be notified to all shareholders 15 days in advance.
- Article 13: Each share of the stock of the Corporation is entitled to one vote, excluding those listed in the 3rd subparagraph of Article 157 of the Company Act. However, the person of the company shall not have the right to vote if there is any of the matters in Article 179, Paragraph 2 of the Company Act. Shareholders who cannot attend the meeting for some reason may issue a letter of authorization stating the scope of authorization and entrust an agent to attend.
- Article 14: The chairman of the board of directors shall be the chairman at the meeting of shareholders. When the chairman asks for leave or is unable to exercise his powers for some reason, the vice chairman shall act as an agent; When the vice chairman also asks for leave or is unable to exercise his powers for some reason, an agent will be appointed in accordance with Article 208 of the Company Act.
- Article 15: Resolutions of the shareholders meeting:
1. Approve and amend the articles of association of the company.
 2. Elect the directors.
 3. Approve the report prepared by the board of directors and decide on the distribution of surplus and compensation for losses.
 4. Resolution of capital increase or decrease.
 5. Resolutions on other important matters and matters regulated by the Company Act.

Article 16: The resolutions of the shareholders' meeting, except as otherwise provided in the Company Act, shall be attended by a majority of the shareholders representing the total number of shares in issue, and shall be implemented with the approval of a majority of the voting rights of the shareholders present. Shareholders of the Company can also exercise their voting rights electronically, and those who exercise their voting rights electronically are deemed to be present in person, and related matters are handled in accordance with laws and regulations.

Article 17: The resolutions of the shareholders meeting shall be recorded as meeting minutes, which state the year, month, day and place of the meeting, the name of the chairman, the method of resolution, the main points of the process of the deliberations and their results, and the number of attendance shareholders, signed or sealed by the chairman, and the minutes of the meeting shall be distributed to all shareholders within 20 days after the meeting.

For the production and distribution of the minute's proceedings of the preceding paragraph, the Company may make announcement through public information observatory.

The minutes of the above proceedings are kept in the company together with the signature book of attending shareholders and the letter of authorization for proxy attendance.

Chapter IV Directors

Article 18: The company has 13 directors, including 3 independent directors, 10 general directors, and an audit committee. With the three years' term of office, they are eligible for re-election. All of the directors are elected by the shareholders' meeting from among the persons with capacity for civil acts. The company's director election adopts the single-name cumulative election method. Each share has the same voting rights as the number of directors to be elected. It may elect one person collectively, or elect several people separately. Those with more voting rights represented by the votes obtained are elected as directors. The election of the Company's directors adopts the candidate nomination system, and shall be carried out in accordance with the procedures of the candidate nomination system as prescribed in Article 192-1 of the Company Act.

Article 18-1: Independent directors and non-independent directors shall be elected together, and the number of elected positions shall be calculated separately.

The Corporation complies with regulations stipulated by the competent authority of securities for the professional qualification, shareholding, part-time restriction, nomination, election, and other regulations of its Independent Directors. The company has established an audit committee since the tenth session of the board of directors, which is composed of all independent directors, and the exercise of its powers and other matters to

be followed shall be handled in accordance with relevant laws and regulations and the company's rules.

Article 18-2: In order to strengthen the management function of the Company, the board of directors shall set up an Audit Committee and other functional committees, and formulate the rules for the exercise of powers separately.

Article 19: The total number of registered shares of the company held by all directors shall not be a certain percentage less than the total number of issued shares of the company. The number of shareholdings and the implemented verification rules shall be handled in accordance with the regulations of the competent authority.

Article 20: When the vacancy of directors reaches one-third, a by-election will be conducted. However, the term of office of the by-election directors shall be limited to the time limit for making up the original appointment.

Article 21: The directors organize the board of directors which attended by two-thirds of the directors and with the consent of a majority of the present directors, four executive directors will be elected from each other. One of the executive directors will be reserved for independent directors, and the executive directors will choose one chairman and one vice chairman from each other. The Chairman of the board represents the Company and execute all businesses of the Company according to the laws and regulations and resolutions from the shareholders' meetings and board of directors.

Article 22: The execution of the company's business shall be resolved by the board of directors, except for matters stipulated by the Company Act or articles of association. The board of directors shall be convened by the chairman, and be the chairman of board of directors. When the chairman asks for leave or is unable to exercise his powers for some reason, the vice chairman shall act as an agent; When the vice chairman also asks for leave or is unable to exercise his powers for some reason, an agent will be appointed in accordance with Article 208 of the Company Act.

The convening of the board of directors shall specify the reasons and notify the directors seven days in advance. However, it may be convened at any time if emergency.

The convening notice in the preceding paragraph may be changed to fax or e-mail with the consent of the counterparty.

If the board of directors uses a video conference, the directors participating in the video conference shall be deemed to be present in person.

Article 23: The board meeting must be attended by a majority of the directors. When a director is unable to attend for some reason, he shall issue a letter of authorization, stating the scope of authorization with the convening reason and entrust an agent to attend, but each person shall be entrusted by one person, and the resolution shall be carried out with the consent of a majority of the attending directors. Governed by Article 17 of this Articles of Association, the resolutions of the shareholders meeting shall be recorded as meeting minutes, which shall be preserved after being signed or sealed by the chairman and present directors.

Article 24: (Deleted)

Article 25: The Company may hire consultants through the board of directors with a majority of the directors attended and approval of a majority of the directors' present. The remuneration of the company's directors and hired consultants shall be authorized by the board of directors according to the level of participation and contribution to the company's operations, and formulate with reference to the usual levels of payment from domestic and foreign industries.

Article 25-1: The company may purchase liability insurance for directors and managers, and the amount of insurance and insurance-related matters shall be authorized to the board of directors.

Chapter V. Managers and staff

Article 26: The company has one general manager and several deputy general managers.

The general manager upholds the orders of the chairman and the board of directors to comprehensively manage all business, assisted by the deputy general manager.

The appointment and removal of the general manager shall be nominated by the chairman of the board and shall be carried out with the approval of the board of directors. The appointment and removal of persons above the deputy manager shall be nominated by the general manager and shall be carried out with the approval of the board of directors.

Article 27: With the business needs, the Company can hire accounting consultants and legal consultants or persons related to the company's business as the company's consultant.

Chapter VI. Distribution of final accounts surplus

Article 28: The company's financial year starts from January 1st to December 31st of the current year. At the end of each financial year, in accordance with Article 228 of the Company Act, the board of directors shall compile various forms, and send them to the Audit Committee 30 days before the shareholders' meeting or to the shareholders' meeting for recognition after verification by appointed accountants.

Article 29: If the company has a profit at the year's final accounting, 1% of annual profits shall constitute employees' remuneration, however, that the Company shall reserve a sufficient amount to offset its accumulated losses, and no director's compensation shall be mentioned.

The employee remuneration in the preceding paragraph shall be distributed in the form of shares or cash by the resolution of the board of directors, and the employee remuneration distribution case shall be reported to the shareholders meeting.

The company's industrial development is mature, its profits are stable, and its financial structure is sound. However, considering of in the coming years, there will still be business expansion plans depending on market changes,

the distribution of surplus is based on the statutory surplus reserve, special surplus reserve according to the law for the current year's distributable surplus, and after the special surplus reserve is set aside or converted according to other laws and regulations, the remaining undistributed surplus of the previous year shall be added to the board of directors. The distribution proposal shall be prepared by the board of directors and submitted to the shareholders meeting for the resolution. When surplus distribution is planned, shareholder dividends and bonuses shall not be less than 30% of the distributable surplus, but when the cumulative distributable surplus is less than 1% of the paid-in share capital, it may not be distributed; when surplus is distributed, the cash dividend shall not be less than 30% of the total dividend; However, only when the company obtains sufficient funds from outside sources to cover major annual capital expenditures, it will allocate at least 50% of the dividends distributed in the current year to issue cash dividends.

Chapter VII. Supplementary Regulations

Article 30: Things not mentioned in this Chapter will be processed according to Company's Act and the regulated laws and regulations.

Article 31: The Board of Directors will be set by the Company's organization regulations and operational regulations.

Article 32: The Company's cancellation of the public offering should be with a shareholders meeting attended by present shareholders who represent more than two-thirds of the total number of issued shares, and conduct with the approval of a majority of the voting rights of the present shareholders. If the total number of shares of the present shareholders is less than the quota specified in the preceding paragraph, the shareholders representing a majority of the total number of shares in issue may be present with the consent of more than two-thirds of the voting rights of the present shareholders.

And this provision will not be changed during the period of emerging and the period of listing and OTC.

Article 33: This Articles of Association was established on August 10, 1989, 1st amendment on April 27, 1991, 2nd amendment on May 17, 1993, 3rd amendment on June 21, 1994, 4th amendment on June 14, 1995, 5th amendment on June 22nd, 1996, 6th amendment on January 23rd, 1998, 7th amendment on April 10th, 1998, 8th amendment on June 21st, 2000, 9th amendment on March 9th, 2001, 10th amendment on June 28th, 2002, 11th amendment on January 2nd, 2003, 12th amendment on May 3rd, 2007, 13th amendment on June 26th, 2009, 14th amendment on May 7th, 2010, 15th amendment on May 4th, 2011, 16th amendment on August 26th, 2011, 17th amendment on May 21st, 2012, 18th amendment on May 9th, 2013, 18th amendment on May 9th, 2013, 19th amendment on June 24th, 2015, 20th amendment on May 5th, 2016, 21st amendment on April 25th, 2017.

Concord International Securities Co., Ltd.
Rules of Procedure of Shareholders' Meeting (Before Amended)

- Article 1: To establish a strong governance system and sound supervisory capabilities for the Company 's shareholders' meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for the Company.
- Article 2: The rules of procedures for the Company's shareholders' meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.
- Article 3: Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors. the Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. the Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors, change of articles of association, capital reduction, application for suspension of public offerings, directors' competition license, capital increase from surplus, capital increase from public reserves, company dissolution, merger, division, or the matters mentioned in the first paragraph of Article 185, shall be set out in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion; The main content should be placed on the website designated by the securities authority or the company, and the website shall be included in the notice.

The reasons for convening of the shareholders meeting have been stated for the full re-election of directors and the date of appointment. After the

re-election of the shareholders meeting is completed, the same meeting shall not change the date of appointment by extraordinary motion or other methods.

A shareholder holding 1 percent or more of the total number of issued shares may submit to the Company a written proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. However, if the shareholder's proposal is to urge the company to promote the public interest or fulfill its social responsibilities, the board of directors may still include it in the motion.

In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.

Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce that it will receive shareholder proposals, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4: For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before 1 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5: 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. Full consideration shall be given to the opinions of the independent

directors with respect to the place and time of the meeting.

Article 6: The Company shall furnish the attending shareholders or their proxies (Hereinafter referred to as "shareholders") with an attendance book to sign, or attending shareholders may hand in a sign-in card instead of sign-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. shareholders shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance; and solicitors soliciting proxy forms shall also bring identification documents for verification. 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 7: If a shareholders meeting is convened by the board of directors, the meeting shall be called by the chairman of the board. When the chairman of the board asks for 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 chairman, or, if there are no managing directors, one of the directors shall be appointed to act as chairman. 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 chairman.

It is advisable that shareholder's meetings convened by the board of directors shall be attended by a majority of the directors.

If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chairman the meeting. When there are two or more such convening parties, they shall mutually select a chairman from among themselves.

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 8: The Company shall make an audio or video recording of the meeting process the recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 9: Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus

the number of shares whose voting rights are exercised by correspondence or electronically.

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

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

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

Article 10: If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Relevant motions (including extraordinary motion and amendments to the original motion) shall be decided on a case-by-case basis, and 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 chairman may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chairman declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chairman in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

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

Article 11: Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance

card number), and account name. The order in which shareholders speak will be set by the chairman.

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.

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

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

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.

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

Article 12: Voting at a shareholders meeting shall be calculated based the number of shares.

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

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

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

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

Article 13: A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares. When this Corporation holds a shareholders meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means, and when voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means

will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoids the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

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. At the time of a vote, for each proposal, the chairman or a person designated by the chairman shall announce the total number of voting rights represented by the attending shareholders. The proposal is deemed passed after the chairman's consultation with all attended shareholders without objection, which is equally effective as the voting; Those who disagree shall vote in accordance with the provisions of the preceding paragraph.

In addition to the proposals listed on the agenda, other proposals, amendments to the original proposal, or alternatives proposed by shareholders shall be seconded by other shareholders. The equity represented by the proposer along with the seconder shall amount to one percent of the total number of voting rights in the issued shares.

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

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

The counting of votes shall be conducted publicly in the meeting of shareholders, and the results of the voting shall be reported on the spot and recorded.

Article 14: 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.

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

Article 15: Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chairman's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results (including statistical weights), when there is director's election, the number votes of each candidate have should be disclosed. And the meeting minutes shall be retained for the duration of the existence of the Company.

The resolution method in the preceding paragraph is based on the chairman's consultation with shareholders. If the shareholders have no objection to the proposal, it should be stated that "approved by the chairman's consultation with all attended shareholders without objection"; However, if shareholders disagree with the proposal, the voting method, pass of voting rights, and the ratio of the number of voting rights should be stated.

Article 16: On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or GreTai Securities Market) regulations, the company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17: Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chairman may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chairman may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chairman's correction, obstructing the proceedings and refusing to heed calls to stop, the chairman may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18: When a meeting is in progress, the chairman may announce a break based on time considerations. If a force majeure event occurs, the chairman may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

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

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 19: These Rules, and any amendments hereto, shall be implemented after adoption by shareholders' meetings.

Concord International Securities Co., Ltd. Director Election Method (Before Amended)

Article 1 To ensure a just, fair, and open election of directors and supervisors, these Procedures are adopted pursuant to Articles 21 and 41 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2 Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors and supervisors shall be conducted in accordance with these Procedures.

Article 3 The overall composition of the board of directors shall be taken into consideration in the selection of this Corporation's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. An international market perspective.
7. Leadership ability.
8. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

The board of directors of this Corporation shall consider adjusting its composition based on the results of performance evaluation.

Article 4 (Deleted)

Article 5 The qualifications for the independent directors of this Corporation shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

The election of independent directors of this Corporation shall comply with Articles 5, 6, 7, 8, and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted in accordance with Article 24 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 6 Elections of both directors and supervisors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. This Corporation shall review the qualifications, education, working experience, background, and the existence of any other matters set forth in Article 30 of the Company Act with respect to nominee directors and supervisors and may not arbitrarily add requirements for documentation of other qualifications. It shall further provide the results of the review to shareholders for their reference, so that qualified directors and supervisors will be elected

When the number of directors falls below five due to the dismissal of a director for any reason, this Corporation shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in this Corporation's articles of incorporation, this Corporation shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, or the related provisions of the Taiwan Stock Exchange Corporation rules governing the review of listings, or subparagraph 8 of the Standards for Determining Unsuitability for GTSM Listing under Article 10, Paragraph 1 of the GreTai Securities Market Rules Governing the Review of Securities for Trading on the GTSM, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of supervisors falls below that prescribed in this Corporation's articles of incorporation due to the dismissal of a supervisor for any reason, a by-election to fill the vacancy should ideally be held at the next shareholders meeting. When the supervisors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article 7 The company's director election adopts the single-name cumulative election method. Each share has the same voting rights as the number of directors to be elected. It may elect one person collectively, or elect several people separately. Those with more voting rights represented by the votes obtained are elected as directors.

Article 8 The board of directors shall prepare separate ballots for directors and

supervisors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 9 The number of directors and supervisors will be as specified in this Corporation's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

Article 10 Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

Article 11 If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.

Article 12 A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by the board of directors.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.
5. Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted.
6. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.

Article 13 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors or supervisors and the numbers of votes with which they were elected, shall be announced by the chair on the site.

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. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 14 The board of directors of this Corporation shall issue notifications to the persons elected as directors or supervisors.

Article 15 These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

Established in March 2017