

Stock code : **5864**



Concord International Securities CO., LTD

Handbook for
2022 Shareholders' Meeting

May 4, 2022

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I. Procedures for the 2022 shareholders' meeting of Concord International Securities Co., Ltd.

【Time】 : May 4, 2022 (Wednesday) , 10:00 am

【Shareholders meeting will be held by means of】 :
physical shareholders meeting

【Location】 : Hotel Château Anping

(No. 47, Xinjian Road, South District, Tainan City)

1. Report the number of shares attended
2. Call the Meeting to Order
3. Chairman's Remarks
4. Report Matters
5. Resolution
6. Discussion
7. Elections Matters
8. Questions and Motions
9. Adjournment

II. Agenda of the 2022 Regular Shareholders' Meeting of Concord International Securities Co., Ltd.

1. Call the Meeting to Order

2. Chairman's Remarks

3. Report Matters

(1) The 2021 Business Report and Future Management Policy Report.

(2) The Audit Committee's Review Report on the 2021 Financial Statements.

(3) Employee compensation report.

(4) Amendment to "Corporate Governance Best Practice Principles", "Corporate Social Responsibility Best Practice Principles", report.

4. Resolution

(1) The Company's 2021 Final Accounts and Business Report.

(2) The Company's 2021 Proposal for Profits' Distribution.

5. Discussion

(1) Amendment to the "Articles of Incorporation".

(2) Amendment to the "Rules of Procedure for Shareholder Meetings" and "Procedures for Acquisition or Disposal of Assets " .

(3) Proposal for Profits Transferring to Capital Increase.

6. Election Matters

Election of the Company's 12th Board of Directors comprising 10 directors and 3 independent directors.

7. Questions and Motions

8. Adjournment

III. Report Matters

1. The 2021 Business Report and Future Management Policy Report.

(Please see page 11-14 of this manual)

2. The Audit Committee's Review Report on the 2021 Financial Statements.

(Please see page 15 of this manual)

3. Employee compensation report.

On March 15, 2022, the board of directors of the Company resolved to distribute employee remuneration of NT\$7,465,458 in accordance with Article 29 of the Association of the Company, which will be distributed in cash.

4. The Company's "Corporate Governance Best Practice Principles", "Corporate Social Responsibility Best Practice Principles", report.

(Please see page 26 to 37 of this manual for the revision comparison table)

V. Resolution

1st Case

Proposed by Board of Directors

Proposal : The company's 2021 final accounts and business report are hereby submitted for resolution.

Explanation : The company's 2021 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 seventeenth 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 11-14)

Balance sheet (Please see page 16-17)

Statement of comprehensive income (Please see page 18-19)

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 2021 Proposal for Profits' Distribution is hereby submitted for resolution.

Explanation : 1. The Company's net profit after tax for 2021, as certified by the accountants, amounted to NT\$703,019,836. After deducting other comprehensive income or loss (actuarial gain or loss on defined benefit plans) of NT\$14,706,240, the net profit for the year plus items other than the net profit for the year is included in the current year's undistributed earnings of NT\$688,313,596. Based on the 10% legal reserve of NT\$68,831,359 and the 20% special reserve of NT\$137,662,718, the Company expects to appropriate NT\$151,043,916 for cash dividends and NT\$151,043,900 for stock dividends. Based on the total number of 251,739,848 shares issued, the cash dividend per share is approximately NT\$0.60 and the stock dividend is approximately NT\$0.60. (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 :

IV. Discussion

1st Case

Proposed by Board of Directors

Proposal : Amendment to the Company's "Articles of Incorporation". Please discuss.

Explanation : 1. In order to cooperate with the competent authority's policy of promoting the video conference of shareholders, and to meet the needs of the digital age to provide a channel for shareholders to facilitate their participation in the shareholders' meeting, the amendment was announced on December 29, 110 in accordance with Article 172-2 of the Company Law.

2. Please refer to pages 38 to 39 for the amendments to the Company's "Articles of Incorporation".

Resolution :

2nd Case

Proposed by Board of Directors

Proposal : Amendment to the Company's "Rules of Procedure for Shareholders Meetings" and "Procedures for the Acquisition or Disposal of Assets". Please discuss.

Explanation : 1. In accordance with the announcement Tai-Cheng-Chih-Li-Zi No. 1110004250 dated Mar. 8, 2022 by Taiwan Stock Exchange, the "Company's Rules of Procedure for Shareholders Meetings" is revised to be line with the enabling of convening shareholders' meeting by video conferencing in the Company Act to facilitate the sound development of the securities market.

2. Some articles of the "Procedures for the Acquisition or Disposal of Assets" are amended in accordance with the Decree Chin-Guan-Cheng-Zi No. 1110380465 dated Jan. 28, 2022 by FSC, and the Letter Cheng-Kuei-Jian-Zi No. 111052109 dated Feb. 9, 2022 by Taipei Exchange.

3. Please refer to pages 40 to 80 for the amendments to the Company's "Rules of Procedure for Shareholders Meetings" and "Procedures for the Acquisition or Disposal of Assets".

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 2021 profits to increase capital of NT\$151,043,900 to issue new shares, and distribute NT\$0.6 stock dividends to shareholders, with NT\$10 par value per share. After the capital increase, the paid-in capital will be NT\$2,668,442,380.

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 :

V. Election Matters (Election of 12th Board of Directors)

Proposal: Election of 12th Board of Directors (including independent directors).

Please start the election.

Explanation: 1. The term of office of the Company's 11th Board of Directors has expired.

The Company intends to elect the 12th Board of Directors (directors and independent directors) during the 2022 Ordinary Shareholders' meeting. The newly elected directors will start from May 4, 2022 to May 3, 2025 for a term of three years.

2. In accordance with the Company's Articles of Incorporation, 10 directors and 3 independent directors shall be elected.

3. The Company adopted the candidate nomination system for the election of directors and independent directors. The nomination of candidates for the election of directors and independent directors has been approved at the 17th meeting of the 11th Board of Directors. Information on the academic background, work experience and shareholdings of each director and independent director candidate is as follows:

Directors:

No.	Name	Academic background and work experience	Shareholdings
1	LEE, UEN-PIN	Academic background: Department of Economics, Feng Chia University Current position: Chairman of Concord International Securities Co., Ltd	115,170 shares
2	CHEN, MI-CHUAN	Academic background: Department of International Relations, University of Southern California Current position: Vice Chairman of Concord International Securities Co., Ltd	6,076,113 shares
3	CHEN, PIN-CHUN	Academic background: MBA, University of San Francisco Current position: Assistant to Chairman of Concord	4,946,983 shares

No.	Name	Academic background and work experience	Shareholdings
		International Securities Co., Ltd	
4	TENG, CHUN-HSIANG	Academic background: International Trade, Takming University of Science and Technology Current position: Assistant Vice President of Concord International Securities Co., Ltd	0 shares
5	Bao-Li-Dou Capital Investment Co., Ltd. Representative: HSU, WEN-KO	Academic background: not applicable Current position: Chairman of Concord International Securities Co., Ltd	37,302,515 shares
6	Bao-Li-Dou Capital Investment Co., Ltd. Representative: WANG, WEN-TSU	Academic background: not applicable Current position: Vice General Manager of Concord International Securities Co., Ltd	
7	HSIA, MEI-CHI	Academic background: Quit school from Penghu Maritime School Current position: Responsible person of DING SHAN INTERNATIONAL CO., LTD.	1,619,892 shares
8	HUANG, MING-SHAN	Academic background: Department of Mechanical Engineering, Southern Taiwan University of Science and Technology Current position: General Manager of SHYE YIH FEEDING CO., LTD.	2,088,345 shares
9	LIU, CHEN-I	Academic background: Department of Human Resources and Public Relations, Dayeh University Current position: Secretary to the Chairman, HUNG HSIN BUILDING MATERIALS CO., LTD.	226,967 shares

No.	Name	Academic background and work experience	Shareholdings
10	WISE CO., LTD. Representative: HUANG, I-JU	Academic background: not applicable Current position: Director of WISE CO., LTD.	920,716 shares

Independent directors:

No.	Name	Academic background and work experience	Shareholdings
1	WEI, FU-CHUAN	Academic background: Business Management Graduate School, National Chung Hsing University Current position: Independent Director of Concord International Securities Co., Ltd	42,491 shares
2	CHEN, CHIEN-CHUAN	Academic background: Quit school from university Current position: Responsible person of MEC MEDICAL CO., LTD.	337 shares
3	HSU, SHUN-FA	Academic background: Master of Accounting, University of Memphis Current position: Accounting Partner of PAN-CHINA(TW) CPAs	0 shares

Election results :

VI. Questions and Motion

Adjournment

Appendix

【Appendix: 2021 Business Report and Future Management Policy Report】

Letters to Shareholders

- I. Under the shadow of the epidemic and inflation and shrinkage in 2021, there were all kinds of speculation about the direction of the financial markets. International economies are showing signs of recovery under the policy of co-existence with the epidemic. After the impact of the epidemic, the world's industrial landscape has been definitively reorganized, making Taiwan the spotlight of the world industry. Last year, Taiwan's GDP grew at a high rate of 6.41%, profitability in all industries reached record highs, and the yield on listed stocks was among the highest in the world. As a result, the capital market is booming and the weighted stock index is above 18,000 points and the volume is at a record high, making the brokerage firms profitable.
- II. For the year 2021, CONCORD's overall after-tax earnings of NT\$235,922,497 for the brokerage division, NT\$582,570,721 for the proprietary division, and NT\$4,415,879 for the underwriting division reached a new high of approximately NT\$2.816 per share after tax.
- III. With the entire epidemic under control and optimistic policies in the coming 2022, a recovery should be expected. However, Russia started a war in Ukraine in February, leaving the international situation in a fog of unpredictable turmoil. The rise of oil price is more likely to cause inflationary pressure and affect the economic growth of countries.
Taiwan is still in control of the key products of the world industry, hence, its export value has reached record highs. Taiwan's GDP is expected to grow by more than 4% this year, and the economic performance is still cautiously optimistic, which will continue the active trading condition in the financial securities investment market.
The Company will continue to develop niche-related businesses, increasing the proportion of electronic trading, the balance of the financing business, the unrestricted business, the futures commodity business, and leveraging the strategic benefits of other divisions. In the age of electronic trading, CONCORD has been actively building competitive systems and equipment with its peers in order to improve business stability and reliability.

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 2021 is listed below :

(In Thousands of New Taiwan Dollars)

	2021				
	Brokerage Department	Proprietary Trading Department	Underwriting Department	Another Department	TOTAL
Income from External Customer	457,031	588,464	6,459	5,725	1,057,679
Inter-segment Revenue	--	--	--	--	--
Total Income	457,031	588,464	6,459	5,725	1,057,679
Segment Profit or loss	227,381	581,740	4,350	(74,391)	739,080

II. Financial Receipts and Expenditures, and Profitability Analysis

1. Financial Revenue

(In Thousands of New Taiwan Dollars)

Item	Year	2021	2020	Increase (Decrease)
	Net cash inflow (used in) from operating activities		(528,386)	(217,920)
Net cash flows (used in) from Investing Activities		(19,230)	(27,054)	7,824
Net cash flows (used in) from Financing Activities		555,221	217,984	337,237

2. Profitability Analysis

Item		2021	2020
Return on Assets (%)		9.46	8.2
Return on Owner's Equity (%)		16.16	12.49
Ratio of Paid-in Capital (%)	Operating Income	28.24	19.50
	Income Before Tax	29.36	20.65
Net Profit Ratio (%)		66.47	64.27
Earnings per Share (NT\$)		2.79	1.86

3. Business Performance Analysis

(In Thousands of New Taiwan Dollars)

Item	2021	2020	Increase/ Decrease Amount	Variable Ratio (%)
Earnings	1,057,679	729,816	327,863	44.92
Operating Expenses and Expenditure	346,746	266,731	80,015	30.00
Operating Income (Loss)	710,933	463,085	247,848	53.52

Non-operating Income (Loss)	28,147	27,389	758	2.77
Income (Loss) from Continuing Operations before Tax	739,080	490,474	248,606	50.69
Income Tax Benefit (Expense)	(36,060)	(21,397)	(14,663)	68.53
Income (Loss) from Continuing Operations After Tax	703,020	469,077	233,943	49.87

(1) 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.Revenue: The increase was mainly due to the increase in brokerage fee income, net gain on sales of operating securities and net gain on sales of operating securities at fair value through profit or loss as compared to the previous period, as the market of Taiwan stocks continued to be upbeat and the volume of transactions increased.
- 2.Operating costs and expenses: This was mainly due to the increase in turnover compared to the previous period as a result of the continued strong market for Taiwan stocks and the increase in salesperson salaries.
- 3.Income tax fee: The increase was mainly due to the increase in net income before tax in the current period compared to the previous period.

(2) Possible improvements to the Company's future financial operations and plans to address them: none.

III. The Summary of Operational plan for the current year

In the face of fierce competition in the industry and the impact of the COVID-19 epidemic, and in the face of the severe operating environment, the Company is committed to prudent management, sequential promotion of business operations to enhance operational efficiency, prudent planning, and strict implementation of the principles of strengthening risk control. In addition to striving to achieve our performance targets, the Company is actively pursuing the best interests of all shareholders. Key points for the plan are as follows:

- (1) Optimize the configuration of electronic ordering system, continue to improve rofitability and increase overall profits.
- (2) Plan our sub-account business to improve the quality of our services, actively cultivate our customers, and increase the breadth and depth of our dealings to satisfy the needs of the customers.

- (3) Enhance the professional knowledge of employees and improve the quality of human resources in response to business development.
- (4) Strengthen auditing, internal control and risk management to reduce operating losses and improve operational efficiency.
- (5) Strengthen our proxy mechanism and off-site backup facilities in response to the changing nature of the epidemic.
- (6) Continue to care for and participate in public welfare activities, strengthen the implementation of sustainable development methods and implement the spirit of sustainable development.

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 2021 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.2022 Shareholders' Meeting

Concord International Securities Co., Ltd. The Audit Committee

Convener : Hsu, Shun-Fa

March 15, 2021

Concord International Securities Company Limited
Balance Sheets
For the years ended December 31, 2021 and 2020

(In Thousand NTs of New Taiwan dollars)

Assets		Notes	December 31, 2021		December 31, 2020	
Codes	Items		Amount	%	Amount	%
110000	Current assets					
111100	Cash and cash equivalents	4,6	\$ 96,077	1	\$ 88,472	2
112000	Current financial assets at fair value through profit or loss	4,7	2,752,172	33	2,029,728	32
114010	Bond investments under resale agreements	4,8	—	—	63,001	1
114030	Margin loans receivable	4,9	1,729,362	21	1,188,146	18
114040	Refinancing margin	4,9	2,951	—	—	—
114050	Refinancing collateral receivable	4,9	2,459	—	—	—
114060	Receivable of securities business money lending	4,9	—	—	840	—
114066	Receivable of money lending-any use	4,9	8,884	—	7,443	—
114130	Accounts receivable	4,9	1,203,151	15	1,274,117	20
114150	Prepayments		1,745	—	2,481	—
114170	Other receivables	4	32,340	—	17,237	—
119000	Other current assets	10	861,387	10	275,426	4
110000	Total current assets		6,690,528	80	4,946,891	77
120000	Non — current assets					
123200	Non-current financial assets at fair value through other comprehensive income	4,11	575,770	7	370,153	6
125000	Property and equipment	4,12	668,037	8	713,604	11
125800	Right-of-use assets	4,13	8,981	—	20,041	—
126000	Investment property	4,14	158,901	2	118,258	2
127000	Intangible assets	4,15	7,804	—	7,462	—
128000	Deferred tax assets	4,25	9,094	—	13,909	—
129000	Other non-current assets	16	278,227	3	274,332	4
120000	Total noncurrent assets, net		1,706,814	20	1,517,759	23
	Total Assets		\$ 8,397,342	100	\$ 6,464,650	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, 2021 and 2020

(In Thousand NTs of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2021		December 31, 2020	
Code	Items		AMOUNT	%	AMOUNT	%
210000	Current liabilities					
211100	Current borrowings	17	\$ 690,000	8	\$ 230,000	4
211200	Commercial paper payable	18	839,688	10	600,825	9
214040	Securities financing refundable deposits	9	46,497	—	51,319	1
214050	Deposits payable for securities financing	9	49,187	1	54,754	1
214110	Notes payable		1,571	—	2,626	—
214130	Accounts payable	19	1,218,156	15	1,297,494	20
214160	Receipts under custody		677,925	8	96,677	2
214170	Other payables	20	72,982	1	63,734	1
214600	Current tax liabilities	4,25	24,016	—	4,194	—
216000	Current lease liabilities		1,101	—	2,170	—
219000	Other current liabilities		582	—	1,040	—
210000	Total current liabilities		3,621,705	43	2,404,833	38
220000	Noncurrent liabilities					
224020	Long-term deferred revenue		1,378	—	2,411	—
226000	Non-current lease liabilities		8,070	—	18,137	—
229030	Guarantee deposit received		720	—	1,071	—
229070	Non-current net defined benefit liability	4,21	40,301	1	64,468	1
220000	Total noncurrent liabilities		50,469	1	86,087	1
	Total Liabilities		3,672,174	44	2,490,920	39
301000	Capital					
301010	Common stock		2,517,398	30	2,374,904	37
302000	Total capital surplus		119,609	1	119,608	2
304000	Retained earnings (or accumulated deficit)					
304010	Legal reserve		135,940	2	90,357	1
304020	Special reserve		915,020	11	866,420	13
304040	Unappropriated retained earnings (accumulated deficit)		764,997	9	455,854	7
305000	Total other equity interest		272,204	3	66,587	1
	Total Equity	22	4,725,168	56	3,973,730	61
	Total liabilities and equity		\$ 8,397,342	100	\$ 6,464,650	100

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

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

Concord International Securities Company Limited

Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

(In Thousand NTs of New Taiwan dollars)

Codes	Items	Notes	2021		2020	
			AMOUNT	%	AMOUNT	%
400000	Revenues		\$ 1,057,679	100	\$ 729,816	100
401000	Brokerage handling fee revenue	24	367,493	35	234,184	32
404000	Revenues from underwriting business		4,744	—	2,424	—
410000	Gains (losses) on sale of operating securities	24	115,430	11	67,529	9
421200	Interest revenue	24	86,050	8	52,888	7
421300	Dividend revenue		101,537	10	61,808	9
421500	Valuation gains (losses) on operating securities at fair value through profit or loss	24	379,476	36	307,751	42
424100	Futures commission revenues		2,757	—	3,238	1
425300	Impairment loss (impairment gain and reversal of impairment loss)		81	—	(194)	—
428000	Other operating income		111	—	188	—
500000	Total expenditure and expense		(346,746)	(33)	(266,731)	(37)
501000	Brokerage handling fee expense		(24,503)	(2)	(14,559)	(2)
502000	Proprietary handling fee expense		(68)	—	(88)	—
503000	Refinancing processing fee expenses		(28)	—	(60)	—
504000	Underwriting operation processing fee expenses		(72)	—	(54)	—
521200	Finance costs		(10,236)	(1)	(4,279)	(1)
528000	Other operating expense		(2)	—	—	—
531000	Employee benefits expenses		(222,978)	(21)	(169,622)	(23)
532000	Depreciation and amortization expense		(21,064)	(2)	(20,228)	(3)
533000	Other operating expense		(67,795)	(7)	(57,841)	(8)
5xxxxx	Non-operating income(loss)		710,933	67	463,085	63
602000	Other gains and losses	24	28,147	3	27,389	4
902001	Profit (loss) from continuing operations before tax		739,080	70	490,474	67
701000	Income tax expense (benefit)	4,25	(36,060)	(3)	(21,397)	(3)
902005	Profit (loss)		703,020	67	469,077	64
805000	Other comprehensive income					
805500	Components of other comprehensive income that will not be reclassified to profit or loss		190,911	18	98,551	14

805510	Gains (losses) on remeasurements of defined benefit plans		(18,383)	(2)	(16,564)	(2)
805540	Unrealized gains (losses) from investments in equity instruments at fair value through other comprehensive income		205,617	20	111,802	15
805599	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		3,677	—	3,313	1
	Other comprehensive income		190,911	18	98,551	14
902006	Total comprehensive income		\$ 893,931	85	\$ 567,628	78
	Earnings per share	23				
975000	Total Basic earnings per share		\$ 2.79		\$ 1.86	
985000	Total Diluted earnings per share		\$ 2.78		\$ 1.86	

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

Chairman: Hsu, Wen Ko, 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, 2021 and 2020

(In Thousand NTs of New Taiwan dollars)

Items	Common stocks	Capital surplus	Retained earnings			Total other equity interest	Total Equity
			Legal reserve	Special reserve	Accumulated profit or loss	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	
Equity at January 1, 2020	\$ 2,374,904	\$ 119,608	\$ 77,389	\$ 806,609	\$ 203,427	\$ (45,215)	\$ 3,536,722
Appropriation of 2019 earnings							
Legal reserve appropriated			12,968		(12,968)		—
Special reserve appropriated				59,811	(59,811)		—
Cash dividends of ordinary share					(130,620)		(130,620)
Profit (loss)					469,077		469,077
Other comprehensive income					(13,251)	111,802	98,551
Total comprehensive income	—	—	—	—	455,826	111,802	567,628
Equity at December 31, 2020	2,374,904	119,608	90,357	866,420	455,854	66,587	3,973,730
Appropriations of 2020 earnings							
Legal reserve appropriated			45,583		(45,583)		—
Special reserve appropriated				93,815	(93,815)		—
Cash dividends of ordinary share (130,620)					(142,494)		(142,494)
Stock dividends of ordinary share	142,494				(142,494)		—
Reversal of special reserve				(45,215)	45,215		—
Disgorgement		1					1
Profit (loss)					703,020		703,020
Other comprehensive income					(14,706)	205,617	190,911
Total comprehensive income	—	—	—	—	688,314	205,617	893,931
Equity at December 31, 2021	\$ 2,517,398	\$ 119,609	\$ 135,940	\$ 915,020	\$ 764,997	\$ 272,204	\$ 4,725,168

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

Chairman: Hsu, Wen Ko,

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 Thousand NTs of New Taiwan Dollars)

Items	2021	2020
	AMOUNT	AMOUNT
Cash flows from (used in) operating activities, indirect method:		
Profit (loss) before tax	\$ 739,080	\$ 490,474
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expense	17,125	17,620
Amortization expense	3,939	2,608
Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense	(81)	194
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(379,476)	(307,751)
Interest expense	10,236	4,279
Interest income (including financial income)	(88,160)	(56,232)
Dividend income	(101,537)	(61,808)
Loss (gain) on disposal of property, plant and equipment	28	20
Gains on non-operating financial products at fair value	(3,141)	—
Gains on leasehold improvement	(159)	—
Changes in operating assets and liabilities		
Decrease (increase) in financial assets at fair value through profit or loss	(339,827)	(200,741)
Decrease (increase) in bond investments under resale agreements	63,001	(161)
Decrease (increase) in margin loans receivable	(541,216)	(193,817)
Decrease (increase) in refinancing margin	(2,951)	695
Decrease (increase) in refinancing collateral receivable	(2,459)	652
Decrease (increase) in receivable of securities business money lending	(601)	(4,499)
Decrease (increase) in accounts receivable	70,966	(585,345)
Decrease (increase) in other prepayments	736	1,786
Decrease (increase) in other receivable	183	(52)
Decrease (increase) in other current assets	(585,961)	(101,524)
Increase (decrease) in securities financing refundable deposits	(4,822)	3,268
Increase (decrease) in deposits payable for securities financing	(5,567)	2,297
Increase (decrease) in notes payable	(1,055)	(1,407)
Increase (decrease) in accounts payable	(79,338)	568,629
Increase (decrease) in receipts under custody	581,248	93,633
Increase (decrease) in other payable	8,927	28,758
Increase (decrease) in other current liabilities	34	3
Increase (decrease) in net defined benefit liability	(43,393)	(16,579)
Increase (decrease) in long-term deferred	(1,033)	2,411

	2021	2020
revenue		
Cash inflow (outflow) generated from operations	(685,274)	(312,589)
Interest received	72,954	56,301
Dividends received	101,537	61,808
Interest paid	(9,857)	(4,061)
Income taxes refund (paid)	(7,746)	(19,379)
Net cash flows (used in) from operating activities	(528,386)	(217,920)

Concord International Securities Company Limited
Statements of Cash Flows (continued)
January 1 to December 31, 2021 and 2020

(In Thousands of New Taiwan Dollars)

Items	2021	2020
	AMOUNT	AMOUNT
Cash flows from (used in) investing activities:		
Acquisition of property and equipment	(12,464)	(21,055)
Increase in deposits settlement fund	(4,991)	—
Decrease in deposits settlement fund	2,061	2,258
Decrease in guarantee deposit received	594	—
Acquisition of intangible assets	(4,128)	(8,153)
Increase in other non-current assets	(302)	(104)
Net cash flows from (used in) investing activities	(19,230)	(27,054)
Cash flows from (used in) financing activities:		
Increase in short-term loans	9,240,000	1,950,200
Decrease in short-term loans	(8,780,000)	(1,850,200)
Increase in commercial papers payable	7,920,000	4,121,000
Decrease in commercial papers payable	(7,681,000)	(3,870,000)
Increase in guarantee deposit received	—	90
Payments of lease liabilities	(1,192)	(2,371)
Cash dividends paid	(142,588)	(130,735)
Disgorgement	1	—
Net cash flows provided from (used in) financing activities	555,221	217,984
Net increase (decrease) in cash and cash equivalents	7,605	(26,990)
Cash and cash equivalents at beginning of period	88,472	115,462
Cash and cash equivalents reported in the statement of financial position	\$ 96,077	\$ 88,472

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

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

Concord International Securities Co., Ltd.

Profit Distribution Statement

Year 2021

Unit: New Taiwan Dollar

Item	Subtotal	Total	Explanation
Undistributed profits at the beginning period		76,682,690	
plus			
Current profit and loss	703,019,836		
Other comprehensive gains and losses (after tax for the determined actuarial gains and losses of the benefit plan)	(14,706,240)		Re-measurement loss for determining the benefit plan 18,382,800*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		688,313,596	
Minus:			
Statutory surplus reserve 10%		(68,831,359)	(703,019,836-14,706,240) *0.10
Special surplus reserve 20%		(137,662,718)	(703,019,836-14,706,240) *0.20
Distributable surplus for the current period		558,502,209	
Distributable items:			
Cash dividend about NT\$0.6	(151,043,916)		
Stock dividend about NT\$0.6	(151,043,900)	(302,087,816)	
Undistributed retained surplus		256,414,393	
Note: 1. Distribute employee remuneration of NT\$7,465,458; 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. Shareholdings of directors and independent directors :

- (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	37,302,515	
Director	Baulidu Investment Co., Ltd		
Vice Chairman of the Board	Chen, Mi-Chuan	6,076,113	
Managing Director	Chen, Rong-Ji	229,141	
Director	Lee, Uen-Pin	115,170	
Director	Huang, Ming-Shan	2,088,345	
Director	Liu, Chen-I	226,967	
Director	Shia, Mei-Chi	1,619,92	
Director	Chen, Pin-Chun	4,946,983	
Director	Vishay Trading Co., Ltd. Representative: Huang I-Ju	920,716	
Independent Director	Hsu, Shun-Fa	0	
Independent Director	Chen, Chien-Chuan	337	
Independent Director	Wei, Fu-Chuan	42,491	
Total		53,568,6702	

(4) Election and dismissal of directors:

- I. On May 4, 2022, 10 directors and 3 independent directors were elected for the 12th term.
- II. On March 20, 2020, the representative of Baulidu Investment Co., Ltd: Chen, Long-Fa resigned.

(5) Explanation of the proposed capital increase:

In 2022, the company will issue 15,104,390 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\$2,668,442,380.

2. The impact of stock dividend issuance on business performance, EPS, and shareholder return rate :

- (1) In the past two years, the stock market has developed vigorously, transactions have been active, and the trading volume has also increased. In addition, the brokerage financing business has also gradually grown, and the company's profit and shareholder compensation have increased simultaneously. Dividends and dividend distribution, not only can return and meet shareholders' investment income and expectations, but also can improve the use of company funds flexibility, expand the efficiency of capital application, and create better operating efficiency.
- (2) The company earned 1.86 yuan per share in 2021, and distributed cash dividends of 0.6 yuan per share and stock dividends in 2021 0.6 yuan, not only did not impact the flexibility and profitability of capital application, but instead led to the improvement of overall operating efficiency in 110 years. The net profit per share reached 2.79 yuan. Therefore, this year (2022) is expected to distribute a cash dividend of 0.6 yuan per share. A stock dividend of 0.6 yuan (same as in 2021) should not impact capital and operations.

Comparison table for the amended articles of “CONCORD INTERNATIONAL SECURITIES CO., LTD’s Corporate Governance Best Practice Principles”

After amendment	Before amendment	Description
<p>Article 6 (The board of directors of TWSE/TPEX listed companies should properly arrange the topics and procedures of shareholders' meetings)</p> <p>The board of directors of a TWSE/TPEX listed company shall properly arrange the agenda items and procedures for shareholders meetings, and formulate the principles and procedures for shareholder nominations of directors and supervisors and submissions of shareholder proposals. The board shall also properly handle the proposals duly submitted by shareholders. Arrangements shall be made to hold shareholders meetings at a convenient location <u>with the assistance of video conferencing and sufficient time allowed</u> and sufficient numbers of suitable personnel assigned to handle attendance registrations. No arbitrary requirements shall be imposed on shareholders to provide additional evidentiary documents beyond those showing eligibility to attend. Shareholders shall be granted reasonable time to deliberate each proposal and an appropriate opportunity to make statements. (Omitted)</p>	<p>Article 6 (The board of directors of TWSE/TPEX listed companies should properly arrange the topics and procedures of shareholders' meetings)</p> <p>The board of directors of a TWSE/TPEX listed company shall properly arrange the agenda items and procedures for shareholders meetings, and formulate the principles and procedures for shareholder nominations of directors and supervisors and submissions of shareholder proposals. The board shall also properly handle the proposals duly submitted by shareholders. Arrangements shall be made to hold shareholders meetings at a convenient location, with sufficient time allowed and sufficient numbers of suitable personnel assigned to handle attendance registrations. No arbitrary requirements shall be imposed on shareholders to provide additional evidentiary documents beyond those showing eligibility to attend. Shareholders shall be granted reasonable time to deliberate each proposal and an appropriate opportunity to make statements. (Omitted)</p>	<p>This article is added to cooperate with the competent authorities allowing shareholders' meetings by video conferencing and encouraging companies to hold a physical shareholders' meeting with the assistance of video conferencing (video-assisted shareholders' meetings).</p>

After amendment	Before amendment	Description
<p>Article 10 (TWSE/TPEX listed companies should emphasize shareholders' rights to information <u>and prevent insider trading</u>)</p> <p>Paragraphs 1 to 3 are omitted.</p> <p>It is advisable that the rules mentioned in the preceding paragraph include stock trading control measures from the date insiders of a TWSE/TPEX listed company become aware of the contents of the company's financial reports or relevant results, <u>including but not limiting to directors are prohibited from trading in their shares during the closed period of 30 days prior to the announcement of the annual financial report and 15 days prior to the announcement of the quarterly financial report.</u></p>	<p>Article 10 (TWSE/TPEX listed companies should emphasize shareholders' rights to information)</p> <p>Paragraphs 1 to 3 are omitted.</p> <p>It is advisable that the rules mentioned in the preceding paragraph include stock trading control measures from the date insiders of a TWSE/TPEX listed company become aware of the contents of the company's financial reports or relevant results.</p>	<p>ph 4 is amended to prevent insider trading, and with reference to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited which prohibit directors from trading in shares before the release of financial results.</p>
<p>Article 20 (The ability that the Board of Directors shall be equipped as a whole)</p> <p>Paragraphs 1 to 2 are omitted.</p> <p>The composition of the board of directors shall be determined by taking diversity into consideration. It is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:</p> <p>1. Basic requirements and values: Gender, age, nationality, and culture, <u>where the percentage of</u></p>	<p>Article 20 (The ability that the Board of Directors shall be equipped as a whole)</p> <p>Paragraphs 1 to 2 are omitted.</p> <p>The composition of the board of directors shall be determined by taking diversity into consideration. It is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:</p> <p>1. Basic requirements and values: Gender, age, nationality, and culture.</p>	<p>To promote diversity in the composition of the board of directors, it is recommended that the proportion of female directors should reach one-third of the board seats, taking into account the international trend.</p>

After amendment	Before amendment	Description
<p><u>female directors shall reach one-third of the board seats.</u></p> <p>2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.</p> <p>Paragraphs 4 is omitted.</p>	<p>2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.</p> <p>Paragraphs 4 is omitted.</p>	
<p>Article 49 (Disclosure of corporate governance information)</p> <p>A TWSE/TPEX listed company shall <u>establish a dedicated zone in their website</u>, and disclose and update from time to time the following information regarding <u>corporate governance</u>:</p> <p><u>1.Board of Directors: such as the background of the members of the Board and their duties,Board Member Diversity Policy and Implementation.</u></p> <p><u>2.Functional committee: Background of the members of each functional committee and their duties.</u></p> <p><u>3.Regulations on Corporate Governance: The Company's corporate governance regulations, such as the Articles of Incorporation, the Rules of Procedure of the Board of Directors' Meeting and the Rules of Organization of the Functional Committee.</u></p> <p><u>4.Important information related to corporate governance: such as information on the establishment of a corporate governance officer, etc.</u></p>	<p>Article 49 (Disclosure of corporate governance information)</p> <p>A TWSE/TPEX listed company shall disclose and update from time to time the following information regarding corporate governance in the fiscal year in accordance with laws and regulations and TWSE or TPEX rules (disclosure of supervisors' information is not required if the company has an audit committee):</p> <p>1. Corporate governance framework and rules.</p> <p>2. Ownership structure and the rights and interests of shareholders, including specific and explicit dividend policy).</p> <p>3. Structure, professionalism and independence of the board of directors.</p> <p>4. Responsibility of the board of directors and managerial officers.</p> <p>5. Composition, duties and independence of the audit committee or supervisors.</p> <p>6. Composition, duties and operation of the remuneration committee and other functional committees.</p> <p>7. The remuneration paid to the directors, supervisors, general manager and vice general manager in the last two fiscal years, the analysis of the</p>	

After amendment	Before amendment	Description
	<p>percentage of total remuneration to net profit after tax in the parent company only financial reports or individual financial reports, the policy, standard and package of remuneration payment, the procedure for determination of remuneration and the connection with the operation performance and future risk. Under special individual circumstances, remuneration of individual directors and supervisors shall be disclosed.</p> <p>8. The progress of training of directors and supervisors.</p> <p>9. The rights, relationships, avenues for complaint, concerns, and appropriate response mechanism regarding stakeholders.</p> <p>10. Details of the events subject to information disclosure required by law and regulations.</p> <p>11. The enforcement of corporate governance, differences between the corporate governance principles implemented by the company and these Principles, and the reason for the differences.</p> <p>12. Other information regarding corporate governance.</p> <p>Depending on the actual implementation of corporate governance, it is advisable for listed companies to disclose their specific plans and measures to improve corporate governance in an appropriate manner.</p>	

Approved in the 17th meeting of the 11th Board of Directors on Mar. 15, 2022

Comparison table for amended articles of “CONCORD INTERNATIONAL SECURITIES CO., LTD’s

Corporate Social Responsibility Best Practice Principles”

After amendment	Before amendment	Description
The Company’s <u>Sustainable Development</u> Best Practice Principles	The Company’s Corporate Social Responsibility Best Practice Principles	The name of the “The Company’s Sustainable Development Best Practice Principles” was amended as “The Company’s Corporate Social Responsibility Best Practice Principles” to be in line with the international development trend and the goal of sustainable development. The Company will strengthen the implementation of sustainable development in our company and improve the quality of information disclosure on sustainable development, highlighting the importance of sustainable development in our company and the efforts to implement it.

After amendment	Before amendment	Description
Article 1 In order to fulfill corporate social responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development, the Company adopt the Company's own <u>Sustainable Development Code</u> with reference to the “The Company’s <u>Sustainable Development</u> Best Practice Principles” to manage its economic, environmental and social risks and impact.	Article 1 In order to fulfill corporate social responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development, the Company adopt the Company's own Corporate Social Responsibility Code with reference to the “The Company’s Corporate Social Responsibility Best Practice Principles” to manage its economic, environmental and social risks and impact.	This article is amended to be in line with the revision of the name of the Code, where the concept of corporate social responsibility should be expanded to include the importance of sustainable development.
Article 2 The Company shall actively implement <u>sustainable development</u> so as to follow international development trends and to	Article 2 The Company shall actively fulfill its corporate social responsibility so as to follow international development trends and to contribute to the	This article is amended to be in line with the revision of the name of the Code, where the concept of corporate social responsibility should be expanded to include the

After amendment	Before amendment	Description
<p>contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on <u>sustainable development</u>.</p>	<p>economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on corporate social responsibility.</p>	<p>importance of sustainable development.</p>
<p>Article 3 In promoting sustainable development initiatives, the Company shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance.</p>	<p>Article 3 In fulfilling corporate social responsibility initiatives, the Company shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance.</p>	<p>This article is amended to be in line with the revision of the name of the Code, where the concept of corporate social responsibility should be expanded to include the importance of sustainable development.</p>
<p>Article 4 To implement <u>sustainable development</u> initiatives, the Company is advised to follow the principles below: 1. Exercise corporate governance. 2. Foster a sustainable environment. 3. Preserve public welfare. 4. Enhance disclosure of corporate <u>sustainable development</u> information.</p>	<p>Article 4 To implement corporate social responsibility initiatives, the Company is advised to follow the principles below: 1. Exercise corporate governance. 2. Foster a sustainable environment. 3. Preserve public welfare. 4. Enhance disclosure of corporate social responsibility information.</p>	<p>The preface of this article and the subparagraph 4 of the same article are amended to be in line with the revision of the name of the Code, where the concept of corporate social responsibility should be expanded to include the importance of sustainable development.</p>
<p>Article 5 The Company shall take into consideration the correlation between the development of domestic and international <u>sustainable</u> principles and corporate core business operations, and the effect of the operation of individual companies and of their respective business</p>	<p>Article 5 The Company shall take into consideration the correlation between the development of domestic and international corporate social responsibility principles and corporate core business operations, and the effect of the operation of individual companies and of their</p>	<p>Paragraphs 1 and 2 of this article is amended to be in line with the revision of the name of the Code, where the concept of corporate social responsibility should be expanded to include the importance of sustainable development.</p>

After amendment	Before amendment	Description
<p>groups as a whole on stakeholders, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for <u>sustainable development</u> programs, which shall be approved by the board of directors and then reported to the shareholders meeting.</p> <p>When a shareholder proposes a motion involving <u>sustainable development</u>, the company's board of directors is advised to review and consider including it in the shareholders meeting agenda.</p>	<p>respective business groups as a whole on stakeholders, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for corporate social responsibility programs, which shall be approved by the board of directors and then reported to the shareholders meeting.</p> <p>When a shareholder proposes a motion involving corporate social responsibility, the company's board of directors is advised to review and consider including it in the shareholders meeting agenda.</p>	
<p>Article 7</p> <p>The directors of the Company shall exercise the due care of good administrators to urge the company to perform its <u>sustainable development</u> initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its <u>sustainable development</u> policies.</p> <p>The board of directors of the Company is advised to give full consideration to the interests of stakeholders, including the following matters, in the company's <u>promotion of its sustainable development initiatives</u>:</p> <p>1. Identifying the company's <u>sustainable development</u> mission or vision, and declaring its <u>sustainable development</u> policy, systems or relevant management guidelines;</p>	<p>Article 7</p> <p>The directors of the Company shall exercise the due care of good administrators to urge the company to perform its corporate social responsibility initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its corporate social responsibility policies.</p> <p>The board of directors of the Company is advised to give full consideration to the interests of stakeholders, including the following matters, in the company's performance of its corporate social responsibility initiatives:</p> <p>1. Identifying the company's corporate social responsibility mission or vision, and declaring its corporate social responsibility policy, systems or relevant management guidelines;</p>	<p>Paragraphs 1 and 2 of this article is amended to be in line with the revision of the name of the Code, where the concept of corporate social responsibility should be expanded to include the importance of sustainable development.</p>

After amendment	Before amendment	Description
<p>2. Making <u>sustainable development</u> the guiding principle of the company's operations and development, and ratifying concrete promotional plans for <u>sustainable development</u> initiatives.</p> <p>3. Enhancing the timeliness and accuracy of the disclosure of <u>sustainable development</u> information.</p> <p>(Omitted)</p>	<p>2. Making corporate social responsibility the guiding principle of the company's operations and development, and ratifying concrete promotional plans for corporate social responsibility initiatives.</p> <p>3. Enhancing the timeliness and accuracy of the disclosure of <u>corporate social responsibility</u> information.</p> <p>(Omitted)</p>	
<p>Article 8</p> <p>The Company is advised to, on a regular basis, organize education and training on the <u>promotion of sustainable development initiatives</u>, including promotion of the matters prescribed in paragraph 2 of the preceding article.</p>	<p>Article 8</p> <p>The Company is advised to, on a regular basis, organize education and training on the implementation of corporate social responsibility initiatives, including promotion of the matters prescribed in paragraph 2 of the preceding article.</p>	<p>This article is amended to be in line with the revision of the name of the Code, where the concept of corporate social responsibility should be expanded to include the importance of sustainable development.</p>
<p>Article 9</p> <p>For the purpose of managing <u>sustainable development</u> initiatives, the Company is advised to <u>formulate the governance structure of sustainable development</u>, and establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the <u>sustainable development</u> policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the board of directors on a periodic basis.</p> <p>The Company is advised to adopt reasonable remuneration policies, to ensure that remuneration arrangements support the strategic aims of the organization, and align with</p>	<p>Article 9</p> <p>For the purpose of managing corporate social responsibility initiatives, the Company is advised to establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the corporate social responsibility policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the board of directors on a periodic basis.</p> <p>The Company is advised to adopt reasonable remuneration policies, to ensure that remuneration arrangements support the strategic aims of the organization, and align with the interests of stakeholders.</p>	<p>1. Paragraph 1 of this article is amended in order to improve the management of sustainable development, where enterprises should strengthen the promotion of sustainable development goals through the establishment of a governance structure.</p> <p>2. Paragraphs 1 and 3 of this article are amended to be in line with the revision of the name of the Code, where the concept of corporate social responsibility should be expanded to include the importance of sustainable development.</p>

After amendment	Before amendment	Description
<p>the interests of stakeholders.</p> <p>It is advised that the employee performance evaluation system be combined with <u>sustainable development</u> policies, and that a clear and effective incentive and discipline system be established.</p>	<p>It is advised that the employee performance evaluation system be combined with corporate social responsibility policies, and that a clear and effective incentive and discipline system be established.</p>	
<p>Article 10</p> <p>The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the company, and establish a designated section for stakeholders on the company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important <u>sustainable development</u> issues which they are concerned about.</p>	<p>Article 10</p> <p>The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the company, and establish a designated section for stakeholders on the company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important corporate social responsibility issues which they are concerned about.</p>	<p>This article is amended to be in line with the revision of the name of the Code, where the concept of corporate social responsibility should be expanded to include the importance of sustainable development.</p>
<p>Article 12</p> <p>The Company is advised to endeavor to <u>improve energy use efficiency</u> and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.</p>	<p>Article 12</p> <p>The Company is advised to endeavor to utilize all resources more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.</p>	<p>This article is amended to focus on the management of energy use by enterprises to reduce greenhouse gas emissions.</p>
<p>Article 17</p> <p><u>The Company is advised to assess the current and future potential risks and opportunities that climate change may present to enterprises and to adopt relevant measures.</u></p> <p>The Company is advised to adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas</p>	<p>Article 17</p> <p>The Company is advised to assess the current and future potential risks and opportunities that climate change may present to enterprises and to adopt climate related measures.</p> <p>The Company is advised to adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to</p>	<p>1.Paragraph 1 is amended such that listed companies assess the risks and opportunities associated with climate change and the measures to be taken in response to climate change, which should include but not limited to climate related issues.</p> <p>2. Paragraph 2, Subparagraph 2 of this Article is amended such that electricity mentioned in the indirect</p>

After amendment	Before amendment	Description
<p>inventory and to make disclosures thereof, the scope of which shall include the following:</p> <ol style="list-style-type: none"> 1. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the company. 2. Indirect greenhouse gas emissions: emissions resulting from the generation of <u>imported</u> electricity, heating, or steam. 3. <u>Other indirect greenhouse gas emissions: Emissions from the Company's activities are not indirect emissions from energy sources, but are from sources owned or controlled by other companies.</u> (Omitted) 	<p>make disclosures thereof, the scope of which shall include the following:</p> <ol style="list-style-type: none"> 1. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the company. 2. Indirect greenhouse gas emissions: emissions resulting from the generation of externally purchased or acquired electricity, heating, or steam. <p>(Omitted)</p>	<p>greenhouse gas emissions included but not limited to purchased or acquired electricity.</p> <p>3. Paragraph 2, Subparagraph 3 of this Article is added to achieve the goal of reducing greenhouse gas emissions where companies are encouraged to disclose other indirect greenhouse gas emissions in the scope of the third item.</p>

After amendment	Before amendment	Description
<p>Chapter 5 Enhancing the disclosure of corporate <u>sustainable development</u> information</p>	<p>Chapter 5 Enhancing the disclosure of corporate social responsibility information</p>	<p>The name of Chapter 5 is amended to be in line with the amendment to the provisions in Article 4, Subparagraph 4.</p>

After amendment	Before amendment	Description
<p>Article 28 The Company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/GTSM listed Companies and shall fully disclose relevant and reliable information relating to their <u>sustainable development</u> initiatives to improve information transparency. Relevant information</p>	<p>Article 28 The Company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/GTSM listed Companies and shall fully disclose relevant and reliable information relating to their corporate social responsibility initiatives to improve information transparency. Relevant information</p>	<p>Paragraphs 1 and 2 of this article are amended to be in line with the revision of the name of the Code, where the concept of corporate social responsibility should be expanded to include the importance of sustainable development.</p>

After amendment	Before amendment	Description
<p>relating to <u>sustainable development</u> which the Company shall disclose includes:</p> <ol style="list-style-type: none"> 1. The policy, systems or relevant management guidelines, and concrete promotion plans for <u>sustainable development</u> initiatives, as resolved by the board of directors. 2. The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare. 3. Goals and measures for <u>promoting the sustainable development</u> initiatives established by the companies, and performance in implementation. 4. Major stakeholders and their concerns. 5. Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues. 6. Other information relating to <u>sustainable development</u> initiatives. 	<p>relating to corporate social responsibility which the Company shall disclose includes:</p> <ol style="list-style-type: none"> 1. The policy, systems or relevant management guidelines, and concrete promotion plans for corporate social responsibility initiatives, as resolved by the board of directors. 2. The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare. 3. Goals and measures for <u>realizing the corporate social responsibility</u> initiatives established by the companies, and performance in implementation. 4. Major stakeholders and their concerns. 5. Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues. 6. Other information relating to corporate social responsibility initiatives. 	
<p>Article 29 The Company shall adopt internationally widely recognized standards or guidelines when producing <u>sustainable development</u> reports, to disclose the status of their implementation of the corporate social responsibility policy. It also is advisable to obtain a third-party assurance or verification for reports to</p>	<p>Article 29 The Company shall adopt internationally widely recognized standards or guidelines when producing corporate social responsibility reports, to disclose the status of their implementation of the corporate social responsibility policy. It also is advisable to obtain a third-party assurance or verification for reports to</p>	<p>In line with the specific measures to promote "Corporate Governance 3.0 - A Blueprint for Sustainable Development", the name of the "Corporate Social Responsibility Report" of listed companies was changed to "Sustainability Report", and the preface of this article and Subparagraph of the same Article are amended to be in line with the revision of the name of the Code, where the concept of corporate</p>

After amendment	Before amendment	Description
<p>enhance the reliability of the information in the reports. The reports are advised to include:</p> <ol style="list-style-type: none"> 1. The policy, system, or relevant management guidelines and concrete promotion plans for implementing <u>sustainable development</u> initiatives. 2. Major stakeholders and their concerns. 3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development. 4. Future improvements and goals. 	<p>enhance the reliability of the information in the reports. The reports are advised to include:</p> <ol style="list-style-type: none"> 1. The policy, system, or relevant management guidelines and concrete promotion plans for implementing corporate social responsibility initiatives. 2. Major stakeholders and their concerns. 3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development. 4. Future improvements and goals. 	<p>social responsibility should be expanded to include the importance of sustainable development.</p>
<p>Article 30 The Company shall at all times monitor the development of domestic and foreign <u>sustainable development</u> standards and the change of business environment so as to examine and improve their established <u>sustainable development</u> framework and to obtain better results from the implementation of the <u>sustainable development</u> policy.</p>	<p>Article 30 The Company shall at all times monitor the development of domestic and foreign corporate social responsibility standards and the change of business environment so as to examine and improve their established corporate social responsibility framework and to obtain better results from the implementation of the corporate social responsibility policy.</p>	<p>This article is amended to be in line with the revision of the name of the Code, where the concept of corporate social responsibility should be expanded to include the importance of sustainable development.</p>

Approved in the 17th meeting of the 11th Board of Directors on Mar. 15, 2022

Comparison table for amended articles of CONCORD INTERNATIONAL SECURITIES CO., LTD's Articles of Incorporation

After amendment	Before amendment	Description
<p><u>Article 12-1</u> <u>The Company's shareholders' meetings may be held by video conferencing or other means as announced by the Ministry of Economic Affairs.</u></p>	<p>None.</p>	<p>1. This article is added. 2. In accordance with the amendment to Article 172-2 of the Company Act announced on December 29, 2021, listed companies are allowed to convene their shareholders' meeting by video conferencing. In accordance with the provisions of the first paragraph of this Article, the Company may specify in the Articles of Incorporation that the shareholders' meetings shall be held by video conferencing or by announcement of the central competent authority, i.e., the Ministry of Economic Affairs.</p> <p>The Company may, upon the resolution of the Board of Directors, convene shareholders' meetings by video conferencing in accordance with actual needs to comply with the policy of the competent authorities to promote shareholders' meeting held by video conferencing, and to meet the needs of the digital age, and to provide a convenient channel for shareholders to participate in shareholders' meetings. Hence, Article 12-1 was added in accordance with the foregoing provisions that the Company's shareholders' meetings may be held by video conferencing or other means announced by the Ministry of Economic Affairs.</p>

After amendment	Before amendment	Description
<p>Article 33</p> <p>The Articles of Incorporation was established on Aug. 10, 1989. The 1st amendment was made on Apr. 27, 1991.</p> <p><u>The 22nd amendment was made on May 4, 2022.</u></p>	<p>Article 33</p> <p>The Articles of Incorporation was established on Aug. 10, 1989. The 1st amendment was made on Apr. 27, 1991.</p> <p>(Omitted)</p>	<p>The amendment date of these Articles of Incorporation is explicitly established.</p>

Approved in the 17th meeting of the 11th Board of Directors on Mar. 15, 2022

Comparison Table for the Amendments to CONCORD INTERNATIONAL SECURITIES CO., LTD's Rules of Procedure for Shareholders' Meetings

After amendment	Before amendment	Description
<p>Article 3: Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors.</p> <p><u>Any change in the method of holding a shareholders' meeting shall be resolved by the Board of Directors and shall be made at the latest before mailing the notice of the shareholders' meeting.</u></p> <p>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 and supervisors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of a regular shareholders meeting or 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 21 days before the date of the regular shareholders' meeting or 15 days before the date of the special shareholders' meeting. In addition, 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 its shareholder services agent.</p> <p><u>The shareholders' meeting agenda, and supplemental meeting materials referred to in the preceding paragraph shall be provided for the shareholders to review on the day of the shareholders' meeting</u></p>	<p>Article 3: Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors.</p> <p>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 and supervisors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of a regular shareholders meeting or 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 21 days before the date of the regular shareholders' meeting or 15 days before the date of the special shareholders' meeting. In addition, 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 its shareholder services agent as well as being distributed on-site at the meeting place.</p>	<p>1. Paragraph 1 · 2 is added in order to enable shareholders to be aware of the change in the method in which shareholders' meetings are held. Any change in the method of holding a shareholders' meeting shall be resolved by the Board of Directors and shall be made at the latest before mailing the notice of the shareholders' meeting.</p> <p>2. In response to the permission for public companies to hold shareholders' meeting through video conferencing, the Company may hold physical shareholders' meetings as well as shareholders' meetings through video conferencing. Paragraph 3 is amended and Paragraph 4 is added in order to allow shareholders</p>

After amendment	Before amendment	Description
<p>by the following methods:</p> <p><u>1. The materials shall be distributed on-site at the meeting place when holding physical shareholders' meetings.</u></p> <p><u>2. The materials shall be distributed on-site at the meeting place as well as uploaded as electronic files to the video conference platform when holding shareholders' meetings with assistance of video conferencing.</u></p> <p><u>3. The materials shall be uploaded as electronic files to the video conference platform when holding shareholders' meetings through video conferencing.</u></p>		<p>attended a physical shareholders' meeting or through video conferencing to review shareholders' meeting agenda and supplemental meeting materials on the day of the shareholders' meeting.</p>
<p>Article 4:</p> <p>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.</p> <p>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 five 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.</p> <p>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 two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</p> <p><u>After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting through video conferencing, a written notice of proxy cancellation</u></p>	<p>Article 4:</p> <p>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.</p> <p>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 five 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.</p> <p>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 two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</p>	<p>Paragraph 4 is added to specify that, "in case of a shareholder appointing a proxy to attend a shareholders' meeting, after a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting through video conferencing, a written notice of proxy cancellation shall be submitted to the Company 2 days before the meeting date".</p>

After amendment	Before amendment	Description
<p><u>shall be submitted to the Company 2 days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</u></p>		
<p>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. <u>When holding a shareholders’ meeting through video conferencing, the Company shall not be subject to the aforementioned restrictions on the venue for shareholders’ meeting.</u></p>	<p>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.</p>	<p>Paragraph 2 is added to specify that, “when holding a shareholders’ meeting through video conferencing, the Company shall not be subject to the aforementioned restrictions on the venue for shareholders’ meeting”.</p>
<p>Article 6: The Company shall specify in its shareholders’ meeting notices for <u>shareholders, solicitors, and proxies (hereinafter collectively referred to as “shareholders”)</u> regarding the time during which shareholder attendance registration will be accepted, the place to register for attendance and other matters for attention. The time during which shareholder attendance registration will be accepted, as stated in the preceding Paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registration is accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registration. <u>When the Company holds a shareholders’ meeting through video conferencing, attendance registration shall be accepted at the video conferencing platform of the shareholders’ meeting at least 30 minutes prior to the time the meeting commences. A shareholder whose attendance registration is accepted will be deemed to have attended the meeting</u></p>	<p>Article 6: The Company shall specify in its shareholders’ meeting notices the time during which shareholder attendance registration will be accepted, the place to register for attendance and other matters for attention. The time during which shareholder attendance registration will be accepted, as stated in the preceding Paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registration is accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registration.</p>	<ol style="list-style-type: none"> 1. Paragraph 1 is amended to specify the time and procedure for the shareholders to register for attendance to the meeting. 2. Paragraph 2 is amended to specify the time and procedure for the shareholders to register for attendance to the meeting. 3. The collectively referred name for “shareholders” is established in Paragraph 1, and hence, Paragraph 3 is amended accordingly. 4. Paragraph 7 is

After amendment	Before amendment	Description
<p><u>in person.</u></p> <p>Shareholders shall attend shareholders’ meetings based on attendance cards, sign-in cards or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.</p> <p>The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.</p> <p>This Corporation 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.</p> <p>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.</p> <p><u>When the Company holds a shareholders’ meeting through video conferencing, shareholders intend to attend the shareholders’ meeting through video conferencing shall register with the Company at least 2 days before the date of the shareholders’ meeting.</u></p> <p><u>When holding a shareholders’ meeting through video conferencing, the Company shall upload the shareholders’ meeting agenda, the annual report, and other relevant meeting materials to the video conferencing platform for the</u></p>	<p>Shareholders and their proxies (hereinafter collectively referred to as “shareholders”) shall attend shareholders’ meetings based on attendance cards, sign-in cards or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.</p> <p>The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.</p> <p>This Corporation 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.</p> <p>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.</p>	<p>added to specify that, “when the Company holds a shareholders’ meeting through video conferencing, shareholders intend to attend the shareholders’ meeting through video conferencing shall register with the Company at least 2 days before the date of the shareholders’ meeting”.</p> <p>5. Paragraph 8 is added for the Company to upload the shareholders’ meeting agenda, the annual report, and other relevant meeting materials to the video conferencing platform for the shareholders’ meeting, allowing the shareholders attending the shareholders’ meeting through video conferencing to review such materials.</p>

After amendment	Before amendment	Description
<p><u>shareholders' meeting at least 30 minutes prior to the time the meeting commences and continue to disclosure such materials until the time the meeting ends.</u></p>		
<p><u>Article 6-1</u></p> <p><u>When holding a shareholders' meeting through video conferencing, the Company shall specify the following particulars required to be specified in the shareholders' meeting notices:</u></p> <p><u>1. The method of shareholders attending the shareholders meeting through video conferencing and exercising rights.</u></p> <p><u>2. The handling methods for the situations preventing the attendance on the video conferencing platform or through video conferencing due to natural disaster, unexpected events, or other force majeure events shall include at least the following:</u></p> <p><u>(1) The time when the meeting has to be postponed or adjourned due to the continued failure to remove the preexisting obstacles, and the date when the meeting has to be postponed or adjourned.</u></p> <p><u>(2) Shareholders who did not register to attend the original shareholders' meeting by video conferencing may not attend the postponed or reconvened meeting.</u></p> <p><u>(3) When the Company holds the shareholders' meeting with assistance of video conferencing, in the event that the meeting cannot be reconvened by video conferencing, after deducting the number of shares attended to the shareholders' meeting through</u></p>		<p>1. This article is added.</p> <p>2. In order to inform shareholders of their rights and restrictions of attendance before the meeting, it is hereby stipulated that the shareholders' meeting notice shall include the methods for shareholders to participate in the video conference and exercise their relevant rights, handling methods for the situations preventing the attendance on the video conferencing platform or through video conferencing due to natural disaster, unexpected events, or other force majeure events, which shall include</p>

After amendment	Before amendment	Description
<p><u>video conferencing, if the total number of shares in attendance exceeds the legal amount of meeting participants, the shareholders' meeting shall continue. For the shareholders attended by video conferencing, their number of shares in attendance shall be counted towards the total number of shares in attendance; however, they have waived his/her rights with respect to the all proposals of that meeting.</u></p> <p><u>(4) The handling methods in case that the resolutions of all proposals have been announced but no provisional motion has been made.</u></p> <p><u>3. When holding a shareholders' meeting through video conferencing, the Company shall specify the provisions of adequate alternative measures to shareholders having difficulties attending the shareholders' meeting through video conferencing.</u></p>		<p>at least the date when the meeting must be adjourned or reconvened and how long shall the disconnect lasts before the meeting shall be considered to be postponed or reconvened, provisions in Article 44-20, Paragraph 1, 2, 4, and 5 of Regulations Governing the Administration of Shareholder Services of Public Companies, the announced results of all proposals, handling methods for failure to make an extraordinary motions, and the provisions of adequate alternative measures for the shareholders having difficulties attending the shareholders' meeting through video conferencing in the case when holding a shareholders' meeting through video</p>

After amendment	Before amendment	Description
		conferencing.
<p>Article 8: The audio and video recording of the whole procedure of the shareholders meeting shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.</p> <p><u>When holding the shareholders' meeting through video conferencing, the Company shall keep records of shareholders' registration, registration</u></p>	<p>Article 8: The audio and video recording of the whole procedure of the shareholders meeting shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.</p>	<p>1. Paragraph 3 and 4 are added to specify that, "with reference to Article 183 of the Company Act and Article 18 of the Regulations Governing Procedure for Board of Directors</p>

After amendment	Before amendment	Description
<p><u>for participation, attendance registration, questions asked, vote casting and the results of vote counting, and make an uninterrupted audio and video recording of the proceedings of the shareholders meeting through video conferencing.</u></p> <p><u>The Company shall safeguard the preceding materials and audio and video recording during its existence and provide for the video conferencing provider to keep the materials.</u></p> <p><u>If the shareholders' meeting is held by video conference, the company should record and record the background operation interface of the video conference platform.</u></p>		<p>Meetings of Public Companies, it is stipulated that the Company shall keep records of shareholders' registration, registration for participation, attendance registration, questions asked, vote casting and the results of vote counting, make an uninterrupted audio and video recording of the proceedings of the shareholders meeting through video conferencing, safeguard the materials during the Company's existence and provide for the video conferencing provider to keep the materials”.</p> <p>2. Paragraph 5 is added to specify that, “in order to preserve the information related to the video conference as much as possible, in addition to Paragraph 3, the Company shall continuously and uninterruptedly record the entire</p>

After amendment	Before amendment	Description
		<p>video conference; and it is also appropriate to record the operation interface of the backstage of the video conference. Since the simultaneous recording of the screen requires a certain degree of computer hardware and software equipment and information security, the Company may, subject to the feasibility of the conditions of the equipment, expressly set forth in the Rules of Procedure for Shareholders Meetings”.</p>
<p>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 sign-in cards handed in <u>and the number of shares registered at the video conferencing platform</u> plus the number of shares whose voting rights are exercised by correspondence or electronically.</p> <p>The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. However, when</p>	<p>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.</p> <p>The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. However, when</p>	<p>1.Paragraph 1 is amended to specify that “when the Company holds a shareholders’ meeting through video conferencing, the calculation for total number of shares in attendance shall be added with the number of shares from the shareholders whose</p>

After amendment	Before amendment	Description
<p>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. <u>When holding the shareholders' meeting through video conferencing, the Company shall also declare the meeting adjourned on the video conferencing platform for the shareholders' meeting.</u></p> <p>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. <u>When the Company holds a shareholders' meeting through video conferencing, shareholders intending to attend the meeting through video conferencing shall re-register with the Company in accordance with Article 6.</u></p> <p>When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.</p>	<p>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>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.</p> <p>When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.</p>	<p>attendance registration through video conferencing are accepted”.</p> <p>2. Paragraph 3 is amended to specify that, “when the Company holds a shareholders’ meeting through video conferencing, in the event that the Chairman announces the adjournment of the meeting, the Company shall separately announce the adjournment on the video conferencing platform for the shareholders' meeting so as to inform the shareholders immediately.”</p> <p>3. Paragraph 4 is amended to specify that, “if the Company made a tentative resolution to convene a separate shareholders’ meeting, shareholders intend to attend by video conferencing shall register with the Company”.</p>
<p>Article 11: Before speaking, an attending</p>	<p>Article 11: Before speaking, an attending</p>	<p>1.Paragraph 7 is added for the</p>

After amendment	Before amendment	Description
<p>shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.</p> <p>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.</p> <p>Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.</p> <p>When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.</p> <p>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.</p> <p>After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.</p> <p><u>When the Company holds a shareholders' meeting through video conferencing, the shareholders attended through video conferencing may ask questions by text on the video conferencing platform for the shareholders' meeting from the time the meeting is commenced by the chair until the meeting is adjourned, subject to a limit of two questions per motion of 200 words each; provided that the provisions in Paragraph 1 to 5 do not apply.</u></p>	<p>shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.</p> <p>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.</p> <p>Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.</p> <p>When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.</p> <p>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.</p> <p>After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.</p>	<p>purpose of specifying the methods, procedures and limitations of questions asked by shareholders attending the shareholders' meetings through video conferencing.</p> <p>2. Paragraph 8 is added to specify that, "in order to help other shareholders understand the content of the questions asked by the shareholders, the Company may filtered out the questions that are not related to the topics of the shareholders' meeting, the rest of the questions asked by the shareholders should be disclosed on the video conferencing platform".</p>

After amendment	Before amendment	Description
<p><u>If the aforementioned question does not violate the regulations or is within the scope of the motion, it is appropriate to disclose the question on the video conferencing platform of the shareholders' meeting for public information.</u></p>		
<p>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 under Article 179, paragraph 2 of the Company Act.</p> <p>When this Corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. 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 this Corporation avoid the submission of extraordinary motions and amendments to original proposals.</p> <p>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 two 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.</p> <p>After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the</p>	<p>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 under Article 179, paragraph 2 of the Company Act.</p> <p>When this Corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. 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 this Corporation avoid the submission of extraordinary motions and amendments to original proposals.</p> <p>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 two 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.</p> <p>After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the</p>	<ol style="list-style-type: none"> 1. Paragraph 4 is amended to specify that, "after a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting through video conferencing, a declaration of intent to retract the voting rights shall be exercised by the same method". 2. Paragraph 9 and 10 are added to specify that, "when holding the shareholders' meeting through video conferencing, in order to provide the shareholders attended through video conferencing with sufficient time to vote, voting on each original motion may be conducted from the time the

After amendment	Before amendment	Description
<p>shareholders’ meeting in person <u>or through video conferencing</u>, a written declaration of intent to retract the voting rights already exercised under the preceding Paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, 2 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.</p> <p>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.</p> <p>Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. If there is no objection from all shareholders present, it shall be deemed to be approved by the Chairman and shall have the same effect as a poll.</p> <p>In case of dissent, the shareholders shall vote on each proposal. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.</p> <p>When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any</p>	<p>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 the Company, by the same means by which the voting rights were exercised, 2 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.</p> <p>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.</p> <p>Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. If there is no objection from all shareholders present, it shall be deemed to be approved by the Chairman and shall have the same effect as a poll.</p> <p>In case of dissent, the shareholders shall vote on each proposal. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.</p> <p>When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative \ proposal together with the original proposal and decide the order in which they will be put to a vote. When any one</p>	<p>meeting is commenced by the chair until the time that the end of voting is announced, and the counting operation must be a one-time count to match the voting time of shareholders attended through video conferencing”.</p> <p>3. Paragraph 11 is added to specify that, “if a shareholder who registered to attend the video-assisted shareholders’ meeting through video conferencing intends to attend a physical shareholders’ meeting, he or she shall exercise a declaration of intent to retract the registration with the same method as the registration was made 2 days prior to the day of the shareholders’ meeting; if the declaration of intent to retract was made overdue, then he or she may only attend the shareholders’</p>

After amendment	Before amendment	Description
<p>one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.</p> <p>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.</p> <p>Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.</p> <p><u>When the Company holds a shareholders' meeting through video conferencing, shareholders attended by video conferencing should vote on each motion and election motion through the video conferencing platform from the time the meeting is commenced by the chair and should complete the voting before the end of the voting is announced by the chair; if the vote was made overdue, then it shall be deemed as they waived their rights.</u></p> <p><u>When the Company holds a shareholders' meeting through video conferencing, the counting operation must be a one-time count after the end of voting is announced by the chair, and then the chair shall announce the results of voting and election.</u></p> <p><u>When the Company convenes a video-assisted shareholders' meeting, if a shareholder who registered to attend the video-assisted shareholders' meeting through video conferencing in accordance with the provisions in Article 6 intends to attend a physical shareholders' meeting, he or she shall exercise a declaration of intent to retract the registration with the same method as the registration was made 2 days prior to the day of the shareholders' meeting; if the declaration of intent to retract was made overdue, then he or she may only</u></p>	<p>among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.</p> <p>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.</p> <p>Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.</p>	<p>meeting by video conferencing".</p> <p>4. According to the Letter Jing-Shang-Zi No. 10102404740 dated Feb. 24, 2012 from Ministry of Economic Affairs and the Letter Jing-Shang-Zi No. 10102414350 dated May 3, of the same year, the shareholders who exercise their voting rights electronically and who have not made declaration of intent to retract may not propose amendments to the original motion and may not exercise their voting rights again. However, on the day of the meeting, the shareholder may still attend the meeting and may make a provisional motion on site and may exercise his or her voting rights. In addition, considering that both written and</p>

After amendment	Before amendment	Description
<p><u>attend the shareholders' meeting by video conferencing.</u></p> <p><u>If a person exercises his or her Voting rights by correspondence or electronically and does not retract his or her intent and attends the shareholders' meeting by video conferencing, he or she may not exercise his or her voting rights on the original motion or propose amendments to the original motion or exercise his or her voting rights on amendments to the original motion, except for a temporary motion.</u></p>		<p>electronic voting are the ways to exercise shareholders' rights, and based on the principle of fair treatment, written voting should also follow the spirit of the regulation of electronic voting in order to protect shareholders' rights and interests, it is hereby stipulated in Article 12 that shareholders who exercise their voting rights by correspondence or electronically may still register to attend the shareholders' meetings by video conferencing without retracting their intent, but they may not vote on the original motion or the amendment to the original motion, and may not propose an amendment to the original motion, except for provisional motions for which they may propose and exercise their voting rights.</p>

After amendment	Before amendment	Description
<p>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.</p> <p>The Company may distribute the meeting minutes mentioned in the preceding paragraph by means of electronic files or a public announcement made through the MOPS. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors.</p> <p>The minutes shall be retained for the duration of the existence of the Company.</p> <p><u>When holding the shareholders' meeting through video conferencing, the starting and ending time of the meeting, the method of holding the meeting, the names of the chair and the person recording the meeting minutes, and the handling methods for and actions taken on the situations preventing the attendance on the video conference platform or through video conferencing due to natural disasters, unexpected events or other force majeure events shall be recorded in the meeting minutes, in addition to the matters that should be recorded in accordance with the provisions of Paragraph 3.</u></p> <p><u>When holding a shareholders' Meeting through video conferencing, the Company shall handle relevant matters in accordance with the preceding provision, and specify in the meeting minutes the provisions of the</u></p>	<p>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.</p> <p>The Company may distribute the meeting minutes mentioned in the preceding paragraph by means of electronic files or a public announcement made through the MOPS. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors.</p> <p>The minutes shall be retained for the duration of the existence of the Company.</p>	<p>1. Paragraph 4 is added to specify that, "to facilitate shareholders' understanding of the resolutions of the shareholders' meeting through video conferencing, alternative measures for shareholders with digital divide, and the handling of network disconnection, the Company is required, when preparing the minutes of the shareholders' meeting, to record the starting and ending time of the meeting, the method of holding the meeting, the names of the chair and the person recording the meeting minutes, and the handling methods for and actions taken on the situations preventing the attendance on the video conference platform or through video conferencing due to natural</p>

After amendment	Before amendment	Description
<p><u>alternative measures to shareholders having difficulties attending the shareholders' meeting through video conferencing.</u></p>		<p>disasters, unexpected events or other force majeure events, in addition to the matters that should be recorded in accordance with the provisions of Paragraph 3".</p> <p>2. When holding a shareholders' meeting through video conferencing, the Company shall specify in the meeting notices the provision of adequate alternative measures to shareholders having difficulties attending the shareholders' meeting through video conferencing. Paragraph 5 is added to establish that, "the Company shall specify in the meeting minutes the provision of the alternative measures to such shareholders having digital divide".</p>
<p>Article 16: On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical</p>	<p>Article 16: On the day of a shareholders' meeting, the Company shall compile in the prescribed format of a statistical</p>	<p>1. The Company shall make an express disclosure of the</p>

After amendment	Before amendment	Description
<p>statement of <u>the number of shares obtained by solicitors through solicitation</u>, the number of shares represented by the proxies, <u>and the number of shares attended by correspondence or electronically</u>, and make an express disclosure of the same at the place of the shareholders meeting; <u>when holding a shareholders' meeting through video conferencing</u>, the Company shall upload the <u>forementioned information to the video conferencing platform for the shareholders' meeting at least 30 minutes prior to the time the meeting commences and continue to disclose it until the meeting ends.</u></p> <p><u>When holding a shareholders' Meeting through video conferencing</u>, the Company shall disclose the total number of shares in attendance on the <u>video conferencing platform from the time the meeting is commenced by the chair. The same applies to the statistics on the total number of shares in attendance and number of votes during the meeting.</u></p> <p>If matters put to a resolution at a shareholders' meeting constitute material information identified by the laws and regulations, and Taiwan Stock Exchange Corporation (Taipei Exchange), the Company shall upload the content of such resolution to the MOPS within the prescribed time period.</p>	<p>statement the number of shares obtained by solicitors through solicitation <u>and</u> the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.</p> <p>If matters put to a resolution at a shareholders' meeting constitute material information identified by the laws and regulations, and Taiwan Stock Exchange Corporation (Taipei Exchange), the Company shall upload the content of such resolution to the MOPS within the prescribed time period.</p>	<p>number of shares obtained by solicitors through solicitation, the number of shares represented by the proxies, and number of shares attended by correspondence or electronically at the place of the shareholders meeting for the shareholders to know. Paragraph 1 is amended to specify that, "when holding the shareholders' meeting through video conferencing, such statistical statement shall be uploaded to the video conferencing platform for the shareholders' meeting".</p> <p>2. Paragraph 2 is added to specify that "in order to enable shareholders attending the shareholders' meeting through video conferencing to know simultaneously whether the number of shareholders' attendance has</p>

After amendment	Before amendment	Description
		reached the threshold of the shareholders' meeting, it is specified that the Company shall disclose the total number of shares in attendance on the video conferencing platform from the time the meeting is commenced by the chair, and subsequently disclose the total number of shares in attendance, and the number of votes on the video conference platform if there are any further statistical statement.”.
<p><u>Article 19</u> <u>When holding the shareholders’ meeting through video conferencing, the Company shall disclose the results of voting for each proposal and the election immediately after voting ends in accordance with the provisions and continue to disclose such information for at least 15 minutes after the meeting is adjourned by the chair.</u></p>		<ol style="list-style-type: none"> 1. This article is added. 2. This article is added to specify the sufficient information disclosure time for the shareholders attending the shareholders’ meeting through video conferencing to know the voting status of each proposal and the election results immediately.
<u>Article 20</u>		1. This article is

After amendment	Before amendment	Description
<p><u>When the Company holds a shareholders’ meeting through video conferencing, the chair and the person recording the meeting minutes shall be in the same domestic location. The chair shall announce the address of such location at the meeting.</u></p>		<p>added.</p> <p>2. The provision is added to specify that, “when holding the shareholders’ meeting through video conferencing without physical meeting place, the chair and the person recording the meeting minutes shall be in the same domestic location; the chair shall also announce the address of their location at the meeting for the shareholders to know the location of the chair.”</p>
<p><u>Article 21</u></p> <p><u>When holding the shareholders’ meeting through video conferencing, the Company may provide connection test before the meeting, and provide relevant services immediately before and during the meeting to help dealing with the technical communication problems.</u></p> <p><u>When the Company holds a shareholders’ meeting through video conferencing, the chair shall announce meeting commenced and that other than the circumstances stipulated in accordance with the provisions in Article 44-20, Paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies that do not require postponing or reconvening the meeting, in the event of a natural disaster, unforeseen event or any other force majeure that prevents attendance on the</u></p>		<p>1. This article is added.</p> <p>2. Paragraph 1 is added to reduce the connection problems of video conference. The Company may provide connection test before the meeting, and provide relevant services immediately before and during the meeting to help dealing with the technical communication problems, taking</p>

After amendment	Before amendment	Description
<p><u>video conferencing platform through video conferencing for at least 30 minutes before the meeting is adjourned by the chair, the Company shall convene the meeting within 5 days, or to decide on the date to reconvene the meeting, and the provision in Article 182 of the Company Act does not apply.</u></p> <p><u>In the event that the meeting shall be postponed or reconvened as circumstances described in the preceding paragraph occurred, shareholders who did not register to attend the original shareholders' meeting by video conferencing may not attend the postponed or reconvened meeting.</u></p> <p><u>In the event that the Company shall postpone or reconvene the meeting in accordance with Paragraph 2, for shareholders who registered to attend the original shareholders' meeting by video conferencing and whose attendance registration was accepted but did not attend the postponed or reconvened meeting, their number of shares in attendance, exercised votes and number of votes they received shall be counted towards the total number of shares in attendance, exercised votes and number of votes at the postponed or reconvened meeting.</u></p> <p><u>In the event that the Company postponed or reconvened the meeting in accordance with the provisions in Paragraph 2, the Company does not need to re-discuss or re-resolve the proposals with completed votes casting and counting and announced results of the voting, or elected list of directors and supervisors.</u></p> <p><u>When the Company holds the shareholders' meeting with assistance of video conferencing, in the event that the meeting cannot be reconvened as circumstances described in Paragraph 2 occurred, after deducting the number of shares attended to the shareholders' meeting through video conferencing, if the total number of shares in attendance</u></p>		<p>into account overseas practice.</p> <p>3. Paragraph 2 is added to specify that, "when the Company holds a shareholders' meeting through video conferencing, the chair shall announce at the meeting that, in the event of a natural disaster, unforeseen event or any other force majeure that prevents attendance on the video conferencing platform through video conferencing for at least 30 minutes, the provisions in Article 182 of the Company Act shall not apply where a resolution by shareholders' meeting is required to convene the meeting within 5 days, or to decide on the date to reconvene the meeting." This article does not apply to the case where the prevention of the Company, the video</p>

After amendment	Before amendment	Description
<p><u>exceeds the legal amount of meeting participants, the shareholders' meeting shall continue without the need to postpone or reconvene the meeting in accordance with Paragraph 2.</u></p> <p><u>In the event that the meeting shall be continued as circumstances described in the preceding paragraph occurred, for shareholders attending the shareholders' meeting by video conferencing, their number of shares in attendance shall be counted towards the total number of shares in attendance; however, they have waived his/her rights with respect to the all proposals of that meeting.</u></p> <p><u>In the event that the Company postponed or reconvened the meeting in accordance with the provisions in Paragraph 2, in accordance with the provisions in Article 44-20, Paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall hold shareholders' meeting at the original date and handle the relevant predecessor activities according to the provisions in such article.</u></p> <p><u>The Company shall hold the postponed or reconvened shareholders' meeting in accordance with the provisions in Paragraph 2 at the dates within the period specified in the later paragraph of Article 12 and Article 13, Paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, Article 44-5, Paragraph 2, Article 44-15, and Article 44-17, Paragraph 1 of Regulations Governing the Administration of Shareholder Services of Public Companies.</u></p>		<p>conferencing platform, the shareholders, the solicitors, or proxies from convening or attending the shareholders' meeting through video conferencing, either intentionally, or through negligence.</p> <p>4. Paragraph 3 is added to specify that, "in the event that the Company shall postpone or reconvene the meeting as circumstances described in Paragraph 2 occurred, shareholders (including solicitors and proxies) who did not register to attend the original shareholders' meeting by video conferencing may not attend the postponed or reconvened meeting in accordance with the provisions in Article 44-20, Paragraph 2 of the Regulations Governing the Administration of Shareholder</p>

After amendment	Before amendment	Description
		<p>Services of Public Companies”. It is also described in the paragraph that, “in the case of holding a shareholders’ meeting with assistance of video conferencing, the shareholders originally attended the physical shareholders’ meeting may continue to attend the postponed or reconvened physical meeting”.</p> <p>5. Paragraph 4 is added to specify that, “in the event that the Company shall postpone or reconvene the meeting in accordance with Paragraph 2, for shareholders (including solicitors and proxies) who registered to attend the original shareholders’ meeting by video conferencing and whose attendance registration was accepted but did not attend the</p>

After amendment	Before amendment	Description
		<p>postponed or reconvened meeting, their number of shares in attendance, exercised votes and number of votes they received shall be counted towards the total number of shares in attendance, exercised votes and number of votes at the postponed or reconvened meeting in accordance with the provisions in Article 44-20, Paragraph 3 of the Regulations Governing the Administration of Shareholder Services of Public Companies”.</p> <p>6. Paragraph 5 is established to specify that, “in the event that the meeting cannot be continued due to network connection and required to be postponed or reconvened, the completed vote casting and counting in the previous meeting with the announcement of results of voting or the</p>

After amendment	Before amendment	Description
		<p>elected list of directors,, these proposals may be deemed as complete resolution, which does not require re-discussion or another resolution to reduce the meeting time and cost of the reconvened meeting”.</p> <p>7. Paragraph 6 is established to specify that, “considering that both physical meeting and video conferencing meeting are held in a shareholders’ meeting with assistance of video conferencing, in the event of force majeure preventing the attendance on the video conferencing platform or through video conferencing, since a physical shareholders’ meeting has been held, after deducting the number of shares attended to the shareholders’ meeting through</p>

After amendment	Before amendment	Description
		<p>video conferencing, if the total number of shares in attendance exceeds the legal amount of meeting participants, the shareholders' meeting shall continue without the need to postpone or reconvene the meeting in accordance with Paragraph 2".</p> <p>8. Paragraph 7 is added to specify that, "in the event that the Company shall continue the meeting without postponing or reconvening the meeting as circumstances described in Paragraph 2 occurred, in accordance with the provisions in Article 44-20, Paragraph 5 of the Regulations Governing the Administration of Shareholder Services of Public Companies, for shareholders (including solicitors and proxies) attending the shareholders' meeting by</p>

After amendment	Before amendment	Description
		<p>video conferencing, their number of shares in attendance shall be counted towards the total number of shares in attendance; however, they have waived his/her rights with respect to the all proposals of that meeting”.</p> <p>9. Paragraph 8 is established to specify that “considering the same nature of the postponed or reconvened meeting due to network disconnection as the original shareholders’ meeting, it is not required to handle relevant predecessor activities for the shareholders’ meeting in accordance with the provisions in Article 44-20, Paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies for the date of the postponed or reconvened meeting”.</p>

After amendment	Before amendment	Description
		<p>10. Paragraph 9 is established to specify that “considering the shareholders’ meeting held through video conferencing has been postponed, the matters to be disclosed in the announcement on the day of the shareholders’ meeting in the later paragraph of Article 12 and Article 13, Paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, Article 44-5, Paragraph 2, Article 44-15, and Article 44-17, Paragraph 1 of Regulations Governing the Administration of Shareholder Services of Public Companies shall be disclosed again on the day of the postponed or reconvened meeting for the shareholders to know”.</p>
<p><u>Article 22 (Handling digital divide)</u> <u>When holding a shareholders’</u></p>		<p>1. This article is added.</p>

After amendment	Before amendment	Description
<p><u>meeting through video conferencing, the Company shall provide adequate alternative measures for shareholders having difficulties attending the shareholders' meeting through video conferencing.</u></p>		<p>2. When holding a shareholders' meeting through video conferencing, the Company shall provide shareholders with adequate alternative measures, such as exercising their voting rights by correspondence or lending the necessary equipment to shareholders for meeting attendance, considering the digital divide with shareholders attending the shareholders' meeting through video conferencing.</p>
<p><u>Article 23</u> These Rules and any amendments hereto shall be implemented after being resolved in the shareholders' meetings.</p>	<p>Article 19 These Rules and any amendments hereto shall be implemented after being resolved in the shareholders' meetings.</p>	<p>Article numbers are adjusted in accordance with the addition of new articles.</p>

Approved in the 17th meeting of the 11th Board of Directors on Mar. 15, 2022

Comparison table for the amended articles of CONCORD INTERNATIONAL SECURITIES CO., LTD's Procedures for Acquisition or Disposal of Assets

After amendment	Before amendment	Description
<p>Article 5: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <ol style="list-style-type: none"> 1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received. 2. May not be a related party or de facto related party of any party to the transaction. 3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other. <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the self-regulatory rules for each of the <u>peer associations and the following</u>:</p> <ol style="list-style-type: none"> 1. Prior to accepting a case, they 	<p>Article 5: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <ol style="list-style-type: none"> 1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received. 2. May not be a related party or de facto related party of any party to the transaction. 3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other. <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p> <ol style="list-style-type: none"> 1. Prior to accepting a case, they 	<p>1. Since the inter-dealer association industry has established relevant regulations for the business it undertakes, such as professional appraisers issuing appraisal reports, there are already self-regulatory regulations related to real estate appraisals, and the remaining inter-dealer associations of external experts should also amend the relevant self-regulatory regulations for the issuance of appraisals by their practitioners or personnel in accordance with the "Practical Guidelines for the Issuance of Opinions by Experts" issued by the Taiwan Stock Exchange Corporation. In order to clarify the procedures and responsibilities to be followed by external experts, it is hereby amended the second preamble to stipulate that the issuance of valuation reports or opinions by professional appraisers, their appraisers, accountants, lawyers, or securities underwriters shall not only be handled in accordance with the matters listed in the existing second paragraph, but also in accordance with the self-regulatory regulations of the</p>

After amendment	Before amendment	Description
<p>shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>2. When <u>executing</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>3. They shall undertake an item-by-item evaluation of the <u>appropriateness</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>adequate</u> and reasonable, and that they have complied with applicable laws and regulations.</p>	<p>shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>2. When <u>auditing</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>3. They shall undertake an item-by-item evaluation of <u>the comprehensiveness, accuracy, and</u> reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>reasonable and accurate</u>, and that they have complied with applicable laws and regulations.</p>	<p>respective industry associations to which they belong.</p> <p>2. In view of the fact that the former external experts undertake and execute cases of issuing valuation reports or reasonableness opinions in accordance with the provisions of this Standard, which do not refer to the audit of financial reports, it is hereby amended the wording of Article 5, Paragraph 2, "auditing" cases to "executing" cases.</p> <p>3. With reference to Article 9, Paragraph 4, Subparagraph 4, Item 3-5 of the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the Letter (2014) Ki-Mi-Zi No. 0000000298 dated Dec. 25, 2014 from the Accounting Research and Development Foundation of the Republic of China (ARDF), and Article 27 of Valuation Reporting Standards No. 8 regarding the sources of information and the appropriateness and reasonableness of parameters, it is hereby revised the wordings of Paragraph 3, Subparagraph 3 and Subparagraph 4 to</p>

After amendment	Before amendment	Description
		conform to the actual situation.
<p>Article 7: The Company's procedures and regulations related to the acquisition or disposal of assets shall be governed by the internal control system, and if the standards stipulated in these procedures are violated, the Company shall follow the provisions of these handling procedures.</p> <p>The acquisition or disposal of assets should be evaluated for credit risk, market risk, liquidity risk, operational risk, legal risk and efficiency. In addition to the internal evaluation method, which should be established in the relevant internal control cycle and methods, an expert opinion should be appointed as a reference basis in accordance with the following methods.</p> <p>1. In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or</p>	<p>Article 7: The Company's procedures and regulations related to the acquisition or disposal of assets shall be governed by the internal control system, and if the standards stipulated in these procedures are violated, the Company shall follow the provisions of these handling procedures.</p> <p>The acquisition or disposal of assets should be evaluated for credit risk, market risk, liquidity risk, operational risk, legal risk and efficiency. In addition to the internal evaluation method, which should be established in the relevant internal control cycle and methods, an expert opinion should be appointed as a reference basis in accordance with the following methods.</p> <p>1. In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more,</p>	<p>1. Amend Article 7, Paragraph 2: Article 5 has been amended to add the requirement that external experts should follow the self-regulatory standards of their respective peer associations, which already covers the procedures that accountants should follow in issuing opinions, and it is hereby deleted the second paragraph that accountants should follow the provisions of Statement of Auditing Standards No. 20 issued by the Accounting Research and Development Foundation of the Republic of China.</p> <p>2. Add Article 7, Paragraph 2: In order to strengthen</p>

After amendment	Before amendment	Description
<p>more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>(1) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed <u>whenever</u> there is any subsequent change to the terms and conditions of the transaction.</p> <p>(2) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>(3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p>	<p>the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>(1) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>(2) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>(3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal <u>in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research</u></p>	<p>the management of related party transactions and to protect the rights of minority shareholders of public companies to express their opinions on transactions between the company and related parties, reference has been made to the regulations in major international capital markets such as Singapore and Hong Kong that require prior approval of shareholders' meetings for significant related party transactions. In addition, in order to avoid significant related party transactions through a subsidiary of the public company that is not a domestic public company, the public company shall submit the relevant information to the shareholders' meeting for approval before circumventing this requirement. Hence, it is hereby stipulate that if the public company or its subsidiary that is not a domestic public company has the first transaction with a related party to acquire or dispose</p>

After amendment	Before amendment	Description
<p>①The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>②The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>(4) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p><u>2. When acquiring or disposing of securities, the Company shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply,</u></p>	<p><u>and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</u></p> <p>①The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>②The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>(4) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>2. When acquiring or disposing of securities, the Company shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, Where the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; <u>the CPA shall comply with</u></p>	<p>of assets, and the transaction amount reaches 10% or more of the public company's total assets, the public company shall submit the relevant information to the shareholders' meeting for approval before doing so.</p>

After amendment	Before amendment	Description
<p><u>however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</u></p>	<p><u>the provisions of Statement of Auditing Standards No. 20 published by the ARDF if a report of an expert is required.</u> This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p>	
<p>Article 8: Under any of the following circumstances, when acquiring or disposing of assets, the Company shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <ol style="list-style-type: none"> 1. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. 2. Merger, demerger, acquisition, or transfer of shares. 3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company. 4. Where equipment or right-of-use 	<p>Article 8: Under any of the following circumstances, when acquiring or disposing of assets, the Company shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <ol style="list-style-type: none"> 1. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. 2. Merger, demerger, acquisition, or transfer of shares. 3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company. 4. Where equipment or right-of-use 	<ol style="list-style-type: none"> 1. Considering that existing public companies are already exempted from filing public announcements when trading domestic public bonds, it is hereby amended Paragraph 1, Subparagraph 6, Items 1 and 2 to relax the exemption from filing public announcements when trading foreign public bonds with a rating not lower than the sovereign rating of our country. 2. Foreign bonds are pure in nature and usually have better credit than foreign corporate bonds. In addition, index investment securities are similar in nature to index equity funds. Hence, it is hereby amended Paragraph 1, Subparagraph 6, Items 1 and 2, to relax the exemption from public announcement and reporting for the subscription of foreign bonds, subscription or repurchase of index investment securities in the primary market

After amendment	Before amendment	Description
<p>assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:</p> <p>(1) For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</p> <p>(2) For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</p> <p>5. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.</p> <p>6. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>(1) Trading of domestic government bonds <u>or foreign government bonds with credit ratings not lower than the sovereign rating of our country</u>.</p> <p>(2) Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription</p>	<p>assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:</p> <p>(1) For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</p> <p>(2) For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</p> <p>5. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.</p> <p>6. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>(1) Trading of domestic government bonds.</p> <p>(2) Where done by professional investors—overseas or domestic securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity</p>	<p>for those who are investment professionals.</p>

After amendment	Before amendment	Description
<p>of <u>foreign government bonds</u> or ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, subscription or buy back exchange traded notes, or <u>subscription by a securities firm of securities as necessitated by its undertaking business</u> or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>(3) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p>	<p>characteristics (excluding subordinated debt) that are offered and issued in the domestic primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>(3) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p>	
<p>Article 10: Relevant handling procedures for trading with related parties: 1. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to handling the matter in accordance with the preceding regulations, the Company shall also ensure that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, and if the transaction amount reaches 10 percent or more of the company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the preceding Section and this Section.</p>	<p>Article 10: Relevant handling procedures for trading with related parties: 1. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to handling the matter in accordance with the preceding regulations, the Company shall also ensure that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the company's total assets, the company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the preceding Section and this Section.</p>	<p>Amendment to Article 10, paragraph 1: 1. In order to strengthen the management of related party transactions and to protect the rights of minority shareholders of public companies to express their opinions on transactions between the company and related parties, reference has been made to the regulations in major international capital markets such as Singapore and Hong Kong that require prior approval of shareholders' meetings</p>

After amendment	Before amendment	Description
<p>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 7, paragraph 1, subparagraph 4 herein,</p> <p>When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.</p> <p>2. When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the supervisors:</p> <ol style="list-style-type: none"> (1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. (2) The reason for choosing the related party as a transaction counterparty. (3) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with 	<p>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 7, paragraph 1, subparagraph 4 herein,</p> <p>When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.</p> <p>2. When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the supervisors:</p> <ol style="list-style-type: none"> (1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. (2) The reason for choosing the related party as a transaction counterparty. (3) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with 	<p>for significant related party transactions. In addition, in order to avoid significant related party transactions through a subsidiary of the public company that is not a domestic public company, the public company shall submit the relevant information to the shareholders' meeting for approval before circumventing this requirement. Hence, it is hereby stipulate that if the public company or its subsidiary that is not a domestic public company has the first transaction with a related party to acquire or dispose of assets, and the transaction amount reaches 10% or more of the public company's total assets, the public company shall submit the relevant information to the shareholders' meeting for approval before doing so.</p>

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<p>Article 16 and Article 17.</p> <p>(4) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.</p> <p>(5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>(6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>(7) Restrictive covenants and other important stipulations associated with the transaction.</p> <p>With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may delegate the board chairman to decide such matters when the transaction is</p>	<p>Article 16 and Article 17.</p> <p>(4) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.</p> <p>(5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>(6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>(7) Restrictive covenants and other important stipulations associated with the transaction.</p> <p><u>The calculation of the transaction amounts referred to in the preceding paragraph shall be done in accordance with Article 8, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items submitted to the board of directors' meeting for approval in accordance with the provisions in these Regulations are exempt from counted toward the transaction amount.</u></p> <p>With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may delegate the board chairman to decide such matters when the transaction is</p>	

After amendment	Before amendment	Description
<p>within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <ol style="list-style-type: none"> 1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use. 2. Acquisition or disposal of real property right-of-use assets held for business use. <p>Where the position of independent director has been created in accordance with the provisions of the Act, when the proposal is submitted for discussion by the board of directors pursuant to the provisions in paragraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p>The Company has established an audit committee in accordance with the provisions of the Act. When the procedures for the acquisition and disposal of assets are adopted or amended they shall be approved by one-half or more of all audit committee members and submitted to the board of directors for a resolution.</p> <p>If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.</p> <p>The terms "all audit committee members" in preceding paragraph and "all directors" in the preceding paragraph shall be counted as the</p>	<p>within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting: 1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use2. Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>Where the position of independent director has been created in accordance with the provisions of the Act, when the proposal is submitted for discussion by the board of directors pursuant to the provisions in paragraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p>The Company has established an audit committee in accordance with the provisions of the Act. This shall be approved by one-half or more of all audit committee members and submitted to the board of directors for a resolution.</p> <p>If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.</p> <p>The terms "all audit committee members" in preceding paragraph and "all directors" in the preceding paragraph shall be counted as the</p>	

After amendment	Before amendment	Description
<p>actual number of persons currently holding those positions.</p> <p><u>If the Company conducts the transaction in paragraph 1 and the transaction amounts to more than 10% of the public company's total assets, the Company shall submit the information listed in the paragraph 1 to the shareholders' meeting for approval before signing the transaction contract and making the payment. However, this does not apply to transactions between the Company and its parent, subsidiaries, or between its subsidiaries.</u></p> <p><u>The calculation of the transaction amounts referred to in the first paragraph and the preceding paragraph shall be done in accordance with Article 8, paragraph 2 herein (the cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year), and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items submitted to shareholders' meeting, the board of directors' meeting for approval in accordance with the provisions in these Procedures are exempt from counted toward the transaction amount.</u></p>	<p>actual number of persons currently holding those positions.</p>	

Approved in the 17th meeting of the 11th Board of Directors on Mar. 15, 2022

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, 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 offering, directors' competition license, surplus capital increase, public reserve capital increase, company dissolution, merger, division, or the first paragraph of Article 185 of the 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, 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 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. 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.

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.

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.

The chairman of the preceding paragraph is a managing director or a director who has served for more than six months and has an understanding of the company's financial and business conditions the managing director or director of the company. The same applies if the chairman is the representative of the corporate directors.

The chairman of the board of directors shall preside over the shareholders' meeting convened by the board of directors in person, and there shall be more than half of the directors and at least one seat of the board of directors. Supervisors are present in person, and at least one representative of various functional committee members is present, and the attendance is recorded in Minutes of the shareholders meeting.

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 the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. If there is no objection from all shareholders present, it shall be deemed to be approved by the Chairman and shall have the same effect as a poll. In case of dissent, the shareholders shall vote on each proposal. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

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 at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected, and the list of unsuccessful corporate directors and supervisors and the number of voting rights they have obtained.

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.

6th amendment on March 9th, 2021

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 : 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 5 : 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.
- 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.

If the number of independent directors is insufficient as specified in the proviso of Paragraph 1 of Article 14-2 of the Securities and Exchange Act, a by-election shall be held at the latest shareholders' meeting; when all independent directors are dismissed, a shareholder meeting shall be held within 60 days from the date of the occurrence of the fact.

Article 6 : The cumulative voting method 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 split among multiple candidates.

Article 7 : The board of directors shall prepare the same number of ballots as the number of directors to be elected, fill in their weights, and distribute the shares attending the shareholders' meeting.

Article 8 : 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 9 : 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 10 : A ballot is invalid under any of the following circumstances:

1. Those who do not need the ballot paper prepared by the person with the right to convene.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The candidates filled in are inconsistent with the list of candidates for directors.
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.
5. In addition to filling in the number of voting rights allocated, other words are included.

Article 11 : 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 12 : The board of directors of this Corporation shall issue notifications to the persons elected as directors or supervisors.

Article 13 : These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

Established on August 18, 2020

CONCORD INTERNATIONAL SECURITIES CO., LTD's Procedures for the Acquisition or Disposal of Assets (before amendment)

Article 1: These Procedures are established to protect assets and implement information disclosure.

Article 2: These Procedures are established in accordance with the provisions in Regulations Governing the Acquisition and Disposal of Assets by FSC; however, if other laws and regulations provide otherwise, those provisions shall prevail.

Article 3: The term "assets" as used in these Procedures includes the following:

1. Long- and short-term investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
2. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.
3. Memberships.
4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
5. Right-of-use assets.
6. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
7. Derivatives.
8. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law.
9. Other major assets.

Article 4: Terms used in these Regulations are defined as follows:

1. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.
3. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
4. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
5. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent

authority shall apply.

6. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
7. Investment professional: Refers to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, securities firms operating proprietary trading or underwriting business, futures commission merchants operating proprietary trading business, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies, that are lawfully incorporated and are regulated by the competent financial authorities of the jurisdiction where they are located.
8. Securities exchange: Domestic securities exchange" refers to the Taiwan Stock Exchange Corporation; "foreign securities exchange" refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
9. Over-the-counter venue ("OTC venue", "OTC"): "Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; foreign OTC venue" refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.

Article 5: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:

1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
2. May not be a related party or de facto related party of any party to the transaction.
3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:

1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
2. When auditing a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.
3. They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.

Article 6: The amount for real property or securities for non-operating purposes is established as follows:

1. The total amount of real property used for non-operating purposes shall not be more than 40 percent of the Company's total assets. The sum of the total amount of property and equipment used for operating purposes and the total amount of real property used for non-operating purposes shall not be more than 60 percent of the Company's total assets. [Handle in accordance with Article 16 of Regulations Governing Securities Firms]
2. The total amount of investment in long-term and short-term securities shall not exceed 40% of the net capital, and the total amount of investment in equity securities, unless approved by the FSC, shall not exceed 40% of the paid-in capital. [Handle in accordance with Article 18 of Regulations Governing Securities Firms]
3. The amount of investment in individual marketable securities shall not exceed 30% of the net capital.

Article 7: The Company's procedures and regulations related to the acquisition or disposal of assets shall be governed by the internal control system, and if the standards stipulated in these procedures are violated, the Company shall follow the provisions of these handling procedures.

The acquisition or disposal of assets should be evaluated for credit risk, market risk, liquidity risk, operational risk, legal risk and efficiency. In addition to the internal evaluation method, which should be established in the relevant internal control cycle and methods, an expert opinion should be appointed as a reference basis in accordance with the following methods.

1. In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:
 - (1) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
 - (2) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
 - (3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
 1. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
 2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.

- (4) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.
2. When acquiring or disposing of securities, the Company shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, Where the transaction amount reaches 20 percent or more of the Company's paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF where report of an expert is required. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).
3. Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.
4. The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Article 8, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.
5. Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

Article 8: Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:

1. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
2. Merger, demerger, acquisition, or transfer of shares.
3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.
4. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:
 - (1) For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.
 - (2) For a public company whose paid-in capital is NT\$10 billion or more, the transaction

amount reaches NT\$1 billion or more.

5. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.
6. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:
 - (1) Trading of domestic government bonds.
 - (2) Where done by professional investors—overseas and domestic securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the domestic primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.
 - (3) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

The amount of transactions above shall be calculated as follows:

1. The amount of any individual transaction.
2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.
3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.
4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.

The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.

When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.

When acquiring or disposing of assets, the Company shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the Company, where they shall be retained for 5 years except where another act provides otherwise.

Article 9: Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding

article, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:

1. Change, termination, or rescission of a contract signed in regard to the original transaction.
2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
3. Change to the originally publicly announced and reported information.

Article 10: Relevant procedures for related party transaction:

1. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to handling the matter in accordance with the preceding regulations, the Company shall also ensure that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, and if the transaction amount reaches 10 percent or more of the company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the preceding Section and this Section.

The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 7, paragraph 1, subparagraph 4 herein,

When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

2. When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the supervisors:

- (1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
- (2) The reason for choosing the related party as a transaction counterparty.
- (3) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 16 and Article 17.
- (4) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.
- (5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
- (6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
- (7) Restrictive covenants and other important stipulations associated with the transaction.

The calculation of the transaction amounts referred to in the preceding paragraph shall be done in accordance with Article 8, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items submitted to the board of directors' meeting for approval in accordance with the provisions in these Procedures are exempt from counted toward the transaction amount.

With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:

1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.

2. Acquisition or disposal of real property right-of-use assets held for business use.

Where the position of independent director has been created in accordance with the provisions of the Act, when the proposal is submitted for discussion by the board of directors pursuant to the provisions in paragraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

The Company has established an audit committee in accordance with the provisions of the Act. This shall be approved by one-half or more of all audit committee members and submitted to the board of directors for a resolution. If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.

The terms "all audit committee members" in preceding paragraph and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

3. When acquiring real property or right-of-use assets thereof from a related party, the Company shall evaluate the reasonableness of the transaction costs by the following means:

(1) Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.

(2) Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties. Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed above.

When acquiring real property or right-of-use assets thereof from a related party and appraises the cost of the real property in accordance with the preceding two paragraphs, the Company shall also engage a CPA to check the appraisal and render a specific opinion.

Where the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be exempted from the preceding three paragraphs, but still be conducted in accordance with the regulations above:

- ① The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
 - ② More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.
 - ③ The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.
 - ④ The real property right-of-use assets for business use are acquired by the public company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.
4. When the results of a public company's appraisal conducted in accordance with subparagraph 1 and subparagraph 2 of the preceding Paragraph are uniformly lower than the transaction price, the matter shall be handled in compliance with Article 5. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:
- (1) Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 - ① Where undeveloped land is appraised in accordance with the means in the preceding Paragraph, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
 - ② Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
 - (2) Where a public company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.

Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.
5. Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with the aforementioned regulations are uniformly lower than the transaction price, the following steps shall be

taken:

- (1) A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Securities and Exchange Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. And where the Company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.
- (2) Supervisors shall comply with Article 218 of the Company Act. Where an audit committee has been established in accordance with the provisions, the preceding part of this subparagraph shall apply mutatis mutandis to the independent director members of the audit committee.
- (3) Actions taken pursuant to the subparagraphs 1 and 2 shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

The Company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.

When the Company obtains real property or right-of-use assets thereof from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was not an arms length transaction.

Article 11: Engaging in Derivatives Trading Disposition Procedures:

1. When engaging in derivatives trading, the Company shall pay strict attention to control of the following important risk management and auditing matters:
 - (1) Trading principles and strategies: Shall include the types of derivatives that may be traded, operating or hedging strategies, segregation of duties, essentials of performance evaluation, total amount of derivatives contracts that may be traded, and the maximum loss limit on total trading and for individual contracts.
 - (2) Risk management measures.
 - (3) Internal audit system.
 - (4) Regular evaluation methods and the handling of irregular circumstances.
2. When engaging in derivatives trading, the Company shall adopt the following risk management measures:
 - (1) Risk management shall address credit, market, liquidity, cash flow, operational, and legal risks.
 - (2) Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.
 - (3) Risk measurement, monitoring, and control personnel shall be assigned to a different department than the personnel in the preceding subparagraph and shall report to the board of directors or senior management personnel with no responsibility for trading or position decision-making.
 - (4) Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. The appraisal report shall be submitted to senior management personnel authorized by the Board of Directors.
 - (5) Other important risk management measures.
3. Where the Company engaging in derivatives trading, its board of directors shall

faithfully supervise and manage such trading in accordance with the following principles:

- (1) Designate senior management personnel to pay continuous attention to monitoring and controlling derivatives trading risk.
 - (2) Periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the company's permitted scope of tolerance.
4. Senior management personnel authorized by the board of directors shall manage derivatives trading in accordance with the following principles:
- (1) Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these Procedures and the procedures for engaging in derivatives trading formulated by the company.
 - (2) When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the board of directors; where a company has independent directors, an independent director shall be present at the meeting and express an opinion.

The Company shall report to the soonest meeting of the board of directors after it authorizes the relevant personnel to handle derivatives trading in accordance with its Procedures for Engaging in Derivatives Trading.

5. The Company engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required to be carefully evaluated under subparagraph 4 of Article 11 and subparagraph 2 of paragraph 3, and subparagraph 1 of paragraph 4 shall be recorded in detail in the log book.

The Company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, the audit committee shall be notified in writing along with the supervisors.

Article 12: Procedures for Governing Mergers and Consolidations, Splits, Acquisitions, and Assignment of Shares:

1. Where the Company conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by a public company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the public company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.
2. A public company participating in a merger, demerger, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in the preceding paragraph when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the

merger, demerger, or acquisition, this restriction shall not apply.

Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.

3. A company participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

A company participating in a transfer of shares shall call a board of directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference:

- (1) Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
- (2) Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.
- (3) Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, the Company shall, within 2 days counting inclusively from the date of passage of a resolution by the board of directors, report in the prescribed format and via the Internet-based information system the information set out in (1) and (2) to the FSC for recordation.

Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of the preceding two paragraphs.

4. Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.
5. The Company participating in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:
 - (1) Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with

- warrants, stock warrants, or other equity based securities.
- (2) An action, such as a disposal of major assets, that affects the company's financial operations.
 - (3) An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
 - (4) An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
 - (5) An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
 - (6) Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.
6. The contract for participation by the Company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:
- (1) Handling of breach of contract.
 - (2) Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
 - (3) The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
 - (4) The manner of handling changes in the number of participating entities or companies.
 - (5) Preliminary progress schedule for plan execution, and anticipated completion date.
 - (6) Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.
7. After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.
8. Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of Paragraph 3, Paragraph 4 and Paragraph 7 of this Article.

Article 13: If the personnel who handles the matter related to the acquisition and disposal of assets violates the provisions in these Procedures, he/she shall be punished according to the severity of the scenario.

Article 14: The subsidiary of the Company shall comply with the following provisions:

1. Subsidiary shall also establish "Procedures for the Acquisition or Disposal of Assets" in accordance with Regulations Governing the Acquisition and Disposal of Assets by Public Companies. After approved by the Board of Directors of the subsidiary, these Procedures shall be submitted to the shareholders' meeting of both parties. The same applies when the procedures are amended.
2. If a subsidiary that is not a domestic public company acquires or disposes of assets up

to the standards for announcement and reporting set forth in Articles 8 and 9 of the

Company's "Procedures for the Acquisition or Disposal of Assets", the Company shall file the announcement and reporting on behalf of the subsidiary.

3. The paid-in capital or total assets of the (parent) Company shall be the standard applicable to a subsidiary referred to in the preceding paragraph in determining whether, relative to paid-in capital or total assets, it reaches a threshold requiring public announcement and regulatory filing under Article 8, paragraph 1.

Article 15: 1. The matters not mentioned herein shall be handled in accordance with relevant laws and regulations, and the Company's relevant rules.

2. After these Procedures have been approved by the board of directors, they shall be submitted to a shareholders' meeting for approval; the same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the dissenting opinion to the audit committee.
3. The Company has created the position of independent director in accordance with the provisions of the Securities and Exchange Act. When a matter involving the acquisition or disposal of assets is submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.
4. The Company has established an audit committee in accordance with the provisions of the Securities and Exchange Act. When the procedures for the acquisition and disposal of assets are adopted or amended, or when there are significant assets or derivative transactions, or when a real property is acquired from related parties, they shall be approved by one-half or more of all audit committee members and submitted to the board of directors for a resolution.
5. If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.
6. The terms "all audit committee members" and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.
7. For the calculation of 10 percent of total assets under these Regulations, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.

In the case of a company whose shares have no par value or a par value other than NT\$10—for the calculation of transaction amounts of 20 percent of paid-in capital under these Regulations, 10 percent of equity attributable to owners of the parent shall be substituted; for calculations under the provisions of these Regulations regarding transaction amounts relative to paid-in capital of NT\$10 billion, NT\$20 billion of equity attributable to owners of the parent shall be substituted.

Amendment date: Jan. 22, 2019 (approved by the Board of Directors)
Apr. 24, 2019 (approved by shareholders' meeting)