

Stock code:5864



**Concord International Securities Co., Ltd.**

## **Handbook for the 2023 Annual Meeting of Shareholders**

**【Time】** :May 4, 2023 (Thursday) , 10:30 am

**【Shareholders meeting will be held by means of】** :Physical shareolders meeting

**【Location】** :Hotel Château Anping (2F, No. 47, Xinjian Road, South District, Tainan City)

Translation – In case of any discrepancy between the Chinese and English versions, the Chinese version shall

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**I.Procedures for the 2023 shareholders' meeting of Concord International  
Securities Co., Ltd.**

- 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. Questions and Motions**
- 8. Adjournment**

## **II. Agenda of the 2023 Regular Shareholders' Meeting of Concord International Securities Co., Ltd.**

**【Time】** : May 4, 2023 (Thursday) , 10:30 am

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

**【Location】** : Hotel Château Anping

(2F, No. 47, Xinjian Road, South District, Tainan City)

1. Call the Meeting to Order
2. Chairman's Remarks
3. Report Matters
  - (1) The 2022 Business Report and Future Management Policy Report.
  - (2) The Audit Committee's Review Report on the 2022 Financial Statements.
  - (3) Employee compensation report.
  - (4) 「Amendment to the Corporate Governance Best Practice Principles」 And 「Sustainable Development Best Practice Principles」 .
  - (5) Report on the company's project for promoting sustainable development and plan.
4. Resolution
  - (1) The Company's 2022 Final Accounts and Business Report.
  - (2) The Company's 2022 Proposal for Profits' Distribution.
5. Discussion
  - (1) Amendments to some articles of the Company's "Articles of Incorporation".
  - (2) Proposal of Capital surplus transferred to capital increase and cash dividend distribution.
6. Questions and Motions
7. Adjournment

### **III. Report Matters**

1. The 2022 Business Report and Future Management Policy Report.

(Please see page 9~11 of this manual)

2. The Audit Committee's Review Report on the 2022 Financial Statements.

(Please see page 12 of this manual)

3. Employee compensation report.

The Company's profit and loss settlement amount in 2022 is a net loss of NT\$224,662,532, the board of directors of the Company resolved not to distribute employee remuneration in accordance with Article 29 of the Association of the Company.

4. The Company's "Corporate Governance Best Practice Principles" and "Sustainable Development Best Practice Principles".

(Please see page 22 to 27 of this manual for the revision comparison table)

5. Report on the company's project for promoting sustainable development and plan.

(Please see page 28 to 37 of this manual for the revision comparison table)

## IV. Resolution

1st Case

Proposed by Board of Directors

Proposal: The company's 2022 final accounts and business report are hereby submitted for resolution.

Explanation: The company's 2022 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 9~11)

Balance sheet . . . . . (Please see page 13~14)

Statement of comprehensive income . . . . . (Please see page 15)

Statements of Changes in Equity . . . . . (Please see page 16)

Statements of Cash Flows . . . . . (Please see page 17~18)

Resolution:

2<sup>nd</sup> Case

Proposed by Board of Directors

Proposal: The Company's 2022 Proposal for Profits' Distribution is hereby submitted for resolution.

Explanation: 1. The Company's net profit after tax for 2022, as certified by the accountants, amounted to NT\$-224,662,532. After deducting other comprehensive income (actuarial gain or loss on defined benefit plans) of NT\$11,864,123, the post-tax profit or loss for the year plus items other than the post-tax profit or loss for the year is included in the distributable earnings of NT\$43,615,984 in 2022; it is estimated that NT\$42,695,078 will be withdrawn to issue cash dividends, cash dividend per share is approximately NT\$0.16. (Please see page 19 for the Profit Distribution Table).

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 cash dividend shall be calculated up to New Taiwan Dollar, and round down the amount less than New Taiwan Dollar, the fractional amount less than one New Taiwan Dollar shall be transferred to the employee welfare committee of the Company

Resolution:

## V. Discussion

Case1

Proposed by Board of Directors

Proposal: Discussion on amending the articles of association

Explanation: 1. After the pandemic recovery, the company will raise the authorized capital to adapt to economic and financial market development for future capital structure and financial structure adjustment.

2. Amended article 5 of articles of association “ The authorized capital of the company is NT\$3,000,000,000 and split into 300 million shares, the par value will be 10 new Taiwan dollars, issued by the board of directors several times” to “ The authorized capital of the company is NT\$3,900,000,000 and split into 390 million shares, the par value will be 10 new Taiwan dollars, issued by the board of directors several times”.

3. About the amending content of articles of association, Please see page 38.

Case2

Proposed by Board of Directors

Proposal: Proposal of capital surplus transferred to capital increase and cash dividend distribution.

Please proceed to discuss.

Explanation: 1. It is proposed to use the Company's capital surplus of NT\$53,368,840 transferred to capital increase and to issue 5,336,884 new shares, and distribute stock dividends of about NT\$0.2 to shareholders, with NT\$10 par value per share. After the capital increase, the paid-in capital will be NT\$ 2,721,811,220. Additional NT\$10,673,776 will be withdrawn to issue cash dividends, cash dividend per share is approximately NT\$0.04.

2. Each shareholder shall allocate approximately 20 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 fractional share, the shareholders may consolidate a certain amount of share into one share by themselves, and paying the fractional share by cash according to the share par value, and the calculation shall be up to New Taiwan Dollar (rounded down below New Taiwan Dollar). Due to the Company adopted non-physical issuance according to law, the fractional share are used to offset the transfer fee, the remaining shares will be purchased by persons arranged by the Chairman as authorized by the Board.

3. The cash dividends distributed by the capital surplus shall be calculated up to New



Taiwan Dollar, and round down the amount less than New Taiwan Dollar, the fractional amount less than one New Taiwan Dollar shall be transferred to the employee welfare committee of the Company.

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

Resolution:

## **VI. Questions and Motion**

### **Adjournment**

## **【Appendix】**

### **Appendix: 2022 Business Report and Future Management Policy Report**

#### **1. Letters to Shareholders**

- I. Under the outbreak of the pandemic and the Ukrainian-Russian war in the global financial market in 2022, the inflation rate has risen and the United States has continuously raised interest rates, resulting in the unsatisfactory performance of the stock markets of various countries. In term of the Taiwan Stock Market Index, it has dropped from 18,218 points at the end of 2021 to 14,137 points at the end of December 2022, a total drop of 4,081 points, or about 22.4%. The market value has lost by about 12 trillion Taiwan dollars. As a result, the domestic insurance institutions also suffered substantial losses in investment in pandemic insurance and bonds. Besides, the trading value of listing and over-the-counter in capital market also decreased significantly, from the daily average value of NT\$ 472.09 billion in 2021 to NT\$ 301.15 billion in 2022, a decrease of about 36%. Although the Company's brokerage division is still in profitable state, it still declines a lot compared with pervious years.
- II. For the year 2022, CONCORD's overall after-tax earnings of NT\$-224,662,532, EPS per share is approximately NT\$-0.84. Although the financial report in 2022 showed a negative number, the Company's financial structure is sound, so the Company expects to distribute NT\$0.2 in cash dividends and NT\$0.2 in stock dividends this year. The Company has distributed dividends for 6 consecutive years, and expects to maintain it in the future with the efforts of all employees.
- III. Countries gradually reopen from this pandemic in 2023, and inflation and the interest rate hike also slowed down. Although the domestic economic monitoring indicators has been turned into a blue light, the base period was relatively low last year, the investment market trading are expected to remain heavy. The Company will strengthen the existing foundation, improve departmental efficiency and create better benefits for all shareholders in a slowly but surely approach and gradual and orderly progress.

Wish you all, our dear shareholders good health.

Lucky Rabbit Brings You A Good Harvest.

May wealth flow in!

Thank you.

## 2. Business Performance and Future Management Policy Report

I. The profit and loss of the Company's departments for year 2022 is listed below:

(In Thousands of New Taiwan Dollars)

	2022				
	Brokerage Department	Proprietary Trading Department	Underwriting Department	Another Department	TOTAL
Income from External Customer	\$ 270,888	\$(236,584)	\$852	\$6,188	\$41,344
Inter-segment Revenue	—	—	—	—	—
Total Income	\$ 270,888	\$(236,584)	\$852	\$6,188	\$41,344
Segment Profit or loss	\$ 116,739	\$(243,349)	\$(831)	\$ (63,357)	\$(190,798)

II. Financial Receipts and Expenditures, and Profitability Analysis

(In Thousands of New Taiwan Dollars)

Item	2022	2021	Increase/Decrease	Variable Ratio (%)
Earnings	\$41,344	\$1,057,679	\$(1,016,335)	(96.09)
Operating Expenses and Expenditure	254,441	346,746	(92,305)	(26.62)
Operating Income (Loss)	(213,097)	710,933	(924,030)	(129.97)
Non-operating Income (Loss)	22,299	28,147	(5,848)	(20.78)
Income (Loss) from Continuing Operations before	(190,798)	739,080	(929,878)	(125.82)
Income Tax Benefit (Expense)	(33,863)	(36,060)	2,197	(6.09)
Income (Loss) from Continuing Operations After	(224,661)	703,020	(927,681)	(131.96)

### **III. The Summary of Operational plan for the current year**

The economic recession concern still exists in 2023, countries gradually reopen from this pandemic, and the capital market is still competitive, but tradings are still heavy. Facing a difficult environment, we still uphold steady operations, promote various businesses in proper sequence, and improve operating performance. In the future, we will prudently adapt to the changing situation, strictly implement the implementation principles, and strengthen risk control to increase shareholders' remuneration.

The key points for the Company's plan are as follow:

- (1) Optimize the configuration of electronic ordering system, follow the trend of the electronic trading market, and activate the proportion of the electronic trading to improve the market share of the overall brokerage business.
- (2) Plan our sub-account business to improve the quality of our services, actively cultivate our customers, and increase the scope 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) Actively participate in the underwriting business of initial public offering or capital increase of publicly quoted entity.
- (6) Continue to care for and participate in public welfare activities, strengthen the implementation methods of sustainable development and implement the spirit of sustainable development.

Chairman: **Wang, Wen-Tsu**

General manager: **Pan, Hua-Chen**

Accounting Supervisor: **Zhou, Tin-Ho**

Concord International Securities Co., Ltd.

## **Audit Committee Report**

The company's 2022 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 profitdistribution proposal, etc., all members believe that there is no discrepancy afterthe 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.2023 Shareholders' Meeting

Concord International Securities Co., Ltd. The Audit Committee

Convener: Hsu, Shun-Fa

**February 06 , 2023**

**Concord International Securities Company Limited**

**Balance Sheets**

**For the years ended December 31, 2022 and 2021**

(In Thousand NTs of New Taiwan dollars)

Assets		Notes	December 31, 2022		December 31, 2021	
Codes	Items		Amount	%	Amount	%
110000	Current assets					
111100	Cash and cash equivalents	4,6	\$ 104,215	2	\$ 96,077	1
112000	Current financial assets at fair value through profit or loss	4,7	1,957,633	36	2,752,172	33
114030	Margin loans receivable	4,9	958,637	17	1,729,362	21
114040	Refinancing margin	4,9	—	—	2,951	—
114050	Refinancing collateral receivable	4,9	—	—	2,459	—
114066	Receivable of money lending-any use	4,9	5,582	—	8,884	—
114130	Accounts receivable	4,9	629,711	11	1,203,151	15
114150	Prepayments		2,126	—	1,745	—
114170	Other receivables	4	26,301	1	32,340	—
119000	Other current assets	10	226,325	4	861,387	10
110000	Total current assets		3,910,530	71	6,690,528	80
120000	Non-current assets					
123200	Non-current financial assets at fair value through other comprehensive income	4,11	506,660	9	575,770	7
125000	Property and equipment	4,12	651,031	12	668,037	8
125800	Right-of-use assets	4,13	8,019	—	8,981	—
126000	Investment property	4,14	163,524	3	158,901	2
127000	Intangible assets	4,15	7,053	—	7,804	—
128000	Deferred tax assets	4,25	6,285	—	9,094	—
129000	Other non-current assets	16	280,479	5	278,227	3
120000	Total noncurrent assets, net		1,623,051	29	1,706,814	20
	Total Assets		\$ 5,533,581	100	\$ 8,397,342	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, 2022 and 2021**

(In Thousand NTs of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2022		December 31, 2021	
Code	Items		AMOUNT	%	AMOUNT	%
210000	Current liabilities					
211100	Current short-term debt	17	\$ 340,000	6	\$ 690,000	8
211200	Commercial paper payable	18	—	—	839,688	10
214040	Securities financing refundable deposits	9	68,935	1	46,497	—
214050	Deposits payable for securities financing	9	57,079	1	49,187	1
214110	Notes payable		1,807	—	1,571	—
214130	Accounts payable	19	638,260	12	1,218,156	15
214160	Receipts under custody		41,497	1	677,925	8
214170	Other payables	20	39,133	1	72,982	1
214600	Current tax liabilities	4,25	23,193	—	24,016	—
216000	Current lease liabilities		1,135	—	1,101	—
219000	Other current liabilities		231	—	582	—
210000	Total current liabilities		1,211,270	22	3,621,705	43
220000	Noncurrent liabilities					
224020	Long-term deferred revenue		344	—	1,378	—
226000	Non-current lease liabilities		7,099	—	8,070	—
229030	Guarantee deposit received		927	—	720	—
229070	Non-current net defined benefit liability	4,21	21,724	1	40,301	1
220000	Total noncurrent liabilities		30,094	1	50,469	1
	Total Liabilities		1,241,364	23	3,672,174	44
301000	Capital					
301010	Common stock		2,668,442	48	2,517,398	30
302000	Total capital surplus		119,609	2	119,609	1
304000	Retained earnings (or accumulated deficit)					
304010	Legal reserve		204,771	4	135,940	2
304020	Special reserve		1,052,683	19	915,020	11
304040	Retained earnings unappropriated (accumulated deficit)		43,618	—	764,997	9
305000	Total other equity interest		203,094	4	272,204	3
	Total Equity	22	4,292,217	77	4,725,168	56
	Total liabilities and equity		\$ 5,533,581	100	\$ 8,397,342	100

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

Chairman: Wang, Wen-Tsu      Manager: Pan, Hua Jian,      Accounting manager: Chou, Tin Ho



**Concord International Securities Company Limited**

**Statements of Comprehensive Income**  
**For the years ended December 31, 2022 and 2021**

(In Thousand NTs of New Taiwan dollars)

Codes	Items	Notes	2022		2021	
			AMOUNT	%	AMOUNT	%
400000	Revenues		\$ 41,344	100	\$ 1,057,679	100
401000	Brokerage handling fee revenue	24	197,808	478	367,493	35
404000	Revenues from underwriting business		1,507	4	4,744	—
410000	Gains (losses) on sale of operating securities	24	168,447	408	115,430	11
421200	Interest revenue	24	70,167	170	86,050	8
421300	Dividend revenue		113,451	274	101,537	10
421500	Valuation gains (losses) on operating securities at fair value through profit or loss	24	(512,563)	(1,240)	379,476	36
424100	Futures commission revenues		2,155	5	2,757	—
425300	Impairment loss (impairment gain and reversal of impairment loss)		107	—	81	—
428000	Other operating income		265	1	111	—
500000	Total expenditure and expense		(254,441)	(615)	(346,746)	(33)
501000	Brokerage handling fee expense		(13,738)	(33)	(24,503)	(2)
502000	Proprietary handling fee expense		(62)	—	(68)	—
503000	Refinancing processing fee expenses		(73)	—	(28)	—
504000	Underwriting operation processing fee expenses		(54)	—	(72)	—
521200	Finance costs		(9,441)	(23)	(10,236)	(1)
528000	Other operating expense		—	—	(2)	—
531000	Employee benefits expenses		(149,593)	(362)	(222,978)	(21)
532000	Depreciation and amortization expense		(21,263)	(51)	(21,064)	(2)
533000	Other operating expense		(60,217)	(146)	(67,795)	(7)
5xxxxx	Non-operating income(loss)		(213,097)	(515)	710,933	67
602000	Other gains and losses	24	22,299	54	28,147	3
902001	Profit (loss) from continuing operations before tax		(190,798)	(461)	739,080	70
701000	Income tax expense (benefit)	4,25	(33,863)	(82)	(36,060)	(3)
902005	Profit (loss)		(224,661)	(543)	703,020	67
805000	Other comprehensive income					
805500	Components of other comprehensive income that will not be reclassified to profit or loss		(57,246)	(138)	190,911	18
805510	Gains (losses) on remeasurements of defined benefit plans		14,830	36	(18,383)	(2)
805540	Unrealized gains (losses) from investments in equity instruments at fair value through other comprehensive income		(69,110)	(167)	205,617	20
805599	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		(2,966)	(7)	3,677	—
	Other comprehensive income		(57,246)	(138)	190,911	18
902006	Total comprehensive income		\$ (281,907)	(681)	\$ 893,931	85
	Earnings per share	23				
975000	Total Basic earnings per share		\$ (0.84)		\$ 2.63	
985000	Total Diluted earnings per share		\$ (0.84)		\$ 2.62	

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

Chairman: Wang, Wen-Tsu    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, 2022 and 2021**

(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, 2021	\$ 2,374,904	\$ 119,608	\$ 90,357	\$ 866,420	\$ 455,854	\$ 66,587	\$ 3,973,730
Appropriation of 2020 earnings							
Legal reserve appropriated			45,583		(45,583)		—
Special reserve appropriated				93,815	(93,815)		—
Cash dividends of ordinary share					(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
Appropriations of 2020 earnings							
Legal reserve appropriated			68,831		(68,831)		—
Special reserve appropriated				137,663	(137,663)		—
Cash dividends of ordinary share					(151,044)		(151,044)
Stock dividends of ordinary share	151,044				(151,044)		—
Profit (loss)					(224,661)		(224,661)
Other comprehensive income					11,864	(69,110)	(57,246)
Total comprehensive income	—	—	—	—	(212,797)	(69,110)	(281,907)
Equity at December 31, 2022	\$ 2,668,442	\$ 119,609	\$ 204,771	\$ 1,052,683	\$ 43,618	\$ 203,094	\$ 4,292,217

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

Chairman: Wang, Wen-Tsu

Manager: Pan, Hua Jian,

Accounting manager: Chou, Tin Ho

**Concord International Securities Company Limited**

**Statements of Cash Flows**

**From January 1 to December 31, 2022 and 2021**

(In Thousand NTs of New Taiwan Dollars)

Items	2022	2021
	AMOUNT	AMOUNT
<b>Cash flows from (used in) operating activities, indirect method:</b>		
Profit (loss) before tax	\$ (190,798)	\$ 739,080
<b>Adjustments:</b>		
Adjustments to reconcile profit (loss)		
Depreciation expense	16,479	17,125
Amortization expense	4,784	3,939
Expected credit gain / Provision (reversal of provision) for bad debt expense	(107)	(81)
Net gain on financial assets or liabilities at fair value through profit or loss	512,563	(379,476)
Interest expense	9,441	10,236
Interest income (including financial income)	(72,924)	(88,160)
Dividend income	(113,451)	(101,537)
Loss (gain) on disposal of property, plant and equipment	(1)	28
Loss (gain) on non-operating financial products at fair value	4,251	(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	277,725	(339,827)
Decrease (increase) in bond investments under resale agreements	—	63,001
Decrease (increase) in margin loans receivable	770,725	(541,216)
Decrease (increase) in refinancing margin	2,951	(2,951)
Decrease (increase) in refinancing collateral receivable	2,459	(2,459)
Decrease (increase) in receivable of securities business money lending	3,302	(601)
Decrease (increase) in accounts receivable	573,440	70,966
Decrease (increase) in other prepayments	(381)	736
Decrease (increase) in other receivable	(1,512)	183
Decrease (increase) in other current assets	635,062	(585,961)
Increase (decrease) in securities financing refundable deposits	22,438	(4,822)
Increase (decrease) in deposits payable for securities financing	7,892	(5,567)
Increase (decrease) in notes payable	236	(1,055)
Increase (decrease) in accounts payable	(579,896)	(79,338)
Increase (decrease) in receipts under custody	(636,428)	581,248
Increase (decrease) in other payable	(33,563)	8,927
Increase (decrease) in other current liabilities	5	34
Increase (decrease) in net defined benefit liability	(3,752)	(43,393)
Increase (decrease) in long-term deferred revenue	(1,034)	(1,033)
Cash inflow (outflow) generated from operations	1,209,906	(685,274)
Interest received	80,581	72,954
Dividends received	113,451	101,537
Interest paid	(9,296)	(9,857)
Income taxes paid	(34,843)	(7,746)
Net cash inflows (outflow from operating activities)	1,359,799	(528,386)

**Concord International Securities Company Limited**  
**Statements of Cash Flows (continued)**  
**January 1 to December 31, 2022 and 2021**

(In Thousands of New Taiwan Dollars)

Items	2022	2021
	AMOUNT	AMOUNT
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of property and equipment	(5,377)	(12,464)
Disposal of property and equipment	40	—
Increase in deposits settlement fund	(755)	(4,991)
Decrease in deposits settlement fund	429	2,061
Decrease in guarantee deposit received	690	594
Acquisition of intangible assets	(3,743)	(4,128)
Increase in other non-current assets	(517)	(302)
Net cash flows from (used in) investing activities	(9,233)	(19,230)
<b>Cash flows from (used in) financing activities:</b>		
Increase in short-term loans	3,560,000	9,240,000
Decrease in short-term loans	(3,910,000)	(8,780,000)
Increase in commercial papers payable	3,600,000	7,920,000
Decrease in commercial papers payable	(4,440,000)	(7,681,000)
Increase in guarantee deposit received	(144)	—
Payments of lease liabilities	(1,213)	(1,192)
Cash dividends paid	(151,071)	(142,588)
Disgorgement	—	1
Net cash inflows (outflow) provided from financing activities	(1,342,428)	555,221
Net increase (decrease) in cash and cash equivalents	8,138	7,605
Cash and cash equivalents at beginning of period	96,077	88,472
Cash and cash equivalents reported in the statement of financial position	\$ 104,215	\$ 96,077

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

Chairman: Wang, Wen-Tsu

Manager: Pan, Hua Jian,

Accounting manager: Chou, Tin Ho

**Concord International Securities Co., Ltd.**

**Profit Distribution Statement**

**Year 2022**

Unit: New Taiwan Dollar

Item	Subtotal	Total	Explanation
Undistributed profits at the beginning period		256,414,393	
plus			
Current profit and loss	(224,662,532)		
Other comprehensive gains and losses (after tax for the determined actuarial gains and losses of the benefit plan)	11,864,123		Re-measurement loss for determining the benefit plan 14,830,154*0.8
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		(212,798,409)	
Distributable surplus for the current period		43,615,984	
Distributable items:			
Cash dividend about NT\$0.16	(42,695,078)		266,844,238*0.16
		(42,695,078)	
Undistributed retained surplus		920,906	

Note: Distribute employee remuneration of NT\$0; director and supervisor's remuneration of NT\$0

Chairman: Wang, Wen-Tsu

General manager: Pan, Hua-Chen

Accounting Supervisor: Zhou, Tin-Ho

## Supplementary information for the Meeting- Shareholdings of directors

### 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: Wang, Wen-Tsu	39,540,665	
Director	Baulidu Investment Co., Ltd Representative: Hsu, Wen-Ko		
Vice Chairman of the Board	Chen, Mi-Chuan	6,440,679	
Managing Director	Chen, Pin-Chun	5,243,801	
Director	Lee, Uen-Pin	122,080	
Director	Huang, Ming-Shan	1,923,645	
Director	Liu, Chen-I	240,585	
Director	Shia, Mei-Chi	1,717,085	
Director	Vishay Trading Co., Ltd.Representative: Huang I-Ju	975,958	
Director	Teng, Chun-Hsiang	0	
Independent Director	Hsu, Shun-Fa	0	
Independent Director	Chen, Chien-Chuan	103,357	
Independent Director	Wei, Fu-Chuan	45,040	
Total		56,352,895	

(4) Election and dismissal of directors:

On May 4, 2022, 10 directors and 3 independent directors were elected for the 12th term.

(5) Explanation of the proposed capital increase:

In 2023, the company will issue 5,336,884 new shares through capital increase of capital surplus, with a par value of NT\$10 per share. After the capital increase, the paid-in capital will amount to NT\$2,721,811,220.

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

- (1) Although the stock market trading has been heavy in the past two years, the trading volume has remained at an average daily volume of more than 300 billion, it has decreased by 36% year-on-year, and the stock exchange market has shown a downward trend. The above factor affects the Company's profit in 2022. However, the Company's financial structure is sound, and the dividends and stock dividends are still distributed with capital surplus and retained earnings. In addition to returning investment income to shareholders, the Company also expects to enhance the flexibility of the use of company funds, expand the efficiency of fund use and create more operating benefits.
- (2) In this proposal, the gratuitous allotment of shares goes to shareholders with NT0.20 per share, which accounts for 2% of the capital shares only, where it not only relieves the burden of fund scheduling, but also causes little impact on the Company's operating situation. It won't affect subsequent operating performance, earnings per share (EPS) and Return on Investment at shareholders' sides not much.

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

Amendment	Existing provisions	Explanation
<p>Article 3-1 ( Personnel responsible for corporate governance affairs)) Item 1 is omitted. It is required that the corporate governance affairs mentioned in the preceding paragraph include at least the following items:</p> <ol style="list-style-type: none"> <li>1. Handling matters relating to board meetings and shareholders meetings according to laws.</li> <li>2. Producing minutes of board meetings and shareholders meetings.</li> <li>3. Assisting in onboarding and continuous development of directors and supervisors.</li> <li>4. Furnishing information required for business execution by directors and supervisors.</li> <li>5. Assisting directors and supervisors with legal compliance.</li> <li>6. <u>Report to the board of directors the results of its review on whether the qualifications of independent directors in the nomination, election, and tenure of office comply with relevant laws and regulations</u></li> <li>7. <u>Handle matters relating to the change of directors.</u></li> <li>8. Other matters set out in the articles or corporation or contracts.</li> </ol>	<p>Article 3-1 ( Personnel responsible for corporate governance affairs ) Item 1 is omitted. It is required that the corporate governance affairs mentioned in the preceding paragraph include at least the following items:</p> <ol style="list-style-type: none"> <li>1. Handling matters relating to board meetings and shareholders meetings according to laws.</li> <li>2. Producing minutes of board meetings and shareholders meetings.</li> <li>3. Assisting in onboarding and continuous development of directors and supervisors.</li> <li>4. Furnishing information required for business execution by directors and supervisors.</li> <li>5. Assisting directors and supervisors with legal compliance.</li> </ol> <p>6. Other matters set out in the articles or corporation or contracts.</p>	<p>According to the Corporate Governance 3.0- Sustainable Development Blueprint Plan, and the result of consulting external opinions, the legal compliance of independent directors (including independent director candidates and the present independent director) qualifications are incorporated into the corporate governance supervisor function; in addition, the handling of the change in directors (including but not limited to the matters that the corporate governance supervisor should handle in accordance with the regulations when he receives the notice of the resignation of the director or the reassignment in item 3 of Article 27 of the Company Law) is incorporated into the corporate governance supervisor function to strengthen the corporate governance supervisor function, and Items 6 and 7 are respectively added.</p>



Amendment	Existing provisions	Explanation
<p>Article 12 In entering into material financial and business transactions such as acquisition or disposal of assets, lending funds, and making endorsements or providing guarantees, the company shall proceed in accordance with the applicable laws and/or regulations and establish operating procedures in relation to these material financial and business transactions which shall be reported to and approved by the shareholders meeting so as to protect the interests of the shareholders. When the Company is involved in a merger, acquisition or public tender offer, in addition to proceeding in accordance with the applicable laws and/or regulations, it shall not only pay attention to the fairness, rationality, etc. of the plan and transaction of the merger, acquisition or public tender offer, but information disclosure and the soundness of the company's financial structure thereafter.</p> <p><u>If the company's management or major shareholders are involved in the merger and acquisitions, review whether the member of the audit committee of the aforementioned mergers and acquisitions matters complies with Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and the person shall not be related parties or have an interested relationship with the counterparty of the merger and acquisitions, which is sufficient</u></p>	<p>Article 12 In entering into material financial and business transactions such as acquisition or disposal of assets, lending funds, and making endorsements or providing guarantees, the company shall proceed in accordance with the applicable laws and/or regulations and establish operating procedures in relation to these material financial and business transactions which shall be reported to and approved by the shareholders meeting so as to protect the interests of the shareholders. When the Company is involved in a merger, acquisition or public tender offer, in addition to proceeding in accordance with the applicable laws and/or regulations, it shall not only pay attention to the fairness, rationality, etc. of the plan and transaction of the merger, acquisition or public tender offer, but information disclosure and the soundness of the company's financial structure thereafter.</p>	<p>1. Based on the company's management or major shareholders who participate in mergers and acquisitions, and the type of mergers and acquisitions involving high-degree problems in structural conflicts of interest and information asymmetry problems. it is indeed necessary to allow a professional and objective third party to participate in the entire merger review process to ensure the fairness of mergers and acquisitions through the control procedures so that Item 3 of the amendment is added to clarify that companies whose management or major shareholders participate in mergers and acquisitions should appoint a lawyer to review whether the member of the audit committee of the mergers and acquisitions matters complies with Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall not be related parties or have an interested relationship with the counterparty of the merger and acquisitions, which is sufficient to affect independence, whether the design and implementation of relevant procedures comply with the relevant</p>

Amendment	Existing provisions	Explanation
<p><u>to affect independence, whether the design and implementation of relevant procedures comply with the relevant laws and regulations, and whether the information is fully disclosed in accordance with relevant laws and regulations, and a legal opinion should be issued by an independent lawyer. The qualifications of lawyers referred to in the preceding paragraph shall comply with Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, shall not be related parties or have an interested relationship with the counterparty of the merger and acquisitions, which is sufficient to affect independence.</u></p> <p>The relevant personnel of the Ccompany handling the matters in <u>a merger, acquisition or public tender offer</u> shall pay attention to the occurrence of any conflicts of interest and the need for recusal.</p>	<p>The relevant personnel of the Ccompany handling the matters <del>in the preceding paragraph</del> shall pay attention to the occurrence of any conflicts of interest and the need for recusal.</p>	<p>laws and regulations. For example, the measures taken by the audit committee and the board of directors on the review process, whether the information is fully disclosed in accordance with relevant laws and regulations, etc., a legal opinion should be issued by the lawyer, and through the practice of the due process of law to make the review result of the audit committee and the board of directors more reliable and control the abuse of power by major shareholders or company management.</p> <p>2. With reference to Article 4, Item 2, of Regulations Governing the Establishment and Related Matters of Special Committees of Public Companies for Merger/Consolidation and Acquisition, the provision of the qualifications of the special committee members shall comply with the requirements of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, The conditions for the independence of lawyers are added to the item 4 of the amendment.</p> <p>3. To cooperate with the addition of items 3 and 4 of the amendment, item 3 of the existing provision is deferred and revised as appropriate.</p>

Amendment	Existing provisions	Explanation
<p>Section 3 Corporate Governance Relationships Between the Company and Its <u>Related Parties</u>.</p>	<p>Section 3 Corporate Governance Relationships Between the Company and Its Affiliated Enterprises</p>	<p>Considering that the normative content of this section includes not only the governance relationship between the company and affiliated enterprises but also the management of dealings with <u>related parties</u>, etc., the name of this section had been revised</p>
<p>Article 17 When the Company and its <u>related parties</u> and shareholder enter into inter-company business transactions <u>or trading</u>, a written agreement governing the relevant financial and business operations between them shall be made in accordance with the principle of fair dealing and reasonableness. Price and payment terms shall be definitively stipulated when contracts are signed, and non-arm's length transactions and <u>improper transfer of benefit</u> shall be prohibited.</p> <p><u>The written normative content in the preceding item shall include the management procedures for transactions such as the purchase and sale of goods, acquisition or disposal of assets, lending funds, and making endorsements or providing guarantees, and relevant major transactions shall be submitted to the board of directors for resolution and approval, and to the shareholders' meeting for approval or reporting.</u></p>	<p>Article 17 When the Company and its affiliated <del>enterprises</del> enter into inter-company business transactions, a written agreement governing the relevant financial and business operations between them shall be made in accordance with the principle of fair dealing and reasonableness. Price and payment terms shall be definitively stipulated when contracts are signed, and non-arm's length transactions shall be prohibited.</p> <p><del>All transactions or contracts made by and between the Company and its related parties and shareholders shall follow the principles set forth in the preceding paragraph, and improper channeling of profits is strictly prohibited.</del></p>	<p>1. Item 1 is revised. The existing provisions only regulate inter-company business transactions between the Company and its affiliated enterprises, and a written agreement shall be made. in order to strengthen the company's management of its <u>related parties</u> ' transactions, a written agreement shall be made for the transactions between the Company and its related parties and shareholders, and the scope of its related parties includes its affiliated enterprises, so item 2 is merged and listed as the item 1 and revised as appropriate. 2. Item 2 is added to clarify that the written normative content in the preceding item shall include management procedures for relevant trading, and major trading shall be submitted to the board of directors for resolution and approval, to shareholders' meeting for approval, or reporting.</p>

Amendment	Existing provisions	Explanation
<p>Article 18 A corporate shareholder having controlling power over the Company shall comply with the following provisions: Items 1 to 5 are omitted. <u>6. The representative that is designated when a corporate shareholder has been elected as a director shall meet the company's requirements for professional qualifications. Arbitrary replacement of the corporate shareholder's representative is inappropriate.</u></p>	<p>Article 18 A corporate shareholder having controlling power over the Company shall comply with the following provisions: Items 1 to 5 are omitted.</p>	
<p>Article 28 The Company shall establish an audit committee.  The following is omitted.</p>	<p>Article 28 The Company shall establish <del>either an audit committee or a supervisor.</del>  The following is omitted.</p>	<p>According to the order of Financial-Supervisory-Securities-Corporate No.1070345233 issued by the Competent Authority, all the TWSE/TPEX listed companies should complete establishing an audit committee in 2022 to completely replace the previous supervisor system.</p>

Amendment	Existing provisions	Explanation
<p>Article 29</p> <p>Items 1 to 4 are omitted.</p> <p>The Company shall <u>refer to the Audit Quality Indexs (AQIs) to evaluate the independence and suitability of the CPA engaged by the company regularly, and no less frequently than once annually. In the event that the company engages the same CPA without replacement for 7 years consecutively, or if the CPA is subject to disciplinary action or other circumstances prejudicial to the CPA's independence, the company shall evaluate the necessity of replacing the CPA and submit its conclusion to the board of directors.</u></p>	<p>Article 29</p> <p>Items 1 to 4 are omitted.</p> <p>The Company shall evaluate the independence and suitability of the CPA engaged by the company regularly, and no less frequently than once annually. In the event that the company engages the same CPA without replacement for 5 years consecutively, or if the CPA is subject to disciplinary action or other circumstances prejudicial to the CPA's independence, the company shall evaluate the necessity of replacing the CPA and submit its conclusion to the board of directors</p>	<p>"Corporate Governance 3.0-Sustainable Development Blueprint" promotes audit quality indicators (AQIs) to improve the transparency of audit quality and encourages the audit committees of TWSE/TPEX listed companies to refer to the AQI information provided by the accounting firm when evaluating the replacement of accounting firms.</p>
<p>Article 37-2 <u>(Establishment of an intellectual property regulatory system)</u></p> <p>The following is omitted.</p>	<p>Article 37-2</p> <p>The following is omitted.</p>	

Approved in the 5th meeting of the 12th Board of Directors on February. 06, 2023

### **Comparison table Of Sustainable Development Best Practice Principles in Concord Internationa**

Approved by the fifth board of directors of the twelfth session on 2023.02.06  
Amended announcement 11100730372 of TWSE/TPEX, 2022.12.28

Amendment of the articles	Current regulations	Discription
<p><u>Article 27-1</u> <u>The company should invest the resources in art and culture activity or cultural and creative industries through donations, sponsoring, investing, procurement, strategy cooperation, volunteering technical service, or other supporting activities for culture development.</u></p>	<p>New added</p>	<p>Articles are implemented to encourage the company to support art and cultural activity for cultural sustainable development.</p>

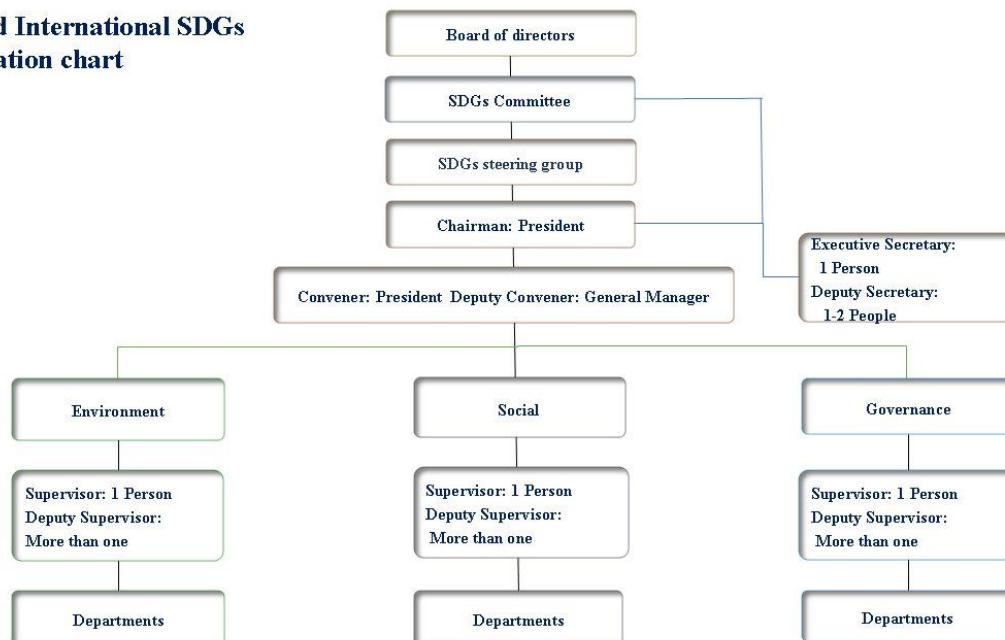
# Concord International Securities Company Ltd.Sustainable Development Policy

Approved by the board of directors on 2023.3.21

## A. Purpose

- 1.To achieve the company goal of SDGs by developing the economy, environment, and society, the company implements the “sustainable development policy” to practice the SDGs by the four principles, company governance, developing a sustainable environment, maintaining the social welfare, and strength the company sustainable development information transparent.
- 2.The Board of directors established the ad hoc committee“ SDGs Committee”, selecting the president as the chairman. Management established the SDGs steering group. The whole company will implement a sustainable development annual plan and project tracking and reviewing to implement ESG annual goal.

**Concord International SDGs organization chart**



## B. Implement the corporate governance

- 1.The company will follow the regulations such as“Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and “Corporate Governance Best-Practice Principles for Securities Firms” to establish a valid governance structure and relative moral standard to complete the company governance.
- 2.The company directors should follow the duty of care of a prudent administrator to implement sustainable development and review its implementation result and improvement to ensure the implementation of sustainable policy.
- 3.When the board of directors develops SDGs goal, they should consider the benefit of stakeholders and the following instructions:

- (1) Proposed the sustainable development overview and establish a sustainable development policy.
- (2) Taking sustainable development into company operating activity and developing direction and approving the development plan of sustainable development.
- (3) Ensure the exposure of the SDGs information is immediate and accurate.  
Regarding the economic, environmental, and societal issues generate by operating activity, the management level approved by the board of directors should deal with it and report to the board of directors, and the relative process and responsibility should be crystal.
4. The company should hold sustainable development tutoring regularly (Every year) or irregularly, the training should include the company's SDGs goal, policy, and development plan and the company should ensure the SDGs' information immediacy and accuracy.
5. To complete the management of sustainable development, the company has established the governance structures and the "SDGs steering group" for sustainable development policy, regulation, relative management direction, and plan and implementation. The report should show to the board of directors regularly (every season) or irregularly.
6. The company should establish a fair salary policy to ensure the salary plan can conform to the organization's strategic goal and stakeholders' benefit. The employee performance evaluation should combine with the sustainable development policy and set a valid reward and punishment system.
7. To respect the stakeholders' relationship benefit and identify the company stakeholders, the company has established a "Stakeholder area" to recognize the stakeholder demand through proper communication methods and respond properly to the SDGs issue stakeholder care about.

#### C. Develop sustainable environment

1. The company should follow environmental regulations and relative international standards to protect the natural environment properly and endeavor to achieve sustainable environmental goals during operating activity and internal management.
2. The company should commit to improving energy efficiency and using eco-friendly recycled materials.
3. The company should establish an environmental management system in accordance with the industry business, those should include:
  - (1) Collect and evaluate the influence between operating activity and natural environment information completeness and promptness.
  - (2) Establish a measurement of sustainable development goals and review their sustainability and relevance regularly (every year) or irregularly.
  - (3) Establish a valid plan or action plan implementation and review their performance regularly (every year) or irregularly.
4. The SDGs steering group will select the responsible person and establish, operate, and maintain a relativity environment management system and implement a plan. In addition, they also have

to hold training courses for management level and employees regularly(every year) or irregularly.

- 5.The company should consider the influence between business operations and the environment, it should develop and promote the sustainable concepts and reduce the impact on the environment and humans during company operates according to the following principle:
  - (1)Reduce operating and service resources used and energy consumption.
  - (2)Reduce the contaminated waste released and disposal of waste properly.
  - (3)Improve resources recycled and reusable.
  - (4)Maximize the recycled resources sustainability.
  - (5)Improve the durability of the equipment.
  - (6)Improve service efficiency.
- 6.To improve water resources efficiency, the company should use the water resources sustainably and commit to reducing the resources waste and taking the best controllable implementation.
- 7.The company should evaluate the risks and opportunities of climate change to the business future and implement responsive action. The company should take the standard or instruction made for local and foreign companies, processing company greenhouse gas inspection, and expose the information, the regulation should include:
  - (1)Direct GHG emissions:GHG release controlled by the company.
  - (2)Indirect GHG emissions:Generate by power input like electricity, heat, or steam.
  - (3)Other indirect emissions:Company activity GHG emission, not from energy indirect emission but from other emission sources controlled by the company.The company should calculate GHG emissions, water used, and wasted total weight and establish policies for net zero, reduce water usage, and waste management. They should implement the policy to reduce the impact of climate change.

#### D. Maintain social welfare

- 1.The company should follow relative regulation and abide by international human rights conventions, such as gender equality, the right to work, and the prohibition of discrimination. To protect the human rights, the company should establish relative management policy, including:
  - (1)Company human right policy or announcement.
  - (2)Evaluation of human right affection in the company operating and internal management and establishing the relative procedure
  - (3)Review the result of human rights policy or announcements regularly.
  - (4)When human rights violations are involved, the procedures for handling the interested parties should be disclosed.The company should follow internationally recognized labor rights, such as freedom of association, collective bargaining rights, caring for disadvantaged groups, prohibiting child labor, eliminating any forms of forced labor, and eliminating discrimination in employment and employment, and confirm that its human resource policy does not have gender, race,



discriminatory treatment based on socioeconomic status, age, marital and family status, to implement equality and fairness in employment, employment conditions, salary, benefits, training, evaluation, and promotion opportunities.

Regarding the violation of labor rights, the company should provide efficient and proper systems to ensure all the complaint process is equal and transparent. The complaint channel should be easy and clean to use and have to respond to the employee properly.

2. The company should provide the employee with information to understand labor rights and their benefit in the operating country.
3. The company should provide employees with safety and healthy environment, including necessary health and emergency utilities, and commit to reducing the risk forcing employee safety and health, preventing occupational accidents.

The company should hold employee safety and health training regularly (every year).

4. The company should create a good environment for employees and establish efficient ability training plans.

The company should establish and implement reasonable employee benefits (including salary, vacation, and other benefits) and give bonuses to employees according to company operating results ensuring human resource recruiting, retaining, and encouraging to achieve sustainable operating goals.

5. The company should build a regularly communicate channel to let the employee have the right to have information or share the idea for the business activity and decisions.

The company should respect the employee representation power of negotiate with the working environment and provide necessary information and hardware facility to improve the relationship between management and employee.

The company should take a reasonable way to announce the operating change might have a great impact on the employee.

6. The company should treat every client with fair and reasonably, including fairness and integrity in contracting, the duty of care and loyalty, the authenticity of advertising solicitation, suitability of goods or services, announcement and disclosure, the balance of remuneration and performance, protection of complaints channels, professionalism of business personnel, and formulates relevant implementation strategies and specific measures.

7. The company should be responsible for the operating business and pay attention to marketing ethics. All the relevant working and service processes should ensure the service information transparency and security and establish a disclosing customer benefit policy, implementing those into daily operating activity to prevent harming customer benefit and safety.

8. The company should follow the government and industry regulation to ensure the products and service quality. The company should follow relevant regulation and international principle for client's security, privacy, marketing and labeling and should not cheating, misleading, defrauding or any other act that undermines the trust of customers and damages the rights and interests of customers.

9. The company should evaluate and manage all kinds of risks, such as power outages,

information security, or other possible risks, during operating business to reduce the impact on clients or society.

The company should provide transparent and effective customer complaint procedures for its business services, handle customer complaints fairly and immediately, abide by the “Personal Data Protection Act” and other relevant laws and regulations, respect the privacy rights of customers, and protect the customers' personal data.

10. The company should evaluate how procurement will affect supplying community's environment and society and work with the supplier to commit to corporate social responsibility.

The company should establish a supplier management policy to ask the suppliers to follow regulations for the environment, occupational safety and health, or labor rights. Before the business activity, the company should check if the supplier has any record of influencing the environment or society and try to prevent working with another company that are in conflict with its social responsibility policy.

The contract between the company and its primary supplier should have a corporate social responsibility policy and the company should stop or cancel the assignment when the supplier violates the policy and has affected a lot to the environment and society.

11. The company should evaluate the impact company on the local community during running the business and hire local human resources to enhance community identity. The company should invest resources in organizations to solve social or environmental problems through business models, or civic organizations and charitable organizations that participate in community development and community education through equity investment, commercial activities, donations, corporate volunteer services, or other public welfare professional services. and related activities of government agencies to promote community development.

12. The company should invest resources into cultural and artistic activities or cultural and creative industry through donations, sponsorship, investment, procurement, strategic cooperation, corporate voluntary technical services, or other support models to promote cultural development.

E. Strengthen corporate sustainable development information disclosure

1. The company should follow the regulations and “ Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Corporate Governance Best-Practice Principles for Securities Firms” to operate information disclosure and should disclosure relevant and reliable SDGs information to increase information transparency, the company disclosure sustainable development information is showing below:

(1) Sustainable development policies, systems, or management guidelines and promotion plans should approve by the board of directors.

(2) Corporate governance, sustainable development environment, and maintenance of social welfare or other factors generate risk and influence.

(3) The goal, implementations, and performance for sustainable development.

- (4) Major stakeholders and their concerning issues.
- (5) Disclosure of management and performance information on environmental and social issues by key suppliers.
- (6) Other sustainable development information.

2. While disclosing SDGs status, the company should adopt the standard or guidelines accepted on internationally recognized SDGs reports and need to obtain third-party assurance or guarantee to increase the information reliability.

The content should include:

- (1) Implement sustainable development policy, system, or relevant management direction and implement the plan.
- (2) Major stakeholders and their concerning issues.
- (3) The performance and review for the company implement corporate governance, developing a sustainable environment, and maintaining social welfare and economic development.
- (4) Future improvement and goals.

#### F. Supplementary provisions

- 1. The company should be aware of domestic and international sustainable development standards development and improve the company's sustainable development system to increase sustainable development efficiency.
- 2. The company's "Sustainable Development Policy" must be implemented after approval by the board of directors and reported at the shareholders' meeting. The same applies to corrections.

## Concord International Securities Company Ltd.Sustainable Development Annual Plan

### A. Project purpose

1.To implement the company's sustainable development goal and ensure it is achievable, steering team planned, implemented, and reviewed relevant activities to improve the process.

2.Sustainable development goals

Team	Item	Short-term goal (2023)	Midterm goal (2024~2026)	Long term goal (2027~2029)
E Environment maintenance	Building a sustainable environment	1. Formulate environmental management system 2.Implement sustainable environmental education 3.Continuously building a sustainable environment.	1.Complete GHG inspection internal tasks 2.Decrease carbon release by 1% a year. 3. Continuously building a sustainable environment.	1.Complete GHG inspection external verification tasks 2. Decrease carbon release by 2% a year. 3. Continuously building a sustainable environment.
	Supplier management	Sign the “Supplier Corporate Social Responsibility Letter of Commitment”	Increase the signing rate of ”Supplier Corporate Social Responsibility Letter of Commitment” to 50%.	Increase the signing rate of ”Supplier Corporate Social Responsibility Letter of Commitment” to 70%.

Team	Item	Short-term goal (2023)	Midterm goal (2024~2026)	Long term goal (2027~2029)
S Social responsibility	Employee care	1. Provide employees a safe and healthy working environment 2. Building a communication channel with employee	1. Establish employee career development plans 2. Increase employee satisfaction rate to 80%	1. Increase employee satisfaction rate to 90%
	Client friendly	1. Implement friendly and fair treatment principles and focus on client privacy and strength the client transaction security. 2. Improve client transaction system and service quality and increase customer satisfaction.	1. Strengthen the information security. 2. Improve client transaction system and service quality. 3. Increase customer satisfaction to 80%.	1. Strengthen the information security. 2. Improve client transaction system and service quality. 3. Increase customer satisfaction to 90%.
	Social benefit	Combine business activities, practice corporate social responsibility, and contribute to society.	Increase participation in social welfare activities	Increase participation in social welfare activities and the participation more

Team	Item	Short-term goal	Midterm goal	Long term goal
		(2023)	(2024~2026)	(2027~2029)
G Corporate Governance	Operating performance	1. Improve profitability and operating performance 2. Meet stakeholder expectations	1. Improve operating performance 2. Meet stakeholder expectations	1. Improve operating performance, strengthen the company's competitiveness to meet the company's sustainable operating spirit 2. Meet stakeholder expectations

Team	Item	Short-term goal	Midterm goal	Long term goal
		(2023)	(2024~2026)	(2027~2029)
	Corporate Governance	<p>1. With the goal of improving corporate governance, continue to build an effective governance structure and related ethical standards.</p> <p>2. Setting “Stakeholder area”; Through proper communication channels to know the stakeholders' expectations and demands and respond to questions about important sustainable development issues.</p>	<p>1. Considering the perfection of corporate governance as the goal, we keep building active structure and related ethical criteria.</p> <p>2. We set up a good system for governance in the Board of Directors, fulfill obligation of being alert to everything as a manager, urge to carry out sustainable development and conduct review on the effect of implementation for ceaseless improvement, so as to assure the sustainability policy in place.</p>	<p>1. With the goal of improving corporate governance, continue to build an effective governance structure and related ethical standards.</p> <p>2. Establish a good governance system for the board of directors, fulfill the duty of care of managers, supervise the practice of sustainable development, and review its implementation results and continuous improvement at any time to ensure the implementation of sustainable development policies.</p>

### 3. Goals for address to the climate change risk and opportunity GHG inspection plan

Timeline Item	Short-term goal (2023)	Midterm goal (2024~2026)	Long term goal (2027~2031)
Purpose	<p>1. Based on the 14064-1 standard, the company should collect and statistical internal carbon release data.</p> <p>2. Propose equipment and working process improvement plans.</p>	<p>1. Using 14064-1 standard to operate GHG inspection.</p> <p>2. Decrease carbon release by 1% a year</p> <p>3. Propose equipment and working process improvement plans.</p>	<p>1. Using 14064-1 standard to operate GHG inspection and have third-party verification.</p> <p>2. Decrease carbon release by 2% a year</p> <p>3. Propose equipment and working process improvement plans.</p>
Implementation plan	<p>1. Collect and statistical data on the organization's carbon release</p> <p>2. Checking internal equipment and submitting improving project</p>	<p>1. Process GHG inspection</p> <p>2. Checking internal equipment and submitting improving project</p>	<p>1. Process GHG inspection and have third-party verification.</p>

B. SDGs steering group yearly(2023) plan and action

Developing objects		Developing plans
<b>A SDGs steering group secretariat</b>		
A1	Establish SDGs policy and system (SDGs steering group job description)	1. Formulate policies related with sustainable development 2. Perform tasks by the Sustainability Promotion Team 3. Organize the Sustainability Promotion Team Meeting and external report 4. Disclosure and report of information as to sustainability
A2	Securities and Futures Sustainable Development Implementation Strategy (3 structures, 10 strategies, 27 implementations)	Secretariat cooperates with the steering group.
A3	Sustainable financial evaluation procedure	Secretariat cooperates with the steering group.
A4	Compile and submit sustainability report	Secretariat cooperates with the steering group.
<b>E Environment maintenance</b>		
E1	Establish a sustainable environmental management system	Sustainable environmental structure: Every resource usage data collecting, statistics, and improvement.
E2	Environment education for management and employee	Establish sustainable environment education and training programs
<b>S Social responsibility</b>		
S1	Protect human rights and establish management policy and procedure, focusing on employee health and career development.	Establish relative management policy and procedure
S2	Implement fair treatment principles and provide a friendly environment.	Establish fair treatment and important announcements for elderly clients to provide customer friendly environment.
S3	Building company data protection and establishing information security policy and system	1. Establish network security protection norms 2. Build information and communication system security protection specifications
<b>G Corporate Governance</b>		
G1	Corporate governance evaluation rank	1. Improve corporate governance evaluation rank
G2	Director performance evaluation	2. Improve director attendance and participation quality

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

Approved in the 6th meeting of the 12th Board of Directors on Mar. 21, 2023

Articles of Incorporation	Articles of Incorporation	Articles of Incorporation
<p>Article 5</p> <p>The total capital of the Company is set as NT\$<u>3.9</u> billion, divided into <u>390</u> million shares, at NT\$10 per share, and the shares may be issued by a resolution of the board of directors.</p>	<p>Article 5</p> <p>The total capital of the Company is set as NT\$<del>3</del>-billion, divided into <del>300</del> million shares, at NT\$10 per share, and the shares may be issued by a resolution of the board of directors.</p>	<p>After the pandemic recovery, the company will raise the authorized capital for future capital structure adjustment and operating benefits.</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. <u>The 23nd amendment was made on May 4, 2023.</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. (Omitted)</p>	<p>The amendment date of these Articles of Incorporation is explicitly established.</p>



# Concord International Securities Co., Ltd. Article of Incorporation(Before Amended)

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  
22st revised on May 04, 2022

## 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 12-1 The Company's shareholders' meetings may be held by video conferencing or other means as announced by the Ministry of Economic Affairs.
- 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 12-1: The Company's shareholders' meetings may be held by video conferencing or other means as announced by the Ministry of Economic Affairs.
- Article 22: The execution of the company's business shall be resolved by the board of directors, except for matters stipulated by the Company Act or articles of association. The board of directors shall be convened by the chairman, and be the chairman of board of directors. When the chairman asks for leave or is unable to exercise his powers for some reason, the vice chairman shall act as an agent; When the vice chairman also asks for leave or is unable to exercise his powers for some reason, an agent will be appointed in accordance with Article 208 of the Company Act.  
The convening of the board of directors shall specify the reasons and notify the directors seven days in advance. However, it may be convened at any time if emergency.  
The convening notice in the preceding paragraph may be changed to fax or e-mail with the consent of the counterparty.  
If the board of directors uses a video conference, the directors participating in the video conference shall be deemed to be present in person.
- Article 23: The board meeting must be attended by a majority of the directors. When a director is

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

Article 24: (Deleted)

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

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

#### Chapter V. Managers and staff

Article 26: The company has one general manager and several deputy general managers. The general manager upholds the orders of the chairman and the board of directors to comprehensively manage all business, assisted by the deputy general manager. The appointment and removal of the general manager shall be nominated by the chairman of the board and shall be carried out with the approval of the board of directors. The appointment and removal of persons above the deputy manager shall be nominated by the general manager and shall be carried out with the approval of the board of directors.

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

#### Chapter VI. Distribution of final accounts surplus

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

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

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

The company's industrial development is mature, its profits are stable, and its financial structure is sound. However, considering of in the coming years, there will still be business expansion plans depending on market changes, the distribution of surplus is based on the statutory surplus reserve, special surplus reserve according to the law for the current year's distributable surplus, and after the special surplus reserve is set aside or converted according to other laws and regulations, the remaining undistributed surplus of the previous year shall be added to the board of directors. The distribution proposal shall be prepared by the board of directors and submitted to the shareholders meeting for the resolution. When surplus distribution is planned, shareholder dividends and bonuses shall not be less than 30% of the distributable surplus, but when the cumulative distributable

surplus is less than 1% of the paid-in share capital, it may not be distributed; when surplus is distributed, the cash dividend shall not be less than 30% of the total dividend; However, only when the company obtains sufficient funds from outside sources to cover major annual capital expenditures, it will allocate at least 50% of the dividends distributed in the current year to issue cash dividends.

#### Chapter VII. Supplementary Regulations

- Article 30: Things not mentioned in this Chapter will be processed according to Company's Act and the regulated laws and regulations.
- Article 31: The Board of Directors will be set by the Company's organization regulations and operational regulations.
- Article 32: The Company's cancellation of the public offering should be with a shareholders meeting attended by present shareholders who represent more than two-thirds of the total number of issued shares, and conduct with the approval of a majority of the voting rights of the present shareholders.  
If the total number of shares of the present shareholders is less than the quota specified in the preceding paragraph, the shareholders representing a majority of the total number of shares in issue may be present with the consent of more than two-thirds of the voting rights of the present shareholders.  
And this provision will not be changed during the period of emerging and the period of listing and OTC.
- Article 33: This Articles of Association was established on August 10, 1989, 1st amendment on April 27, 1991, 2nd amendment on May 17, 1993, 3rd amendment on June 21, 1994, 4th amendment on June 14, 1995, 5th amendment on June 22nd, 1996, 6th amendment on January 23rd, 1998, 7th amendment on April 10th, 1998, 8th amendment on June 21st, 2000, 9th amendment on March 9th, 2001, 10th amendment on June 28th, 2002, 11th amendment on January 2nd, 2003, 12th amendment on May 3rd, 2007, 13th amendment on June 26th, 2009, 14th amendment on May 7th, 2010, 15th amendment on May 4th, 2011, 16th amendment on August 26th, 2011, 17th amendment on May 21st, 2012, 18th amendment on May 9th, 2013, 18th amendment on May 9th, 2013, 19th amendment on June 24th, 2015, 20th amendment on May 5th, 2016, 21st amendment on April 25th, 2017, 22st amendment on May 4, 2022.

# Concord International Securities Co., Ltd. Rules of Procedure of Shareholders' Meeting

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.

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.

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.

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 by the following methods:

1. The materials shall be distributed on-site at the meeting place when holding physical shareholders' meetings.
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.
3. The materials shall be uploaded as electronic files to the video conference platform when holding shareholders' meetings through video conferencing.

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.

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. 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.

When holding a shareholders' meeting through video conferencing, the Company shall not be subject to the aforementioned restrictions on the venue for shareholders' meeting.

Article 6: The Company shall specify in its shareholders' meeting notices for shareholders, solicitors, and proxies (hereinafter collectively referred to as "shareholders") 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. 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 in person. 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. 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.

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.

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.

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. 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 shareholders' meeting at least 30 minutes prior to the time the meeting commences and continue to disclose such materials until the time the meeting ends.

Article 6-1: When holding a shareholders' meeting through video conferencing, the Company shall specify the following particulars required to be specified in the shareholders' meeting notices:

1. The method of shareholders attending the shareholders meeting through video conferencing and exercising rights.
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:
  - (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.
  - (2)Shareholders who did not register to attend the original shareholders' meeting by video conferencing may not attend the postponed or reconvened meeting.
  - (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 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.

(4) The handling methods in case that the resolutions of all proposals have been announced but no provisional motion has been made.

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.

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.

When holding the shareholders' meeting through video conferencing, the Company shall keep records of shareholders' registration, registration 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.

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.

If the shareholders' meeting is held by video conference, the company should record and record the background operation interface of the video conference platform.

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 and the number of shares registered at the video conferencing platform plus the number of shares whose voting rights are exercised by correspondence or electronically.

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 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. 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.

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 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.

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.

**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.

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.

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.

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 or through video conferencing, 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.

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 chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected,

and no further voting shall be required. 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.

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.

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. 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.

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 attend the shareholders' meeting by video conferencing.

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.

.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 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.

The minutes shall be retained for the duration of the existence of the Company.

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.

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 alternative measures to shareholders having difficulties attending the shareholders' meeting through video conferencing.

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, the number of shares represented by the proxies, and the number of shares attended by correspondence or electronically, and make an express disclosure of the same at the place of the shareholders meeting; when holding a shareholders' meeting through video conferencing, the Company shall upload the aforementioned 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.

When holding a shareholders' Meeting through video conferencing, 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. The same applies to the statistics on the total number of shares in attendance and number of votes during the meeting.

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.

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: 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.

Article 20: 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.

Article 21: 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.

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 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.

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.

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.

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.

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 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.

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.

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.

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.

Article 22: (Handling digital divide)

When holding a shareholders' meeting through video conferencing, the Company shall provide adequate alternative measures for shareholders having difficulties attending the shareholders' meeting through video conferencing.

Article 23: These Rules and any amendments hereto shall be implemented after being resolved in the shareholders' meetings.

7th amendment on March 15, 2022