



Chant Sincere Co., Ltd.

2023 General Shareholders' Meeting

Conference Handbook

Time: June 14, 2023

Venue: R2, Building C, World Economic and Trade Building, No. 196,
Sec. 3, Datong Rd., Xizhi Dist., New Taipei City

This English version is only a translation of the Chinese version. If there is any inconsistency or discrepancy between the Chinese and English versions, the Chinese version shall prevail for all intents and purposes.

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Chant Sincere Co., Ltd.

Proceeding of 2023 General Shareholders' Meeting

- (I) Call the meeting to order (report the number of shares present)
- (II) Chairman's Address
- (III) Report Items
- (IV) Acknowledgments
- (V) Discussions
- (VI) Election
- (VII) Other motions
- (VIII) Special motions
- (IX) Adjournment

Chant Sincere Co., Ltd.
Proceeding of 2023 General Shareholders' Meeting

Time: 9 am, June 14 (Wednesday), 2023

Venue: R2, Building C, World Economic and Trade Building, No. 196, Sec. 3,
Datong Rd., Xizhi Dist., New Taipei City

Method: Physical meeting

- I. Report on the number of shares present, and call the meeting to order
- II. Chairman`s Address
- III. Reports.
 - (I) 2022 business report of the Company.
 - (II) Audit Committee`s review report of the Company`s 2022 final accounts.
 - (III) Report on the distribution of 2022 employees` and directors` remuneration.
 - (IV) Report on the issuance of convertible corporate bonds.
 - (V) The Company's endorsements/guarantees in 2022.
 - (VI) Revision of the Company`s "Board of Directors Conference Rules".
 - (VII) Revision of the Company`s "Code of Corporate Governance".
- IV. Acknowledgments
 - (I) Recognition of the Company's 2022 business report and financial statements.
 - (II) Recognition of the Company's 2022 earnings distribution.
- V. Discussions
 - (I) Amendments to the Company's "Articles of Association".
 - (II) Proposal for the capital increase of the Company via the private placement of ordinary shares.
- VI. Election
 - (I) Election of the Company`s directors.
- VII. Other motions
 - (I) Lifting of the non-competition restriction on the Company's directors.
- VIII. Special motions
- IX. Adjournment

Reporting items

Case 1

Proposal by the board of directors

Summary: The Company's 2022 business report; please review.

Description: Please refer to Attachment 1 (pages 16 to 19 of the meeting handbook) for the business report.

Case 2

Proposal by the board of directors

Summary: 2022 Audit Committee's Review Report; please review.

Description: Please refer to Attachment 2 (page 20 of the meeting handbook) for the Audit Committee's audit report.

Case 3

Proposal by the board of directors

Summary: Distribution of employees' and directors' remuneration for 2022; please review.

Description: I. According to Article 20-1 of the Articles of Association of the Company, the Company shall allocate 5% to 15% of the annual pre-tax net profit before the debit of employees' remuneration and directors' remuneration as employees' remuneration, and no more than 2% as director's remuneration. However, profits must first be taken to offset cumulative losses, if any. The proposal shall be reported to the shareholders' meeting.

II. In accordance with Article 20-1 of the Articles of Association of the Company, NT\$21,392,085 will be allocated as employees' remuneration and NT\$5,561,941 as directors' remuneration.

III. The above-mentioned employees' remuneration and directors' remuneration are to be paid in cash.

IV. Please refer to Attachment 3 (page 21 of the meeting handbook) for the table of employees' and directors' remuneration.

Case 4**Proposal by the board of directors**

Summary: Status of the issuance of convertible corporate bonds; please review.

Description: In accordance with the provisions of Article 246 of the Company Act, the Company issued a total of one corporate bond in 2020, and the relevant matters are as follows:

Name	Third domestic unsecured convertible corporate bonds
Amount	New Taiwan dollar 350,000,000
Term	Three years Issued on November 4, 2020; maturing on November 4, 2023
Coupon rate	0% annual interest rate
Repayment of principal and interest	Unless the holders convert the convertible corporate bond into ordinary shares of the Company in accordance with Article 10 of these measures, or the Company recalls the bond in advance in accordance with Article 18 of these measures, or the Company buys back and cancels the bond at the business premises of a securities firm, the Company will repay 100.7519% of the bonds' face value (at an annual yield to maturity of 0.25%) in cash when the convertible corporate bond matures.
Approval number	Letter from the Financial Supervisory Commission dated October 19, 2020 referenced Jin-Guan-Zheng-Fa-Zi No. 1090370022.
Reason for issuance	Replenishing working capital
Conversion price	NT\$33.2
Conversion status	As of April 16, 2023, the book-close date, the holders of the corporate bond applied for a conversion of 2,798 bond certificates into a total of 8,189,557 shares.

Case 5**Proposal by the board of directors**

Summary: Status of the Company's endorsements/guarantees in 2022; please review.

Description: Handled in accordance with the Company's Procedures for endorsements/ guarantees; the list of endorsements/ guarantees as of December 31, 2022 is as follows:

Unit: NT\$ thousand unless otherwise stated

Name of endorser/guarantor	Guaranteed party		Closing balance of endorsements/guarantees	Transaction amounts
	Company name	Relation		
Chant Sincere Co., Ltd.	Dongguan Quanrong Electronics Co., Ltd.	Subsidiary	\$65,886 (RMB15,000 thousand)	\$43,924 (RMB10,000 thousand)

Case 6**Proposal by the board of directors**

Summary: Amendment to the “Board of Directors Conference Rules” of the Company; please review.

Description: I. In accordance with the letter dated August 5, 2022 referenced Jin-Guan-Zheng-Fa-Zi No. 11103832635; the contents of the amended articles are as follows:

II. Please refer to Attachment 4 (pages 22 to 27 of the meeting handbook) for the amended Code.

Case 7**Proposal by the board of directors**

Summary: Amendment to the “Code of Corporate Governance”; please review.

Description: I. The contents of some of the articles are amended in accordance with the letters from the TSWSE dated November 25, 2022 referenced Tai-Zheng-Shang-Yi-Zi No. 1110023245 and dated December 23, 2022 referenced Tai-Zheng-Zhi-Li-Zi No. 11100243661.

II. Please refer to Attachment 5 (pages 28 to 44 of the meeting handbook) for the amended Code.

Acknowledgments

Motion 1

Proposal by the board of directors

Summary: The Company's 2022 business report, financial statements and consolidated financial statements; please recognize.

Description: I. The Company's 2022 business report, financial statements and consolidated financial statements have been approved by the board meeting, and the financial statements have been audited by CPAs Wei-Hao Wu and Ya-Hui Cheng of PWC Taiwan. The business report and financial statements above have been sent to the Audit Committee for audit, and an audit report is issued accordingly.

II. Please refer to Attachments 1 and 6 (pages 16 to 19 and 45 to 67 of the meeting handbook) for the business report and the financial statements; please recognize.

Resolution:

Motion 2

Proposal by the board of directors

Summary: 2022 earnings distribution; please recognize.

Description: I. According to the Articles of Association of the Company, the net profit after tax in 2022 was NT\$321,972,008, the accumulated undistributed earnings of previous years was NT\$427,366,933, and the adjusted amount of retained earnings in 2022 was NT\$94,817,025; a legal reserve of NT\$41,678,903 is set aside, and a cash dividend of NT\$3 per share for ordinary shares is to be distributed, totaling NT\$240,067,836. The balance of NT\$562,409,227 is reserved for distribution in the next year.

II. It is proposed to distribute a total cash dividend of NT\$240,067,836 from the accumulated undistributed earnings of the Company in 2022, at NT\$3,000 for every thousand shares.

III. In the distribution proposal above, if there is a change in the number

of shares outstanding and therefore a change in the dividend ratio before the ex-dividend date due to the convertible corporate bond creditors' exercise of the conversion rights, buyback of the Company's shares, transfer, conversion and cancellation of the treasury shares or other circumstances, it is proposed to request the shareholders' meeting to authorize the Chairman to take full charge of the matter and make the adjustment.

- IV. The amount of cash dividend less than NT\$1 will be included in other income of the Company.
- V. After this cash dividend distribution proposal is approved by the general shareholders' meeting, the Chairman is authorized to set the ex-dividend date and the distribution date.
- VI. Please refer to Attachment 7 (page 68 of the meeting handbook) for the earnings distribution table; please recognize.

Resolution:

Discussions

Motion 1

Proposal by the board of directors

Summary: Amendment to the Company's Articles of Association; please discuss.

Description: It is proposed to amend some provisions of the “Articles of Association” according to the provisions of Article 172-2、237 of the Company Act A and to increase the diversity of employee incentive tools ; please refer to Attachment 8 (pages 69 to 71 of the meeting handbook) and discuss.

Resolution:

Motion 2

Proposal by the board of directors

Subject: The proposal for the capital increase of the Company via the private placement of ordinary shares ; please discuss.

Description:

- I. In response to the capital required for future development, investments or the enrichment in working capital for the reinforcement of the Company’s competitiveness, the Company intends to perform a capital increase in cash through the issuance of new shares by way of a private placement of no more than 17,000,000 ordinary shares, and intends to propose to the annual shareholders’ meeting to authorize the Board to make arrangements based on the following fundraising methods and principles in accordance with the market conditions and the Company’s actual requirements.
- II. According to Article 43-6 of the Securities and Exchange Act and the “Directions for Public Companies Conducting Private Placements of Securities,” the descriptions are as follows:
 - (I) The basis and reasonableness of the private placement pricing
 1. The basis for the establishment of the issuance price: For the price of ordinary shares issued for the capital increase in cash by way of a private placement, the price per share shall be no less than 80% of the reference price and it will be determined on the pricing date. The reference price shall be the higher of the following two calculations:
 - (1) The simple average closing price of the ordinary shares for either one, three or five business day(s) before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction.

- (2) The simple average closing price of the ordinary shares for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction.
 2. The reasonableness of the private placement pricing: The Company intends to authorize the Board to determine the actual issuance price that is not lower than the ratio resolved by the annual shareholders' meeting based on the regulatory requirements, subject to the subsequent negotiations with specific persons, market conditions and the prospect of the Company. The basis of the establishment of the private placement price above complies with the regulatory requirements of the competent authority; meanwhile, considering that the transfer point of time, targets and quantity of the ordinary shares under the private placement are strictly restricted, the prohibition for listing within three years, the unfavorable liquidity and other factors, the establishment of the ratio of the private placement price shall be reasonable.
- (II) The method for selecting the specific persons
1. The targets of fundraising through the issuance of ordinary shares are limited to specific persons stated in Article 43-6 of the Securities and Exchange Act and Letter (91) Tai-Cai-Zheng-Yi-Zi No.0910003455 of the Financial Supervisory Commission dated June 13, 2002.
 2. If the placees are strategic investors: The Company will select operators, either individuals or corporations, who have the considerable understandings of the Company's operations that are beneficial to the future of the Company to assist the Company in improving its technologies and quality, reducing costs, and increasing its efficacy through their own experiences, technologies, brands or channels. To optimize the Company's financial structure and reinforce its solvency, the introduction of capital from placees may improve the overall financial nature of the Company; furthermore, the participation of placees reduces the immense capital costs, improves the financial structure of the Company, and minimizes the operating risks. The Company intends to authorize the Board to review the relevant qualifications of strategic investors.
 3. If placees are insiders or related parties of the Company: At present, there is no plan for placees being insiders or related parties.
 4. There is no confirmed placee at present; the Company intends to authorize the Board to determine the confirmed placees.
- (III) The reasons for the necessity of conducting the private placement

1. The reasons for not adopting a public offering: Considering the timeliness, convenience and issuance costs for fundraising, the Company intends to perform the capital increase in cash by way of private placement.
 2. Usage of proceeds from the private placement of ordinary shares and the estimated effects to be achieved: The total number of shares under the private placement shall not exceed 17,000,000 shares with a par value of NT\$10 per share; the Company intends to authorize the Board to carry out the placement in no more than three batches within one year from the day on which the annual shareholders' meeting made the resolution. Proceeds from each batch of the private placement are used to enrich our working capital, reinvestments, or other capital requirements, in response to future development to achieve the effects of capital cost reduction, competitiveness reinforcement, and operating efficacy improvement.
- III. The rights and obligations of ordinary shares under the private placement are equivalent to the issued shares, and such shares shall not be transferred within three years from the delivery date, except for transferring counterparties stated in Article 43-8 of the Securities and Exchange Act; after three years from the delivery date, the Company intends to propose to the annual shareholders' meeting to authorize the Board to apply for the listing of the ordinary shares under the private placement for trading with the competent authority according to the relevant laws and regulations.
- IV. Regarding the major content of the private placement plan, except for the ratio of private placement price, if there is any amendment to the issuance price, number of shares, issuance condition, plan items, the progress of fund utilization, expected effects and other unaddressed matters due to the competent authority or the changes in the objective environmental factors, the Company intends to propose to the annual shareholders' meeting to authorize the Board to make arrangements at its full discretion according to the relevant requirements.
- V. For the details of matters to be disclosed for the proposal for the private placement of securities of the Company according to Article 43-6 of the Securities and Exchange Act, please refer to MOPS (<http://newmopsov.twse.com.tw/>) and select the Investment Section/Private Placement Section/Market: TWSE-listed/stock code: 6205, or the Company's website (<https://www.coxoc.com.tw/>); the proposal is submitted for discussion.

Resolution:

Election

Proposal by the board of directors

Summary: Election of the Company's directors.

Description: I. The term of office of the current directors of the Company expires on June 15, 2023; it is proposed to submit a proposal to the 2023 general shareholders' meeting to elect five directors and four independent directors in accordance with the Company's Articles of Association.

II. The new director shall take office on the date of election, with a term of office from June 14, 2023 to June 13, 2026.

III. The candidate nomination system is adopted for the election of directors of the Company. The list of director candidates nominated by shareholders after the board meeting's review is listed below for resolution.

IV. Miss Ming-Lei Chang, independent director candidate, has served as an independent director of the Company for three consecutive terms. Over the years, she has continuously provided important advice and supervisory opinions to the Company's operations and management. Considering that Miss Ming-Lei Chang has the qualification of an accounting professor and accountant, and has work experience in the field of financial accounting, she can provide professional experience and supervise the operation of the board of directors, Therefore, in this election, we shall continue to nominate her as an independent director of the Company.

In accordance with the provisions of Article 192-1 of the Company Act, the list of director candidates is proposed as follows:

Nominee category	Nominee name	Education level	Experience	Current employment	Shareholding
Director	Lien-Hsi Wu	Mechanical Engineering Department, Jui-Fang Industrial High School	President, Chant Sincere Co., Ltd	1.Chairman and President, Chant Sincere Co., Ltd. 2..Director, Axmoo Investment Co., Ltd.	4,005,942

Nominee category	Nominee name	Education level	Experience	Current employment	Shareholding
				3. Director, A&H Electronics Company (BVI) Ltd. 4. Director, Chant Sincere Technology Co., Ltd. 5. Director of Kunshan Chant Sincere Electronics Ltd. 6. Director, Dongguan Quanrong Electronics Co., Ltd.	
Director	Ting-Ting Shih	Lukang Junior High School	Special Assistant to the Chairman, Chant Sincere Co., Ltd.	1. Vice Chairman, Chant Sincere Co., Ltd. 2. Chairman, Hsianghehsing Investment Co., Ltd. 3. Director, Coxoc Electronics Co., Ltd.	1,368,054
Director	Wu-Hsiung Chen	Department of Mechanical Engineering, United Industrial Technical College	President, Yuheng Information Co., Ltd.	1. Vice President, Chant Sincere Co. Ltd. 2. Director, Dongguan Quanrong Electronics Co., Ltd.	1,173,194
Director	Chia-Hsiang Wu	Master of Management, St. Leo University, Australia	Special Assistant to the Chairman, Chant Sincere Co., Ltd.	1. Chairman, David Electronics Company Ltd. 2. Director, Hsianghehsing Investment Co., Ltd.	1,587,041
Director	Chun-Wei Wu	Department of Mechanical Engineering, Datong University	Manager, Marketing Department, Chant Sincere Co., Ltd.	1. Senior Manager, Marketing Department, Chant Sincere Co., Ltd. 2. Director, Min Chang Investment Co., Ltd.	2,317,774
Independent director	Ming-Lei Chang	Ph.D. in Accounting, National Taiwan University	Associate Professor, Accounting Group, School of Management, Yuan Ze University	1. Head of Accounting Department, School of Business, Chung Yuan Christian University 2. Supervisor of Taiwan Cooperative Bank	0
Independent director	Yin-Tien Wang	PhD in Mechanical Engineering, University of Pennsylvania, USA	Department of Mechanical and Mechatronic Engineering, Tamkang University	1. Professor and Head of the Department of Artificial Intelligence, Tamkang University 2. Independent Director, Innodisk Corporation	0
Independent director	Chang-Lin Chan	PhD in Business Administration, Nation University of USA	1. President, AIM (Samoa) Co., Ltd. Taiwan Branch	President, Advanced Innovation Management Co., Ltd.	0

Nominee category	Nominee name	Education level	Experience	Current employment	Shareholding
			2. Vice President, Guedeng Precision Industrial Co., Ltd.		
Independent director	Chen-Chien Hsu	Ph.D., Griffith University, Australia	1. Associate Professor, Department of Electrical Engineering, Tamkang University 2. Patent Examiner, Intellectual Property Office, MOEA, Taiwan 3. Lecturer, School of Engineering, Murdoch University, Australia 4. Systems Engineer, IBM Corp., Taiwan	Distinguished Professor, National Taiwan Normal University	0

IV. Please proceed to elect

Voting Results:

Other motions

Motion 1

Proposal by the board of directors

Summary: Lifting of the non-competition restriction on the Company's directors; please review.

Description: In accordance with Article 209 of the Company Act, “a director's conduct for him/herself or others is within the business scope of the company, and the important content of his/her conduct shall be explained to the shareholders' meeting, and its permission shall be obtained”. Therefore, it is proposed to lift the non-competition restriction on the Company's new directors; please make a decision.

Nominee category	Nominee name	Current position and concurrent positions at other companies
Director	Lien-Hsi Wu	1.Chairman and President, Chant Sincere Co., Ltd. 2..Director, Axmoo Investment Co., Ltd. 3.Director,A&H Electronics Company(BVI)Ltd. 4.Director, Chant Sincere Technology Co., Ltd. 5.Director of Kunshan Chant Sincere Electronics Ltd. 6.Director, Dongguan Quanrong Electronics Co., Ltd.
Director	Ting-Ting Shih	1.Vice Chairman, Chant Sincere Co., Ltd. 2.Chairman, Hsianghehsing Investment Co., Ltd. 3.Director, Coxoc Electronics Co., Ltd.
Director	Wu-Hsiung Chen	1.Vice President, Chant Sincere Co. Ltd. 2.Director, Dongguan Quanrong Electronics Co., Ltd.
Director	Chia-Hsiang Wu	1.Chairman, David Electronics Company Ltd. 2.Direcotor, Hsianghehsing Investment Co., Ltd.
Director	Chun-Wei Wu	1.Senior Manager, Marketing Department, Chant Sincere Co., Ltd. 2.Director, Min Chang Investment Co., Ltd.
Independent director	Ming-Lei Chang	1.Head of Accounting Department, School of Business, Chung Yuan Christian University 2.Supervisor of Taiwan Cooperative Bank
Independent director	Yin-Tien Wang	1.Professor and Head of the Department of Artificial Intelligence, Tamkang University 2.Independent Director, Innodisk Corporation
Independent director	Chang-Lin Chan	President, Advanced Innovation Management Co., Ltd.
Independent director	Chen-Chien Hsu	Distinguished Professor, National Taiwan Normal University

Resolution:

Extraordinary motions

Adjournment

Attachment I

Business Report

Ladies and gentlemen:

The 2022 operation results and overview of the 2023 business plan of Chant Sincere Co., Ltd. are reported as follows:

I. 2022 Operation Results

1. Business Plan Implementation Results:

The consolidated revenue in 2022 was NT\$1,873,163 thousand, an increase of 17% over that in 2021; the net profit after tax was NT\$321,904 thousand, an increase of 121% over that in 2021. the after tax earnings per share was NT\$4.06.

Unit: NT\$ thousand

Item	2022	2021	Growth Rate (%)
Operating revenue	1,873,163	1,599,466	17.11%
Gross profit	678,184	468,270	44.83%
Operating profit	324,805	172,137	88.69%
Non-operating income and expenses	80,372	8,900	803.06%
Net profit before tax	405,177	181,037	123.81%
Profit after tax	321,904	145,613	121.07%
Earnings per share (NT\$)	4.06	2.02	100.99%

2. Budget implementation: The Company has not announced financial forecasts.

3. Revenues, expenses and profitability analysis:

Unit: NT\$ thousand

Item	2022	2021	
Net cash inflow from operating activities	271,951	61,408	
Net cash inflow (outflow) from investment activities	(255,691)	36,374	
Net cash inflow (outflow) from financing activities	(179,972)	(107,977)	
Return on assets (%)	10.33	5.20	
Return on equity (%)	13.52	7.01	
As a percentage of paid-in capital	Operating profit	40.72	21.92

	Net profit before tax	50.79	23.05
Net profit margin (%)		17.19	9.10
After tax earnings per share (NT\$)		4.06	2.02

The net cash inflow from operating activities in 2022 was NT\$271,951 thousand, a increase of NT\$210,543 thousand compared with that in 2021, mainly due to the increase in revenue growth and profit in 2022. The net cash outflow from investment activities was NT\$255,691 thousand, mainly due to the acquisition of property, plant and equipment and financial assets. The net cash outflow from financing activities was NT\$179,972 thousand, mainly due to the distribution of cash dividends of NT\$158,712 thousand. The rest of the profitability-related indicators are all better than 2021.

4. Research and Development Overview:

(1) Research and development expenses in the last three years:

Unit: NT\$ thousand

Item	2022	2021	2020
Research and development expenses	45,823	41,201	42,130
Net operating revenue	1,873,163	1,599,466	1,334,922
% of operating revenue	2.45	2.58	3.16

(2) Short-term plan:

- A. Actively improve R&D technologies, including Connector, Cable, Adapter, Dongle and Reader.
- B. Research and develop high-speed and high-frequency transmission related connector products.
- C. Research and develop waterproof connectors (USB series, M8, M12, FAKRA, Mini FAKRA and automotive ethernet)
- D. Research and develop servers, switches, storage devices and various industrial connectors (Mini SAS, Slim SAS, OCulink, PCIE, U.2, SFP DD, QSFP DD and HS BTB).
- E. Research and develop various automotive connectors (USB series, Type-C, FAKRA, HSD, Automotive Ethernet MINI FAKRA, CM50 (automotive ethernet) and power connectors).

(3) Long-term plan:

- A. Products: The four major axes of ADAS, Cloud Center, AR/VR and AIOT/IPC.
- B. Technology:
 - (a) Improve structural design and high-frequency simulation capabilities.
 - (b) Purchase additional reliability equipment to strengthen verification capabilities.
 - (c) Continuously improve automation equipment.
 - (d) Product automatic detection capability.

II. 2023 Business Plan Overview and Prospect

1. Operating Guidelines

- (1) Continuously develop the four major axes of ADAS, Cloud Center, AR/VR and AIOT/IPC.
- (2) Actively enhance the technical capabilities of the R&D team and strengthen the Company's core competitiveness.
- (3) Expand the application of automated production equipment and smart factory management systems to improve production management efficiency and customer satisfaction.

2. Sales Volume Forecast and the Basis

The Company has not announced financial forecasts, so it does not explain the expected sales figures and their basis.

3. Key Production/Sales Policies

- (1) Pay attention to product trends in the market, and deepen product development in industries, such as automobiles, Netcoms and industrial control.
- (2) Mainly rely on order-based production, with a moderate amount of safety stock to improve operating efficiency.
- (3) Actively develop outsourced manufacturers and strengthen supplier management, and improve automated production to reduce production costs.

III. Strategies of Future Development

1. Products: Continuously deploy the four major axes of ADAS, Cloud Center, AR/VR and AIOT/IPC.
2. R&D: The four major axes of ADAS, Cloud Center, AR/VR and AIOT/IPC.
 - (a) Improve structural design and high-frequency simulation capabilities.
 - (b) Purchase additional reliability equipment to strengthen verification capabilities.
 - (c) Continuously improve automation equipment.
 - (d) Product automatic detection capability.
3. Production: Focus on introducing production automation and successively purchase high-end testing equipment for self-verification of high-speed and high-frequency products, and gradually move the main production back to Taiwan.

IV. Impact of external competition environment, legal environment and overall business environment

The recent international economic situation is affected by the geopolitical conflict between Ukraine and Russia which increases the uncertainty in the supply of commodities, and worsens inflation; on the other hand, in order to reduce the CPI index, the United States adopts the policy of raising interest rates, which has further weakened the overall demand for electronic products, and the global manufacturing supply chain has also been seriously affected. The biggest challenge for the Company in 2023 is to think about how to reduce inventory, and the sales is expected to start growing quarter by quarter in the third quarter.

In recent years, the Company has actively carried out transformation, re-arranged and formulated strategies in the field of product technology and application, and developed towards high-end technologies of automobiles, industrial control, Netcom, optical fibers and waterproof connectors (wires), and has successfully entered the supply chain of major automobile manufacturers. The Company also obtained eight VDA6.3 certifications, becoming the leader of Taiwanese manufacturers of automotive signal transmission connectors and connecting harnesses. In addition, the revenue ratio of the series of products in industrial computers and Netcom applications has increased year by year, and the overall sales mix has gradually

developed towards high-margin products. The Company has formulated relevant procedures and operations for legal compliance to further deepen the effect of the Company's legal compliance in order to achieve risk control; the Company is also committed to corporate governance and sustainable operation, so as to generate good returns for shareholders.

Chairman:
Lien-Hsi Wu

Manager:
Lien-Hsi Wu

Accounting Supervisor:
Mei-Hui Liao

Chant Sincere Co., Ltd.
Audit Committee's Audit Report

We have reviewed the Company's 2022 business report, financial statements (including consolidated and individual financial statements), and earnings distribution proposal prepared by the board of directors. The financial statements have been audited by CPAs Wei-Hao Wu and Ya-Hui Cheng of PWC Taiwan, and an independent auditor's report was issued accordingly. The aforementioned business report, financial statements and earnings distribution proposal have been reviewed and determined to be correct and accurate by the Audit Committee members. We hereby submit this report according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act for your review.

To

The 2023 general shareholders' meeting of the Company

Chant Sincere Co., Ltd.
Audit Committee convener: Ming-Lei Chang

March 16, 2023

Attachment III

Chant Sincere Co., Ltd.

**The table of employees' and directors' remuneration
2022**

		Unit: NT\$
Net profit before tax (before distribution)		<u>419,891,908</u>
Employee remuneration	5.09%	21,392,085
Director remuneration	1.32%	<u>5,561,941</u>
Total proposed distribution		<u>26,954,026</u>

Note: According to Articles of Association, employee remuneration allocation is 5% to 15% of the current pre-tax net profit before deducting employee remuneration and director remuneration, and director remuneration is no more than 2%.

Chairman:
Lien-Hsi Wu

Manager:
Lien-Hsi Wu

Accounting Supervisor:
Mei-Hui Liao

Attachment IV

Chant Sincere Co., Ltd. Board of Directors Conference Rules

- Article 1 (Basis for the Rules)
These Rules are established in accordance with Article 2 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies, in order to build a strong board governance system and robust supervisory capabilities, and reinforce the management capabilities for the Company.
- Article 2 (Scope of the Rules)
All issues relating to the board meeting, such as motions, procedures, minutes, announcements, compliance requirements etc., shall proceed according to the Rules.
- Article 3 (Convention and notification of board meetings)
The Company shall convene a board meeting at least once a quarter.
An agenda will have to be prepared for each board meeting convened. Meetings shall be advised to all directors at least 7 days in advance; however, meetings can be held on shorter notices in case of emergency. The convening of a board meetings may be noticed in writing or by fax or e-mail.
All matters set forth under Paragraph 1, Article 12 of these Rules shall be specified in the reasons for convening a board meeting, and none of those matters may be raised by an extempore motion.
- Article 4 (Meeting notice and meeting materials)
The Stock Affairs Department is designated as the unit for the Company' s board meeting-related affairs.
The meeting affair unit shall draft the agenda and prepare sufficient meeting materials, and deliver them together with the notice of the meeting.
Any director who thinks that the meeting materials provided are insufficient may request supplemental information from the meeting affair unit. If a director is of the opinion that materials concerning any proposal are insufficient, the deliberation of such proposal may be postponed by a resolution of the board of directors.
- Article 5 (Preparation of attendance logs and documents and directors' proxy attendance)
Attendance logs shall be provided during board meetings and signed by all directors present at the meeting for future reference.
Directors shall attend board meetings in person. A director unable to attend in person may appoint another director to attend the meeting in his or her place in accordance with the Company's Articles of Incorporation. Attendance by teleconferencing will be deemed attendance in person.
A director who appoints another director to attend a board meeting shall in each instance issue a proxy form stating the scope of authorization with respect to the reasons for convening the meeting.
The proxy referred to in Paragraph 2 may accept the appointment of only one person.
- Article 6 (Principles on meeting venue and time)
A board meeting shall be held at the premises and during the business hours of the Company, or at a place and time convenient for all directors to attend and suitable for holding board meetings.
- Article 7 (Chairman and Vice Chairman of the board)

If the meeting of the board of directors is convened by the chairman, the meeting will be chaired by the chairman. However, in the first meeting of each term of the board of directors, the chairperson shall be the convener who receives the most voting rights in the shareholders' meeting. If there are two or more conveners entitled to convene the meeting, one person shall be elected to chair the meeting.

If a board meeting is convened with the consent of more than half of the board members under any of the conditions described in Paragraph 4, Article 203 or Paragraph 3, Article 203-1 of the Company Act, the participating directors shall appoint one among themselves to serve as the chairperson.

When the Chairperson of the Board is on leave or for any reason is unable to exercise the powers of the Chairperson, the Vice Chairperson shall do so in place of the Chairperson, or, if there is no Vice Chairperson or the Vice Chairperson also is on leave or for any reason is unable to act, by a Managing Director designated by the Chairperson, or, if there is no Managing Director, by a Director designated thereby, or, if the Chairperson does not make such a designation, by a Managing Director or Director elected by and from among themselves.

Article 8 (Reference materials, attendees and convening of a board meeting)

When a board meeting is held, the stock affairs unit (or the unit designated by the board of directors) shall provide the attending directors with relevant materials for ready reference.

When a board meeting is held, managers from relevant departments who are not directors may be notified to attend as non-voting delegates, depending on the content of the proposal. When necessary, certified public accountants, attorneys, or other professionals retained by the Company may also be invited to attend the meeting as non-voting participants. However, they shall leave the meeting when deliberation or voting takes place.

The chair shall call the board meeting to order at the appointed meeting time and when more than one-half of all the directors are in attendance.

If half of all the directors are not in attendance at the appointed meeting time, the chair may postpone the meeting, provided that no more than two such postponements may be made. If the quorum is still not met after two postponements, the chair shall reconvene the meeting in accordance with the procedures in Paragraph 2 of Article 3. The number of "all directors," as used in the preceding paragraph and in Sub-paragraph 2, Paragraph 2 of Article 16, shall be counted as the number of directors then actually in office.

Article 9 (Audio and video recording of the board meeting process)

Proceedings of a board meeting shall be recorded in their entirety in audio or video, and the recording shall be retained for a minimum of 5 years. The record may be retained in electronic form.

If any litigation arises with respect to a resolution of a board meeting before the end of the retention period of the preceding paragraph, the relevant audio or video record shall be retained until the conclusion of the litigation.

Where a board meeting is held via video conferencing, the audio or video documentation of the meeting constitutes part of the meeting minutes and shall be retained for the duration of the existence of the Company.

Article 10 (Agenda)

Agenda items for regular board meetings of the Company shall include at least the following:

- I. Reports:
 - (I) Minutes of the last meeting and action taken.
 - (II) Important financial and business matters.
 - (III) Reports on internal audit issues.
 - (IV) Other important matters to be reported.
- II. Discussion Topics:
 - (I) Items for continued discussion from the last meeting.
 - (II) Items for discussion at this meeting.
- III. Extraordinary motions.

Article 11

(Discussion of motions)

The Company's board of directors shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the board meeting.

The chair may not declare the meeting closed without the approval of a majority of the directors in attendance at the meeting.

At any time during a board meeting, if the number of directors present does not constitute a majority of the directors participating the meeting, then upon the motion by a director present, the Chairman shall declare a suspension of the meeting, and the provisions of Paragraph 5 of Article 8 shall apply.

Article 12

(Issues subject to discussion in a board meeting)

The following matters shall be discussed in the Company's board meetings:

- I. Operational plans of the Company.
- II. Annual financial statements and second quarterly financial statements subject to auditing by certified public accountants.
- III. The establishment or amendment of the internal control system in accordance with Article 14-1 of the Securities and Exchange Act, and the evaluation of the effectiveness of the internal control system.
- IV. The procedures established or amended in accordance with Article 36-1 of the Securities and Exchange Act for material financial or business transactions such as acquisition or disposal of assets, derivatives trading, lending of funds to others, endorsements or guarantees.
- V. The offering, issuance, or private placement of equity-type securities.
- VI. If the board of directors does not have managing directors, the election or discharge of the chairman of the board of directors.
- VII. Appointment and dismissal of finance, accounting, or internal audit managers.
- VIII. Donations to related parties or major donations to related parties; public welfare donations for emergency relief due to major natural disasters may be ratified in the next board meeting.
- IX. Matters to be resolved by shareholders' meetings or board meetings or material matters specified by the authority in accordance with Article 14-3 of the Securities and Exchange Act, other laws and regulations or the Articles of Incorporation.

The term "related party" in Sub-paragraph 8 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more or at an amount equal to or

greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.

The "one-year" referred to in the preceding paragraph dates back one year from the date of the board meeting. The part that has already been passed by the board resolution can be excluded.

In the event where shares of foreign companies have no par value or a par value other than NT\$10, the calculation of transaction amounts of 5% of paid-in capital will be substituted by 2.5% of shareholders' equity.

At least one independent director shall attend the board meeting in person. For the matters in Paragraph 1 which must be decided by a board resolution, all independent directors shall attend the meeting. If an independent director is unable to attend the meeting in person, he/she shall appoint another independent director to attend the meeting as a proxy. An independent director who cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there are some legitimate reasons to do otherwise. The opinion shall be specified in the minutes of the board of directors meeting.

Article 12-1 (Authorization by the board of directors)

Other than matters to be submitted for discussion at the Company's board meeting under Paragraph 1 of Article 12, the board authorizes the Chairman to exercise the powers of the board in accordance with laws or the Company's regulations, and the scope of authorization is as follows:

- I. Appointment of directors and supervisors of reinvestment companies.
- II. Approval of the ex-dates of capital increase or decrease and cash dividend.

Article 13 (Voting <1>)

The chair is to stop discussions and announce a vote for the motion that is close to the level to be decided by votes.

When a proposal comes to a vote at a board meeting, if no attending director voices an objection following an inquiry by the chair, the proposal will be deemed approved.

The method of voting on the resolutions of the board meeting shall be specified in the Rules of Procedure. Except for those which have been passed without objection from all the directors present, the method of vote scrutiny and counting shall be specified.

Attending directors, as mentioned in the preceding two paragraphs, do not include directors that may not exercise voting rights pursuant to Paragraph 1 of Article 15.

One voting method for proposals at a board meeting shall be selected by the chair from among those below, provided that when an attending director has an objection, the chair shall seek the opinion of the majority to make a decision:

- I. A show of hands or a vote by a voting machine.
- II. Vote by roll call.
- III. A vote by ballot.
- IV. A vote by a method selected at the Company's discretion.

Article 14 (Voting <2>, ballot examination, and ballot counting)

Unless otherwise specified by the Company Act, board meetings shall have the attendance of more than half of directors and the resolutions shall be represented by more than half of the attending directors.

For the amendment or substitute of the same motion, the chair is to combine it with the original motion to determine the vote order. If one of the proposals has been passed, the other proposals are viewed as denied and no more voting will be conducted.

If a vote on a proposal requires monitoring and counting personnel, the chair shall appoint such personnel, providing that all monitoring personnel shall be directors. Voting results shall be made known on-site immediately and recorded in writing.

Article 15

(Personal interest avoidance system for directors)

If any director or the legal person he/she represents has a personal interest in an item on the agenda, the director shall state the important contents of the personal interest at the meeting; when it is likely to harm the interests of the Company, the director may not participate in the discussion or voting on the item, and shall avoid the discussion and voting on that item and may not act as another director's proxy to exercise voting rights on his/her behalf.

Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.

The provisions of Article 180, paragraph 2 of the Company Act, as applied mutatis mutandis under Article 206, paragraph 4 of that Act, apply to resolutions of board of directors meetings when a director is prohibited by the preceding two paragraphs from exercising voting rights.

Article 16

(Meeting minutes and matters to be signed off)

Discussions at a board meeting shall be recorded in the meeting minutes, and the minutes shall fully and accurately state the matters listed below:

- I. The meeting session (or year) and the time and place of the meeting.
- II. The name of the chairperson.
- III. The directors' attendance at the meeting, including the names and the number of directors in attendance, excused, and absent.
- IV. The names and titles of those attending the meeting as non-voting participants.
- V. The name of the minutes taker.
- VI. Reports.
- VII. Discussion items: the resolution method and result of each proposal; a summary of speeches by directors, experts and other personnel; the name of any director that is an interested party as referred to in Paragraph 1 of the preceding article, an explanation of the important contents of the interest, the reasons for the director to or not to avoid and the status of their avoidance; opinions of objection or reservation with records or statements in writing; opinions issued in writing by independent directors pursuant to Paragraph 2 of Article 12.
- VIII. Extraordinary motions: the name of sponsor, method and result of the resolution of the motion, a summary of the speeches of director, expert, or another person, the name of any director that is an interested party as referred to in Paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; and their objections or reservations and any recorded or written statements.
- IX. Other mandatory disclosures.

The occurrence of any of the following circumstances concerning a resolution passed at a board meeting shall be stated in the meeting minutes which shall be publicly announced and filed on the MOPS designated by the competent authority within 2 days from the date of the meeting:

- I. Any objection or expression of reservations by an independent director expresses a record or written statement.
- II. For a company with an audit committee, a motion that is not approved by the company's audit committee but passed by more than two-thirds of all directors.

The attendance book constitutes part of the minutes for each board meeting and shall be retained for the duration of the existence of the Company.

The minutes of a board meeting shall bear the signature or seal of both the chair and the minute taker, and a copy of the minutes shall be distributed to each director within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of the Company.

The meeting minutes of Paragraph 1 may be produced and distributed electronically.

Article 17

(Executive board meeting)

If the positions of managing directors are to be established per the Articles of Association, the rules of procedures for the executive board meeting shall comply with the provisions of Article 2, Paragraph 2 of Article 3, Articles 4 to 6, Articles 8 to 11, and Articles 13 to 16 above and the provisions of paragraph 4 of Article 3 shall apply mutatis mutandis to the election or discharge of the chairman of the board of directors. However, when meetings of the board of managing directors are held at regular intervals of 7 days or less, notices of such meetings may be given to each managing director 2 days before the meeting.

Article 18

(Supplemental provisions)

The establishment and amendment of these Rules of Procedures shall be approved by the Company's board.

Attachment V

Chant Sincere Co., Ltd. **Code of Corporate Governance**

- Article 1 (Purpose)
In order to establish a good corporate governance system, the Company has formulated the Corporate Governance Code and established an effective corporate governance structure for compliance.
- Article 2 (Corporate governance principle)
The Company's established corporate governance system, in addition to laws and regulations and the Company's Articles of Association, shall follow the following principles:
- (I) Protecting shareholders' equity.
 - (II) Reinforcing the functions of the board of directors.
 - (III) Giving full play to the functions of the Audit Committee.
 - (IV) Respecting the rights and interests of related parties.
 - (V) Enhancing information transparency.
- Article 3 (Establishment of an internal control system)
- I. In accordance with the provisions of the Regulations Governing Establishment of Internal Control Systems by Public Companies, and taking into account the Group's overall operational activities, the Company shall design and implement its internal control system, and review it from time to time in response to changes in the internal and external environment of the Company, so as to ensure that the design and implementation of the system are effective and sustainable.
Unless approved by the competent authority, the formulation of or amendment to the Company's internal control system shall be submitted to the board meeting for resolution; any objection or reservation of independent directors shall be stated in the minutes of the board meeting, and shall be approved by more than half of all members of the Audit Committee, and submitted to the board meeting for resolution.
 - II. In addition to conducting the self-assessment of the internal control system, the Company's board of directors and the management shall review the self-assessment results of each department at least annually, and review the audit report of the auditing unit on a quarterly basis. The Audit Committee shall pay attention to and supervise the above. The Company has established communication channels and mechanisms among independent directors, the Audit Committee and the head of internal audit. The Audit Committee shall hold regular discussions with internal auditors to review the deficiencies of the internal control system, and should prepare records, track and implement improvements, and submit a report to the board meeting. Any assessment of the effectiveness of the internal control system shall be approved by more than half of all members of the Audit Committee, and submitted to the board meeting for resolution. In addition, the convener of the Audit Committee shall report to the shareholders' meeting on the communication between the members of the Audit Committee and the head of internal audit.
 - III. The management of the Company shall give sufficient authority to the internal audit unit and its staff, and urge them to check and evaluate the deficiencies of the

internal control system and measure the efficiency of operations, so as to ensure the continuous and effective implementation of the system, and assist the board of directors and the management to perform their responsibilities, and implement the corporate governance system.

- IV. The appointment, dismissal, evaluation and remuneration of internal auditors of the TWSE or TPEX listed company shall be reported to the board meeting, or signed off by the audit supervisor for submission to the Chairman for approval.

Article 3-1

(Personnel responsible for corporate governance-related matters)

- I. The TWSE or TPEX listed company is advised to deploy qualified and an appropriate number of corporate governance personnel based on the Company's scale, business conditions and management needs, and shall appoint one corporate governance officer according to the requirement of the competent authority and the stock exchanges who is the highest person in charge of corporate governance-related matters. The officer shall have the qualification of a lawyer or accountant, or have been in charge of legal affairs, legal compliance, internal audit, finance, stock affairs or corporate governance in a securities, financial or futures-related institution or public company for more than three years.
- II. The corporate governance-related matters in the preceding paragraph shall at least include the following:
- (I) Handling matters related to the board meeting and shareholders' meeting in accordance with the law.
 - (II) Preparing the minutes of the board meeting and shareholders' meeting.
 - (III) Assisting in onboarding and continuous study of directors.
 - (IV) Providing the information required by the directors to carry out their business.
 - (V) Assisting directors in complying with laws and regulations.
 - (VI) Report to the board meeting the inspection results on whether the qualifications of independent directors during the nomination, election and tenure periods comply with relevant laws and regulations.
 - (VII) Handling matters related to changes in directors.
 - (VIII) Other matters stipulated in the Articles of Association or contracts of the Company.

Article 4

(Protecting shareholders' equity.)

- I. The Company's corporate governance system shall protect the rights and interests of shareholders and treat all shareholders fairly.
- II. The Company shall establish a corporate governance system that can ensure that shareholders have the right to fully know, participate in, and make decisions about the Company's major issues.

Article 5

(Convening shareholders' meeting)

- I. The Company shall convene a shareholders' meeting in accordance with the provisions of the Company Act and relevant laws and regulations, and formulate complete rules of procedure. Matters that should be resolved by the shareholders' meeting must be implemented in accordance with the rules of procedure.
- II. The content of the resolutions of the shareholders' meeting of the Company shall comply with laws and regulations and the Articles of Association of the Company.

Article 6

(Convening and procedures)

- I. The board of directors of the Company shall properly arrange the topics and procedures of the shareholders' meeting, formulate the principles and operating procedures for shareholders' nomination of directors and meeting proposals, and

properly handle the motions proposed by shareholders in accordance with the law; the shareholders' meeting shall be held at a convenient meeting place and supplemented by video conference, sufficient time shall be reserved, and adequate and competent personnel shall be assigned to go through the registration procedures. Additional supporting documents shall not be arbitrarily added to the existing supporting documents based on which shareholders may attend the meeting. Reasonable discussion time shall be allocated for the discussion of each issue, and shareholders shall be given appropriate opportunities to speak.

- II. Shareholder meetings convened by the board of directors should be chaired by the Chairman and attended personally by more than half of the board members (including at least one independent director), with the convener of the Audit Committee and at least one representative from each functional committee present at the meeting. Attendance of such participants shall be recorded in detail in the shareholder meeting minutes.

Article 7

(Encouraging shareholders to participate in corporate governance)

- I. TWSE and TPEX listed companies shall encourage shareholders to participate in corporate governance, and appoint a professional stock affairs agency to handle the affairs of shareholders' meetings, so that shareholders' meetings can be held on the premise of legality, effectiveness and safety. TWSE and TPEX listed companies shall, through various means and channels, fully adopt the information disclosure method via technology, and simultaneously upload the Chinese and English versions of the annual report, the annual financial report, the notice of the shareholders' meeting, the procedure manual and the supplementary information of the meeting, and shall adopt electronic voting, so as to improve the shareholders' participation. The ratio of attendance at the shareholders' meeting is to ensure that shareholders can exercise their shareholder rights at the shareholders' meeting in accordance with the law.
- II. It is advisable for TWSE and TPEX listed companies to refrain from putting forward extempore motions and amendments to the original motions at the shareholders' meeting.
- III. It is advisable for TWSE and TPEX listed companies to arrange for shareholders to vote on the resolutions of the shareholders' meeting on a case-by-case basis, and on the day after the shareholders' meeting is held, the results of shareholders' approvals, objections and abstentions shall be entered into the MOPS.

Article 8

(Minutes of shareholders' meetings)

- I. TWSE and TPEX listed companies shall, in accordance with the Company Act and relevant laws and regulations, record the year, month, day, venue, name of the chairman and resolution method of the meeting in the minutes of the shareholders' meeting, and shall also record the essentials and results of the proceedings. For the election of directors, the voting method and the number of voting rights won by the elected directors shall be recorded.
- II. The minutes of the shareholders' meeting shall be permanently and properly preserved during the existence of the Company, and for those with a website, such information shall be fully disclosed on it.

Article 9

(Shareholder Meeting Conference Rules)

- I. The chairman of the shareholders' meeting shall fully understand and abide by the rules of procedure set by the Company, and maintain a smooth progress of the agenda without arbitrarily announcing the adjournment of the meeting.

- II. In order to protect the rights and interests of the majority of shareholders, if the chairman violates the rules of procedure in announcing the adjournment of the meeting, then in accordance with the legal procedures, other members of the board of directors shall quickly assist the shareholders present in electing a person to be the chairman with the consent of more than half of the voting rights of the shareholders present to continue the meeting.
- Article 10 (Information disclosure)
- I. The Company shall attach importance to the shareholder's right to know, strictly abide by the relevant regulations on information disclosure, and provide information to shareholders on the Company's financial affairs, business, insider shareholdings and corporate governance through the MOPS or the company website on a regular and immediate basis.
- II. In order to treat shareholders equally, it is advisable to disclose all kinds of information in the preceding paragraph simultaneously in English.
- III. In order to protect the rights and interests of shareholders and implement equal treatment of shareholders, the Company shall formulate internal norms to prohibit insiders from using information unpublished on the market to buy and sell securities. The regulations in the preceding paragraph shall include the Company's insider stock trading control measures from their date of learning of the Company's financial reports or related performance content, including (but not limited to) that directors shall not trade the Company's stock in the blocked periods of 30 days before the announcement of the annual financial report, and 15 days before the announcement of the quarterly financial report.
- Article 10-1 (Reporting directors' remuneration at the general shareholders' meeting)
- It is advisable for the Company to report the remuneration received by directors at the general shareholders' meeting, including the remuneration policy, the content and amount of individual remuneration, and the correlation with the performance evaluation results.
- Article 11 (Distribution of earnings)
- I. Shareholders should have the right to share the Company's earnings. In order to ensure shareholders' investment rights, the shareholders' meeting may, in accordance with the provisions of Article 184 of the Company Act, review the books and accounts prepared by the board of directors and the report of the Audit Committee, and decide on the distribution of earnings or the appropriation for loss compensation. When the shareholders' meeting conducts the inspection above, an inspector may be appointed.
- II. Shareholders may, in accordance with Article 245 of the Company Act, petition the court to appoint an inspector to inspect the Company's business accounts, property status, specific matters, and specific transaction documents and records.
- III. The board of directors, Audit Committee and managers of the Company shall fully cooperate in the inspection of the inspector mentioned in the preceding two paragraphs, and shall not evade, obstruct or refuse.
- Article 12 (Material financial business activities)
- I. The Company's acquisition or disposal of assets, loans to others, endorsements/guarantees and other material financial business activities shall be handled in accordance with relevant laws and regulations, and relevant operating procedures shall be formulated and submitted to the shareholders' meeting for approval to protect shareholders' rights and interests.

- II. In the event of a merger and acquisition or public acquisition by the Company, in addition to handling in accordance with relevant laws and regulations, attention shall be paid to the fairness and rationality of the plan and transaction of the merger and acquisition or public acquisition, as well as information disclosure and soundness of the Company's financial structure afterwards.
- III. The management or major shareholders of the Company who participate in the merger and acquisition shall review whether the members of the audit committee for the merger and acquisition matters referred to in the preceding paragraph comply with the provisions of Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall not be related to or have an interest in the merger and acquisition transaction, which may affect independence. Regarding whether the design and execution of relevant procedures comply with relevant laws and regulations, and whether the information is fully disclosed in accordance with relevant laws and regulations, an independent lawyer shall be appointed to provide a legal opinion.
- IV. The qualification of the lawyer referred to in the preceding paragraph shall comply with the provisions of Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall not be related to or have an interest in the merger and acquisition transaction, which may affect independence.
- V. Personnel of the Company who handle matters in a merger and acquisition or public acquisition shall pay attention to their conflicts of interest and avoidance.

Article 13

- (Window for shareholders)
- I. In order to ensure the rights and interests of shareholders, it is advisable for the Company to have dedicated personnel to properly handle shareholders' suggestions, doubts and disputes.
- II. If the resolution of the Company's shareholders meeting and board meeting violates the laws and regulations or the Company's Articles of Association, or its directors and managers violate the laws and regulations or the Company's Articles of Association when performing their duties, thus resulting in damage to shareholders' rights and interests, the Company shall properly handle the lawsuits filed by shareholders according to law.
- III. The Company shall formulate internal operating procedures to properly handle the two matters above, keep written records for future reference, and incorporate them into the internal control system for control and management.

Article 13-1

(The board of directors is responsible for establishing an interaction mechanism with shareholders)

The board of directors of the Company is responsible for establishing an interaction mechanism with shareholders to enhance mutual understanding of the Company's goals and development.

Article 13-2

(Communicate with shareholders in an efficient manner and obtain support)

In addition to communicating with shareholders through shareholders' meetings and encouraging shareholders to participate in shareholders' meetings, the board of directors of the Company communicates with shareholders in an efficient manner, and communicates with managers and independent directors to understand shareholders' opinions and issues of concern, and clearly explains the Company's policies to gain shareholder support.

Article 14

(Building a firewall)

- The management objectives and responsibilities of personnel, assets and finance between the company and affiliated companies shall be clearly defined, and risk assessment shall be carried out and appropriate firewalls established.
- Article 15 (Managers shall not concurrently serve as managers of affiliated companies)
- I. Unless otherwise provided by laws and regulations, the managers of the Company shall not concurrently serve as managers of affiliated companies.
 - II. A director who acts for him/herself or on behalf of another person within the Company's scope of business shall explain to shareholders the essential content of the act and obtain their permission.
- Article 16 (Establishment of sound company systems)
- The Company shall establish sound financial and accounting management objectives and systems in accordance with relevant laws and regulations, and shall properly perform together with its affiliated companies a comprehensive risk assessment of major transaction banks, customers and suppliers, and implement necessary control mechanisms to reduce credit risks.
- Article 17 (Principles of business dealings with affiliated companies)
- I. If the Company and its affiliated persons and shareholders have financial business contacts or transactions, written specifications shall be formulated for their mutual financial and business-related operations based on the principle of fairness and reasonableness. For the contracted matters, the price conditions and payment methods shall be clearly defined, and unconventional transactions and improper benefit transfers shall be avoided.
 - II. The written regulations referred to in the preceding paragraph shall include management procedures for transactions such as purchase and sale of goods, acquisition or disposal of assets, extension of loans, and endorsements and guarantees, and relevant major transactions shall be approved by board resolution and submitted to the shareholders' meeting for approval or reporting.
- Article 18 (Matters to be complied with by corporate shareholders who have control over the Company)
- Corporate shareholders who have the ability to control the Company shall observe the following matters:
- (I) Corporate shareholders shall have a fiduciary duty to other shareholders, and shall not directly or indirectly cause the Company to operate in an unconventional or any other unfavorable manner.
 - (II) Their representatives shall follow the relevant norms stipulated by the Company for exercising rights and participating in resolutions. When participating in the shareholders' meeting, they shall exercise their voting rights based on the principle of good faith and the best interests of all shareholders, and be able to perform their duties of loyalty and care as directors.
 - (III) The nomination of company directors shall be handled in accordance with the relevant laws and regulations and the Company's Articles of Association, and shall not exceed the scope of authority of the shareholders' meeting and the board meeting.
 - (IV) There shall be no improper interfere with company decision-making or hinderance of business activities.

(V) There shall be no restriction or hinderance of the Company's production and operation by means of unfair competition such as monopolized procurement or closed sales channels.

(VI) The legal representatives appointed by corporate shareholders due to their election as directors shall meet the professional qualifications required by the Company and not be arbitrarily reassigned.

Article 19 (List of major shareholders and ultimate controllers of major shareholders)

I. The Company shall have in hand a list of the major shareholders who hold a large proportion of shares and can actually control the Company, and the ultimate controllers of these major shareholders.

II. The major shareholders mentioned above refer to the shareholders whose shareholding ratio is more than 5% or among the top ten. However, the Company may set a lower shareholding ratio according to the actual shareholding situation.

Article 20 (Competencies to be owned by the board of directors)

I. The board of directors of the Company guides the Company's strategy, supervises the management level, and is responsible to the Company and shareholders. The operations and arrangements of its corporate governance system shall ensure that the board of directors exercises its functions and powers in accordance with laws and regulations, the Company's Articles of Association or the resolutions of the shareholders' meeting.

II. The structure of the board of directors of the Company shall be based on the scale of the Company's operation and development and the shareholding situation of its major shareholders, while taking into account the needs of practical operations. It is determined that the appropriate number of directors is more than five.

III. Board members should be diversified in a manner that supports the Company's operations, business activities, and growth requirements, provided that the number of directors who concurrently hold managerial positions do not exceed one-third of the board. The diversification policy should include, but is not limited to, the following two principles:

(I) Basic conditions and values: Gender, age, nationality and culture; the proportion of female directors shall reach one-third of the number of directors.

(II) Professional knowledge and skills: Professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience.

IV. All board members shall possess the knowledge, skills, and characters needed to exercise their duties. In order to achieve the goals of corporate governance, the overall capabilities of the board of directors are as follows:

(I) Operational judgment ability.

(II) Accounting and financial analysis ability.

(III) Operation and management ability.

(IV) Crisis management ability.

(V) Industrial knowledge

(VI) International market perspective.

(VII) Leadership.

(VIII) Decision-making ability.

Article 21 (Establishment of a fair, just and open director selection procedures)

I. The Company shall, in accordance with the principles of safeguarding the rights and interests of shareholders and treating shareholders fairly, formulate fair,

impartial and open procedures for the selection and appointment of directors, encourage shareholders to participate, and adopt a cumulative voting system in accordance with the provisions of the Company Act to fully reflect the opinions of shareholders.

- II. Unless approved by the competent authority, not more than half of the seats of the directors of the Company shall have a relationship of spouse or relative within the second degree of kinship.
- III. When the number of directors falls below five due to the dismissal of a director for any reason, the company shall hold a director by-election at the next following shareholders meeting. When the number of directors falls short by one-third of the total number prescribed by the articles of incorporation, the company shall convene a special shareholders meeting within 60 days of the occurrence of that fact to hold a director by-election.
- IV. The total shareholding ratio of all directors of the board of directors of the Company shall comply with the laws and regulations. The restrictions on the transfer of shares of each director, and the establishment or cancellation and change of pledge rights shall be handled in accordance with relevant regulations, and all information shall be fully disclosed.

Article 21-1 (The Articles of Association shall clearly state that directors are elected by the candidate nomination system)

TWSE and TPEX listed companies shall, in accordance with the laws and regulations of the competent authority, state in their articles of association that a candidate nomination system shall be adopted for the election of directors, and the qualifications of the nominees and whether there are any matters listed in Article 30 of the Company Act shall be carefully evaluated. Article 192-1 of the Company Act shall be followed for handling of the above.

Article 22 (Responsibilities of the Chairman and President of the Company)

- I. The responsibilities of the Chairman and the President of the Company should be clearly divided.
- II. The Chairman and the President or any equivalent position shall not be held by the same person. Where a functional committee is set up by a TWSE or TPEX listed company, its responsibilities shall be clearly assigned.

Article 23 (Establishment of independent directors)

- I. The Company shall appoint three or more independent directors in accordance with the provisions of the Articles of Association, and the number of directors shall not be less than one-third of the director seats; the number of consecutive terms of independent directors shall not exceed three.
- II. Independent directors shall have professional knowledge, and their shareholding shall be restricted. In addition to complying with relevant laws and regulations, it is not appropriate for them to serve as the directors (including independent directors) of more than five TWSE and TPEX listed companies at the same time, and they shall maintain independence within their scope of business execution without having any direct or indirect interest in the Company.
- III. If the Company and its group companies and organizations, and other companies and their group companies and organizations, have mutually nominated directors or managers of the other party as independent director candidates, the Company shall disclose the information when accepting nominations for independent director candidates, and explain the suitability of the candidates for independent director

positions. For those elected as independent directors, the number of voting rights won shall be disclosed.

- IV. The scope of application of the group enterprises and organizations referred to in the preceding paragraph includes the subsidiaries of the Company, consortium legal persons whose cumulative direct or indirect donations from the Company exceed 50%, and other institutions or legal persons with substantial control capabilities.
- V. Independent directors and non-independent directors shall not change their identities during their term of office.
- VI. The professional qualifications of independent directors, restrictions on shareholding and concurrent jobs, determination of independence, nomination method, and other matters to be complied with shall be governed by the Securities and Exchange Act, the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and the TWSE and TPEX regulations.

Article 24

(Matters to be submitted to and passed by the resolution of the board meeting)

The Company shall, in accordance with the provisions of the Securities and Exchange Act, submit the following matters to the board meeting for approval; if any independent director has any objection or reservation, it shall be stated in the minutes of the board meeting:

- (I) Establishing or amending the internal control system under the provision of Article 14-1 of the Securities and Exchange Act.
- (II) The procedures established or amended in accordance with Article 36-1 of the Securities and Exchange Act for material financial or business transactions such as acquisition or disposal of assets, derivative trading, loans to others, and endorsements/guarantees.
- (III) Matters involving the director's interests.
- (IV) Transactions of material assets or derivative products.
- (V) Material loans to others, endorsements or guarantees.
- (VI) Collection, issuance or private placement of any marketable securities with nature of equity.
- (VII) Authorization, dismissal or remuneration of CPA.
- (VIII) Appointment and dismissal of finance, accounting, or internal audit managers.
- (IX) Any other material matter as required by the competent authorities.

Article 25

(Scope of responsibilities of independent directors)

- I. The Company shall clearly define the scope of responsibilities of independent directors, and assign relevant human and material resources for them to fulfill their responsibilities. The Company or other members of the board shall not obstruct, refuse or evade independent directors from performing their duties.
- II. The Company shall clearly stipulate the remuneration of directors in accordance with relevant laws and regulations. The remuneration of directors shall fully reflect the personal performance and the long-term operation effect of the Company, with comprehensive consideration of the Company's operation risk. Reasonable remunerations for independent directors that are different from general directors may be set at the Company's discretion.

Article 26

(Establishment of functional committees)

- I. In order to improve the supervisory function and strengthen the management

function, the board of directors of the Company shall consider the size of the board of directors and the nature of the business and the number of the board of directors, and set up audit, remuneration, nomination, risk management or other various functional committees, and may, based on the concept of corporate social responsibility and sustainable management, set up environmental protection, corporate social responsibility or other committees, and clearly stipulated in the Company's Articles of Association.

- II. The functional committees shall be accountable to the board of directors and submit proposals to the board for resolution. However, this does not apply to the Audit Committee's exercise of its supervisory powers in accordance with paragraph 4, Article 14-4 of the Securities and Exchange Act.
- III. The functional committees shall formulate organizational rules, which shall be approved by the resolution of the board meeting. The content of the organizational rules shall include the number of committee members, term of office, authority levels, rules of procedure, and resources to be provided by the Company when fulfilling the responsibilities.

Article 27 (Establishment of an Audit Committee)

- I. Each TWSE and TPEX company shall set up an Audit Committee
- II. The Audit Committee of the Company' shall be composed of all independent directors with the number of members no less than three; one of them shall be the convener, and at least one of them shall have accounting or financial expertise.
- III. The exercise of the functions and powers by the Audit Committee and its independent directors as well as related matters shall be handled in accordance with the Securities and Exchange Act, the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies, and the regulations of the TWSE or TPEX.

Article 28 (Establishment of a Remuneration Committee)

The Company shall set up a Remuneration Committee, and more than half of the members shall be independent directors; the professional qualifications of its members, the exercise of powers, the formulation of organizational rules and related matters shall be in accordance with the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange".

Article 28-1 (Establishment of a Nomination Committee)

Each TWSE and TPEX company shall set up a Nomination Committee and formulate organizational rules; more than half of the members shall be independent directors, and the chairman shall be an independent director.

Article 29 (Establishment of whistle-blowing channels)

The Company shall set up and announce whistle-blowing channels for internal and external personnel, as well as a whistle-blower protection system; the acceptance unit shall be independent, the files provided by whistleblowers shall be encrypted for protection, the access rights shall be properly restricted, and internal operations procedures shall be formulated and incorporated into the internal control system.

Article 30 (Certifying accountants with independence)

- I. The Company shall set up a deputy for the chief accounting head in order to improve the quality of financial reporting. The deputy in the preceding paragraph shall continue to study annually per the requirement on the accounting head in order to strengthen the professional ability.

- II. The accounting staff related to the preparation of financial reports shall also take more than six hours of professional courses every year; the way of study is to participate in the internal training of the Company or the professional courses held by institutions for accounting supervisor training.
- III. The company shall select professional, responsible and independent certifying accountants to regularly review the Company's financial status and internal control. The Company shall review and make an improvement in a timely manner of the exceptions or deficiencies discovered and disclosed by the accountants, as well the specific improvement or preventive suggestions put forward during the audit process, and it is advisable to establish a communication channel or mechanism between the independent directors or the Audit Committee and the certified accountants, and formulate internal operating procedures and incorporate them into the internal control system.
- IV. The Company shall periodically (at least once a year) refer to the audit quality indicators (AQIs) to evaluate the independence and suitability of the appointed accountants. If the Company has not replaced its accountants for seven consecutive years, or the accountants have been subject to sanctions or their independence has been compromised, the Company shall evaluate whether it is necessary to replace the accountants, and report the evaluation results to the board meeting.

Article 31

(Provision of appropriate legal services to the Company)

- I. It is advisable for the Company to appoint professional and competent lawyers to provide appropriate legal consulting services, or to assist the board of directors and management to improve their legal literacy, so as to prevent the Company and related personnel from violating laws and regulations, and promote the operation of corporate governance under the relevant legal framework and legal procedures.
- II. If a director or management is involved in a lawsuit or a dispute with a shareholder while performing business according to law, the Company shall entrust a lawyer to assist according to the situation.
- III. The Audit Committee or its independent director member may appoint lawyers, accountants or other professionals on behalf of the Company to conduct necessary audits or provide consultations on matters related to the exercise of its powers, at the expense of the company.

Article 32

(Convening of the board meeting)

- I. The board meeting of the Company shall be convened at least once a quarter, and may be convened at any time in case of emergency. For the convening of a board meeting, the reason for the convening shall be stated, the directors shall be notified seven days in advance, and sufficient meeting materials shall be provided, which shall be sent together with the convening notice.
If the meeting materials are insufficient, the directors have the right to request supplements or postpone the review after the resolution of the board meeting.
- II. The Company shall formulate procedures for the board meeting; the meeting agenda, operating procedures, matters to be recorded in the minutes, announcements and other matters to be complied with shall be handled in accordance with the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.

Article 33

(Avoidance by the directors)

- I. Directors shall uphold a high degree of self-discipline. If a director or the legal person he/she represents has a personal interest in the motions at the board meeting,

he/she shall explain the important content of the personal interest at the current board meeting. If it is harmful to the Company's interests, the director shall not join and be excused from the discussion and voting, and shall not exercise the voting rights on behalf of other directors.

II. The matters that directors shall voluntarily avoid shall be clearly stipulated in the rules of procedure of board meetings.

Article 34

(Independent directors and the board meeting)

I. Independent directors of the Company shall attend the board meeting in person on matters that should be brought to the meeting under Article 14-3 of the Securities and Exchange Act, and shall not be represented by non-independent directors. An independent director who cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there are some legitimate reasons to do otherwise. The opinion shall be specified in the minutes of the board of directors meeting.

II. The occurrence of any of the following circumstances concerning a resolution passed at a board meeting shall be stated in the meeting minutes, and publicly announced and posted on the MOPS two hours before the start of trading on the next business day from the date of the board meeting:

(I) Any objection or expression of reservations by an independent director expresses a record or written statement.

(II) In case an Audit Committee is set up by the Company, a motion that is not approved by the Audit Committee but passed by more than two-thirds of all directors.

III. In the course of the board meeting, depending on the content of the motion, managers from relevant departments who are not directors may be notified to attend the meeting as non-voting delegates to report the current business overview of the Company and answer questions from directors. When necessary, accountants, lawyers or other professionals may also be invited to attend the meeting to help directors understand the current situation of the Company and make appropriate resolutions, but they should leave the meeting during the discussion and voting.

Article 35

(Board meeting minutes)

I. The minute taker of the board meeting of the Company shall record the reported matters at the meeting and the summary of each motion, the method of resolution and the result in detail in accordance with the relevant regulations.

II. The minutes of the board meeting must be signed or sealed by the chairman of the meeting and the minute taker, and distributed to all directors within 20 days after the meeting. The board meeting sign-in book is part of the minutes, and should be included in the Company's important files and kept permanently and properly during the Company's existence.

III. Preparation, distribution and retention of meeting minutes may be made in electronic form.

IV. The entire proceeding of a board meeting shall be recorded by audio or video, and the recording shall be retained for a minimum of 5 years. The record may be retained in electronic form.

V. If any litigation arises with respect to a resolution of a board meeting before the end of the retention period in the preceding paragraph, the relevant audio or video record shall be retained until the conclusion of the litigation.

VI. Where a board meeting is convened via video conference, the audio or video

recording of the meeting shall be part of the minutes and kept permanently.

- VII. If the resolution of the board meeting violates laws, the Articles of Association or the resolution of the shareholders' meeting and therefore causes damage to the Company, the director who had expressed his dissent with a record or written statement as proof shall be exempted from the liability for compensation.

Article 36

(Matters to be submitted to the board meeting for discussion)

- I. The following matters shall be discussed in the Company's board meetings:
- (I) Operation plans of the Company.
 - (II) Annual and semiannual financial reports. This excludes semi-annual financial reports that do not need to be audited by a CPA according to law.
 - (III) Establishment or amendment of the internal control system in accordance with Article 14-1 of the Securities and Exchange Act, and evaluation of the effectiveness of the internal control system.
 - (IV) The procedures established or amended in accordance with Article 36-1 of the Securities and Exchange Act for material financial or business transactions such as acquisition or disposal of assets, derivative trading, loans to others, and endorsements/guarantees.
 - (V) Collection, issuance or private placement of any marketable securities with nature of equity.
 - (VI) Manager's performance appraisal and remuneration standards.
 - (VII) Directors' remuneration structure and system.
 - (VIII) Appointment and dismissal of finance, accounting, or internal audit managers.
 - (IX) A donation to a related party, or a major donation to a non-related party. However, public interest donations for the emergency relief of major natural disasters may be ratified in the next board meeting.
 - (X) Matters to be resolved by shareholders' meetings or board meetings or material matters specified by the authority in accordance with Article 14-3 of the Securities and Exchange Act, other laws and regulations or the Articles of Association.
- II. In addition to the matters to be discussed by the board meeting in the preceding paragraph, when the board meeting is not in session, if the board meeting is authorized to exercise the powers of the board of directors according to the law or the Company's Articles of Association, the authorization level, content or matters shall be specific and clear, and no general authorization is allowed.

Article 37

(Execution of resolutions of the board meeting)

- I. The Company shall clearly hand over the resolutions of the board meeting to the appropriate execution units or personnel, and require them to be implemented in accordance with the planned schedule and objectives, and at the same time, be included in the follow-up management to assess the implementation status.
- II. The board of directors shall fully grasp the progress of implementation progress and report it at the next meeting, so that the board meeting's business decisions can be implemented.

Article 38

(Obligations of the board members)

- I. The members of the board of directors shall faithfully perform their business and perform the duty of care as good managers, and exercise their powers with a high degree of self-discipline and prudence. The Company's business shall be executed in accordance with the resolution of the board meeting, except for matters that

should be resolved by the shareholders' meeting in accordance with laws or the Company's Articles of Association.

- II. It is advisable for the Company to formulate methods and procedures for the performance evaluation of the board of directors. In addition to the regular annual self or peer evaluation of the board of directors and individual directors, the Company may appoint an external professional organization or conduct performance evaluation in other appropriate ways. It is advisable to include the following aspects, and consider the needs of the Company to formulate suitable evaluation indicators in the content of evaluation of the performance of the board of directors
 - (I) Participation in the Company's operations.
 - (II) Improvement of the board's decision-making quality.
 - (III) Board composition and structure.
 - (IV) Election and continuing education of the directors.
 - (V) Internal control.
- III. The contents of the (self or peer) evaluation of the performance of board members shall include the following aspects, and be adjusted according to the needs of the Company:
 - (I) Understanding of the Company's goals and mission.
 - (II) Understanding directors' duties and responsibilities.
 - (III) Participation in the Company's operations.
 - (IV) Internal relationship maintenance and communication.
 - (V) Expertise of directors and continuing study.
 - (VI) Internal control.
- IV. The performance evaluation of functional committees shall be carried out; the content shall include the following aspects, and be adjusted according to the needs of the Company:
 - (I) Participation in the Company's operations.
 - (II) Awareness of the duties of the functional committee.
 - (III) Improvement of quality of decisions made by the functional committee.
 - (IV) Makeup of the functional committee and election of its members.
 - (V) Internal control.
- V. The Company shall report the performance evaluation results to the board meeting and use it as a reference for individual director remuneration and nomination for a new term.

Article 38-1

(Establishment of an intellectual property management system)

For a TWSE or TPEX listed company, the board of directors shall evaluate and supervise the following aspects of the management direction and performance of the company's intellectual property, so as to ensure that the company establishes an intellectual property management system with a management cycle of "planning, execution, inspection and action":

- I. Formulating intellectual property management policies, objectives and systems related to the operation strategy.
- II. Establishing, implementing and maintaining a management system for the acquisition, protection, maintenance and utilization of its intellectual property according to its scale and type.
- III. Determining and providing resources sufficient to effectively implement and maintain an intellectual property management system.

- IV. Observing internal and external risks or opportunities related to intellectual property management and taking countermeasures. Planning and implementing a continuous improvement mechanism to ensure that the operation and effectiveness of the intellectual property management system meet the Company's expectations.
- Article 39 (Stopping the implementation of board resolutions)
- I. If the resolution of the board meeting violates laws and regulations and the Articles of Association of the Company, and the shareholders or independent directors who have continued to hold shares for more than one year request to notify the board of directors to stop the implementation of the resolution, the board members shall properly handle the situation or stop the implementation of the relevant resolution as soon as possible.
 - II. When the board members discover that the Company is in danger of being seriously damaged, they shall act in accordance with the provisions of the preceding paragraph and report to the Audit Committee or the independent directors of the Audit Committee immediately.
- Article 40 (Director's liability insurance)
- I. During the term of office of directors, the Company shall purchase liability insurance for the directors for their legal liabilities for the scope of their business, so as to reduce and disperse the risk of serious damages to the Company and shareholders caused by errors or negligence of directors.
 - II. After the Company purchases liability insurance or renews insurance for directors, it shall submit important contents such as the insurance amount, coverage and premium rate of the liability insurance to the latest board meeting for reporting.
- Article 41 (Board members' attendance of refresher courses)
- It is advisable for board members to continue participating in refresher courses in finance, risk management, business, commerce, accounting, law or corporate social responsibility held by institutions designated in the Directions for the Implementation of Continuing Education for Directors of TWSE Listed and TPEx Listed Companies, and oblige employees at all levels to strengthen their professional and legal knowledge.
- Article 42 (Maintaining communication with stakeholders)
- I. The Company shall maintain a smooth communication channel with banks and other creditors, employees, consumers, supplier communities or other stakeholders of the Company, respect and safeguard their legitimate rights and interests, and set up a stakeholder area on the Company's website.
 - II. When the legitimate rights and interests of stakeholders are infringed, the Company shall properly handle it in good faith.
- Article 43 (Providing sufficient information to correspondent banks and creditors)
- Sufficient information should be provided to correspondent banks and other creditors so that they can make judgments and decisions on the Company's operations and financial conditions. When its legitimate rights and interests are infringed, the Company shall respond positively and take a responsible attitude to allow creditors to obtain compensation through appropriate channels.
- Article 44 (Establishment of communication channels for employees)
- The Company shall establish communication channels for employees, encourage employees to communicate directly with the management and directors, and appropriately reflect employees' opinions on the Company's business and financial status or major decisions involving employees' interests.

- Article 45 (Corporate social responsibility)
While maintaining normal business development and maximizing the interests of shareholders, the Company should pay attention to issues such as consumer rights, community environmental protection and public welfare, and attach importance to the company's social responsibility.
- Article 46 (Information disclosure and online reporting system)
- I. Information disclosure is an important responsibility of the Company, and the Company should faithfully perform its obligations in accordance with relevant laws and regulations, and the rules of the TWSE and TPEX.
 - II. A TWSE or TPEX listed company should announce and make an official filing of the annual financial report within two months after the end of an accounting period, and announce file Q1, Q2 and, Q3 financial reports along with monthly business performance status before the designated due dates.
 - III. A TWSE or TPEX listed company should establish an online reporting operation system for public information, designate a person to be responsible for the collection and disclosure of company information, and establish a spokesperson system to ensure the information that may affect the decision-making of shareholders and stakeholders can be disclosed in a timely and appropriate manner.
- Article 47 (Establishment of a spokesperson system)
- I. In order to improve the correctness and timeliness of the disclosure of major information, the Company should select persons as its spokesperson and acting spokespersons who have a comprehensive understanding of the Company's various financial and business operations, or can coordinate with various departments for provision of relevant information, and can independently speak externally on behalf of the Company.
 - II. The Company should have more than one acting spokesperson, and any acting spokesperson should be able to speak independently when the spokesperson is unable to perform his speaking duties, but the order of acting should be confirmed to avoid confusion.
 - III. In order to implement the spokesperson system, the Company should clearly define a unified speaking procedure, and require the management and employees to keep financial and business secrets, and not to arbitrarily distribute information without authorization.
 - IV. In the event of any changes in the spokesperson or acting spokespersons, information disclosure should be handled immediately.
- Article 48 (Setup of a corporate governance website)
- I. The Company should take advantage of the convenience of the Internet to set up a website, and post information about the Company's financial and corporate governance information for the reference of shareholders and stakeholders, and it is advisable to provide an English versions of financial, corporate governance and other related information.
 - II. The website referred to in the preceding paragraph shall be maintained by a dedicated person, and the information posted shall be detailed, accurate and updated in time to avoid misleading.
- Article 49 (Method of holding a corporate investor briefing session)
The Company's corporate investor briefing session shall be handled in accordance with the regulations of the TWSE or the TPEX, and shall be audio or video recorded. The financial and business information of a corporate investor briefing session shall

be entered into the MOPS in accordance with the regulations of the TWSE or the TPEX, and inquiries shall be available through the company website or other appropriate channels.

Article 50 (Disclosure of corporate governance information)

A special area shall be set up on the Company's website to disclose the following corporate governance-related information and keep it updated:

- I. Board of directors: including the CVs of board members and their responsibilities, the diversity policy of board members and the implementation status.
- II. Functional committees: including the CVs of the members of each functional committee and their responsibilities.
- III. Corporate governance-related regulations: including the Company's Articles of Association and Rules of Procedure for Board Meetings, the organizational regulations of functional committees and other corporate governance-related regulations.
- IV. Important information related to corporate governance: such as setting up a corporate governance supervisor, etc.

Article 51 (Attention to domestic and foreign development)

The Company should always pay attention to the development of domestic and international corporate governance systems, and review and improve the corporate governance system established by the Company to enhance the effectiveness of corporate governance.

Article 52 (Implementation)

The Code of Corporate Governance shall be submitted to the board meeting for review and approval before promulgation and implementation; the same procedure shall apply to its amendments.

Attachment VI. Independent Auditor's Report and Financial Statements for 2022

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of CHANT SINCERE CO., LTD.

Opinion

We have audited the accompanying parent company only balance sheets of CHANT SINCERE CO., LTD. (the "Company") as at December 31, 2022 and 2021, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

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

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the parent company only financial statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Key audit matters for the Company's 2022 parent company only financial statements are stated as follows:

Valuation of inventory

Description

Refer to Notes 4(12), 5(2) and 6(5) for a description of accounting policy on inventory valuation, accounting estimates and assumptions in relation to inventory and details of loss allowance.

The Company is mainly engaged in manufacturing and selling connectors and cable wires. Due to rapid technological innovations and fluctuations in market demand, there is a higher risk of inventory obsolescence. As inventories are stated at the lower of cost and net realisable value, the determination of net realisable value of inventories is subject to subjective judgment and uncertainties. Thus, we considered the valuation of inventory as a key audit matter.

As of December 31, 2022, the amount of inventories and allowance for inventory valuation losses were NT\$122,275 thousand and NT\$10,759 thousand, respectively.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Assessed the reasonableness of provision policies on and procedures of allowance for inventory valuation losses, including understanding the operation and nature of the industry, and the historical information of actual clearance of inventory, to judge the reasonableness and consistency of valuation policies on the inventory valuation losses.
2. Reviewed the stock count plan and observed the annual stock count event in order to assess the effectiveness of internal controls over obsolete inventory.
3. Verified management's appropriateness of the systematic logic used in the inventory aging report and confirmed whether the information was consistent with its policies.
4. Verified whether inventory valuation losses were calculated in accordance with its policies, and ascertained the adequacy of the allowance for inventory valuation losses.

Recognition of export sales revenue

Description

Refer to Note 4(26) for accounting policies on sales revenue recognition.

The Company is mainly engaged in manufacturing and selling connectors and cable wires, which were used in consumer PCs, automobile and communication market. The types of sales include domestic sales, export sales and warehouse sales. Revenue from export sales are recognised based on the terms of the contract. As the determination as to when the control of the products has transferred to customers involves management's subjective judgment, this may lead to improper revenue recognition. Thus, we considered the recognition of export sales revenue as a key audit matter.

For the year ended December 31, 2022, the net amount of sales revenue was NT\$1,510,291 thousand.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Obtained an understanding on the effectiveness of internal controls over the timing of revenue recognition.
2. Selected samples of export sales transactions and ascertained the consistency of the timing of export revenue recognition with the terms specified in the contracts.
3. Selected samples of receivable accounts and sent out confirmations to ascertain existence of export sales revenue.
4. Ascertained the reasonableness of revenue recognition timing against supporting documents of revenue from export sales during a certain period before and after the balance sheet date.

Responsibilities of management and those charged with governance for the parent company only financial statements

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

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

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

Auditor's responsibilities for the audit of the parent company only financial statements

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

As part of an audit in accordance with Standards on Auditing of the Republic of China, we exercise

professional judgment and professional skepticism throughout the audit. We also:

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

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

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

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

Wu, Wei-Hao

Cheng, Ya-Huei

For and on behalf of PricewaterhouseCoopers, Taiwan
March 16, 2023

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

CHANT SINCERE CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 647,031	21	\$ 729,865	26
1110	Financial assets at fair value through profit or loss - current	6(2)	11,492	-	1,794	-
1136	Financial assets at amortised cost - current	6(1)	145,000	5	113,064	4
1150	Notes receivable, net	6(4)	1,750	-	1,894	-
1170	Accounts receivable, net	6(4)	476,428	16	324,043	11
1180	Accounts receivable due from related parties, net	6(4) and 7	3,942	-	2,941	-
1200	Other receivables	7	8,290	-	370	-
130X	Inventories	6(5)	111,516	4	70,484	2
1410	Prepayments		15,619	-	16,135	1
11XX	Total current assets		<u>1,421,068</u>	<u>46</u>	<u>1,260,590</u>	<u>44</u>
Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	252,726	8	496,643	18
1550	Investments accounted for under equity method	6(6)	901,987	30	690,827	24
1600	Property, plant and equipment	6(7)	456,090	15	381,254	13
1755	Right-of-use assets	6(8)	9,443	-	6,531	-
1780	Intangible assets		5,304	-	2,995	-
1840	Deferred tax assets	6(20)	16,685	1	16,232	1
1900	Other non-current assets		3,701	-	2,104	-
15XX	Total non-current assets		<u>1,645,936</u>	<u>54</u>	<u>1,596,586</u>	<u>56</u>
1XXX	Total assets		<u>\$ 3,067,004</u>	<u>100</u>	<u>\$ 2,857,176</u>	<u>100</u>

(Continued)

CHANT SINCERE CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2150	Notes payable		\$ 1,763	-	\$ 1,240	-
2170	Accounts payable		124,463	4	125,300	4
2180	Accounts payable to related parties	7	184,362	6	97,293	4
2200	Other payables	6(9)	94,739	3	76,228	3
2230	Current income tax liabilities	6(20)	67,085	2	33,425	1
2250	Provisions for liabilities - current		9,500	-	3,500	-
2280	Lease liabilities - current		5,110	-	3,449	-
2320	Long-term liabilities, current portion	6(10)	78,555	3	-	-
2399	Other current liabilities		22,747	1	25,448	1
21XX	Total current liabilities		<u>588,324</u>	<u>19</u>	<u>365,883</u>	<u>13</u>
Non-current liabilities						
2530	Convertible bonds payable	6(10)	-	-	118,740	4
2570	Deferred tax liabilities	6(20)	44,176	2	42,090	1
2580	Lease liabilities - non-current		4,407	-	3,141	-
2600	Other non-current liabilities	6(11)	13,396	-	18,579	1
25XX	Total non-current liabilities		<u>61,979</u>	<u>2</u>	<u>182,550</u>	<u>6</u>
2XXX	Total liabilities		<u>650,303</u>	<u>21</u>	<u>548,433</u>	<u>19</u>
Equity						
Share capital						
3110	Common stock	6(12)	797,726	26	785,459	28
Capital surplus						
3200	Capital surplus	6(13)	398,423	13	369,572	13
Retained earnings						
3310	Legal reserve	6(14)	351,366	11	333,203	12
3350	Unappropriated retained earnings		844,156	28	604,242	21
Other equity interest						
3400	Other equity interest	6(15)	25,030	1	216,267	7
3XXX	Total equity		<u>2,416,701</u>	<u>79</u>	<u>2,308,743</u>	<u>81</u>
Significant contingent liabilities and unrecognised contract commitments						
3X2X	Total liabilities and equity		<u>\$ 3,067,004</u>	<u>100</u>	<u>\$ 2,857,176</u>	<u>100</u>

The accompanying notes are an integral part of these parent company only financial statements.

CHANT SINCERE CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

Items	Notes	Year ended December 31				
		2022		2021		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(16) and 7	\$ 1,510,291	100	\$ 1,140,544	100
5000	Operating costs	6(5)(18)(19) and 7	(968,666)	(64)	(748,544)	(65)
5900	Gross profit from operations		<u>541,625</u>	<u>36</u>	<u>392,000</u>	<u>35</u>
	Operating expenses	6(18)(19) and 7				
6100	Selling expenses		(88,303)	(6)	(78,138)	(7)
6200	Administrative expenses		(134,040)	(9)	(99,031)	(9)
6300	Research and development expenses		(39,357)	(3)	(36,069)	(3)
6450	Expected credit loss	12(2)	(1,091)	-	(40)	-
6000	Total operating expenses		<u>(262,791)</u>	<u>(18)</u>	<u>(213,278)</u>	<u>(19)</u>
6900	Operating profit		<u>278,834</u>	<u>18</u>	<u>178,722</u>	<u>16</u>
	Non-operating income and expenses					
7100	Interest income		3,994	-	3,811	-
7010	Other income	7	7,266	1	10,763	1
7020	Other gains and losses	6(17) and 7	28,068	2	(10,133)	(1)
7050	Finance costs		(1,198)	-	(3,699)	-
7070	Share of (loss)/profit of subsidiaries, associates and joint ventures accounted for under equity method	6(6)	<u>75,974</u>	<u>5</u>	<u>(5,294)</u>	<u>(1)</u>
7000	Total non-operating income and expenses		<u>114,104</u>	<u>8</u>	<u>(4,552)</u>	<u>(1)</u>
7900	Profit before income tax		<u>392,938</u>	<u>26</u>	<u>174,170</u>	<u>15</u>
7950	Income tax expense	6(20)	(70,966)	(5)	(27,735)	(2)
8200	Profit for the year		<u>\$ 321,972</u>	<u>21</u>	<u>\$ 146,435</u>	<u>13</u>
	Other comprehensive income (net)					
	Items that will not be reclassified to profit or loss					
8311	Remeasurements of defined benefit plans	6(11)	\$ 4,208	1	\$ 744	-
8316	Unrealised (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)	(41,788)	(3)	171,066	15
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method	6(15)	(61,069)	(4)	63,805	5
8349	Income tax related to items that will not be reclassified to profit or loss	6(20)	(842)	-	(149)	-
8310	Other comprehensive income (net) that will not be reclassified to profit or loss		<u>(99,491)</u>	<u>(6)</u>	<u>235,466</u>	<u>20</u>
	Items that will be reclassified to profit or loss					
8380	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method	6(15)	3,869	-	(2,040)	-
8399	Income tax related to items that will be reclassified to profit or loss	6(20)	(798)	-	408	-
8360	Other comprehensive income that will be reclassified to profit or loss		<u>3,071</u>	<u>-</u>	<u>(1,632)</u>	<u>-</u>
8300	Other comprehensive (loss) income for the year, net of tax		<u>(\$ 96,420)</u>	<u>(6)</u>	<u>\$ 233,834</u>	<u>20</u>
8500	Total comprehensive income for the year		<u>\$ 225,552</u>	<u>15</u>	<u>\$ 380,269</u>	<u>33</u>
	Earnings per share (in dollars)	6(21)				
9750	Basic earnings per share		<u>\$ 4.06</u>		<u>\$ 2.02</u>	
9850	Diluted earnings per share		<u>\$ 3.92</u>		<u>\$ 1.82</u>	

The accompanying notes are an integral part of these parent company only financial statements.

CHANT SINCERE CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Common stock	Capital Reserves					Retained Earnings			Other equity interest			Total equity	
			Capital surplus, additional paid-in capital	Capital surplus, treasury share transactions	Capital surplus - difference between proceeds on actual acquisition or disposal of equity interest in a subsidiary and its carrying amount and changes in the ownership interest	Capital surplus, changes in equity of associates and joint ventures accounted for using equity method	Capital surplus, share options	Legal reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income				
2021															
Balance at January 1, 2021		\$ 718,391	\$ 191,142	\$ 8,509	\$ 1,826	\$ -	\$ 9,555	\$ 318,385	\$ 545,466	(\$ 16,136)	\$ 33,767	\$ 1,810,905			
Profit (loss) for the year		-	-	-	-	-	-	-	146,435	-	-	146,435			
Other comprehensive income (loss) for the year	6(15)	-	-	-	-	-	-	-	595	(1,632)	234,871	233,834			
Total comprehensive income (loss)		-	-	-	-	-	-	-	147,030	(1,632)	234,871	380,269			
Disposal of investments in equity instruments at fair value through other comprehensive income	6(15)	-	-	-	-	-	-	-	-	-	-	-			
Conversion of convertible bonds	6(10)	67,068	164,811	-	-	-	(6,271)	-	34,603	-	(34,603)	-			
Appropriations and distribution of retained earnings:	6(14)	-	-	-	-	-	-	-	-	-	-	225,608			
Legal reserve		-	-	-	-	-	-	14,818	(14,818)	-	-	-			
Cash dividends		-	-	-	-	-	-	(108,039)	(108,039)	-	-	(108,039)			
Balance at December 31, 2021		\$ 785,459	\$ 355,953	\$ 8,509	\$ 1,826	\$ -	\$ 3,284	\$ 333,203	\$ 604,242	(\$ 17,768)	\$ 234,035	\$ 2,308,743			
2022															
Balance at January 1, 2022		\$ 785,459	\$ 355,953	\$ 8,509	\$ 1,826	\$ -	\$ 3,284	\$ 333,203	\$ 604,242	(\$ 17,768)	\$ 234,035	\$ 2,308,743			
Profit (loss) for the year		-	-	-	-	-	-	-	321,972	3,071	(102,857)	321,972			
Other comprehensive income (loss) for the year	6(15)	-	-	-	-	-	-	-	3,366	3,071	(102,857)	(96,420)			
Total comprehensive income (loss)		-	-	-	-	-	-	-	325,338	3,071	(102,857)	225,552			
Disposal of investments in equity instruments at fair value through other comprehensive income	6(15)	-	-	-	-	-	-	-	-	-	-	-			
Changes in equity of investment in associates and joint ventures accounted for using equity method	6(6)	-	29,914	-	-	-	(1,135)	-	-	-	-	74			
Conversion of convertible bonds	6(10)	12,267	-	-	-	-	-	-	-	-	-	41,046			
Capital surplus, changes in ownership interests in subsidiaries	6(14)	-	-	-	(2)	-	-	-	-	-	-	(2)			
Appropriations and distribution of retained earnings:		-	-	-	-	-	-	-	-	-	-	-			
Legal reserve		-	-	-	-	-	-	18,163	(18,163)	-	-	-			
Cash dividends		-	-	-	-	-	-	(158,712)	(158,712)	-	-	(158,712)			
Balance at December 31, 2022		\$ 797,726	\$ 385,867	\$ 8,509	\$ 1,824	\$ -	\$ 2,149	\$ 351,366	\$ 844,156	(\$ 14,697)	\$ 39,727	\$ 2,416,701			

The accompanying notes are an integral part of these parent company only financial statements.

CHANT SINCERE CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 392,938	\$ 174,170
Adjustments			
Adjustments to reconcile profit (loss)			
(Gain) loss on valuation of financial assets or liabilities at fair value through profit or loss	6(17)	93	(2,650)
Expected credit loss	12(2)	1,091	40
Share of profit (loss) of associates and joint ventures accounted for using equity method	6(6)	(75,974)	5,294
Loss on disposal of investments	6(17)	2,275	-
Depreciation charges on property, plant and equipment (Including Right-of-use assets)	6(18)	19,663	19,654
Amortisation	6(18)	2,953	5,766
Dividend income		(7,266)	(10,620)
Interest income		(3,994)	(3,811)
Interest expense		1,198	3,699
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets measured at fair value through profit or loss		(9,922)	1,526
Notes receivable, net		144	(856)
Accounts receivable		(153,476)	(157,034)
Accounts receivable due from related parties, net		(1,001)	230
Other receivables		-	10
Inventories		(41,032)	(7,867)
Prepayments		516	(3,151)
Changes in operating liabilities			
Notes payable		523	346
Accounts payable		(837)	38,240
Accounts payable to related parties		87,069	(49,809)
Other payables		19,862	7,696
Provisions for liabilities		6,000	(3,000)
Other current liabilities		(2,701)	(136)
Other non-current liabilities		(1,817)	(6,596)
Cash inflow generated from operations		236,305	11,141
Interest received		3,994	3,811
Interest paid		(206)	194
Dividends received		7,266	10,620
Payment of income tax		(35,562)	(28,936)
Income taxes refund		-	7,793
Net cash flows from operating activities		<u>211,797</u>	<u>4,235</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease in financial assets at amortised cost		(31,936)	11,329
Acquisition of financial assets at fair value through other comprehensive income		(72,871)	(27,560)
Proceeds from disposal of financial assets at fair value through other comprehensive income		-	23,186
Acquisition of investments accounted for using equity method		14,441	(26,100)
Purchase of property, plant and equipment	6(22)	(91,337)	(38,508)
Increase in intangible assets		(5,262)	(2,974)
Increase in refundable deposits		(1,831)	(1,000)
Decrease in refundable deposits		234	800
Disposal of investment proceeds using the equity method		18,042	-
Dividends received in cash		39,100	65,793
Net cash flows (used in) from investing activities		(131,420)	4,966
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of lease liabilities	6(8)	(4,499)	(4,495)
Cash dividends paid	6(14)	(158,712)	(108,039)
Net cash flows used in financing activities		(163,211)	(112,534)
Net decrease in cash and cash equivalents		(82,834)	(103,333)
Cash and cash equivalents at beginning of year		729,865	833,198
Cash and cash equivalents at end of year		<u>\$ 647,031</u>	<u>\$ 729,865</u>

The accompanying notes are an integral part of these parent company only financial statements.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of CHANT SINCERE CO., LTD.

Opinion

We have audited the accompanying consolidated balance sheets of CHANT SINCERE CO., LTD. and subsidiaries (the "Group") as at December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Key audit matters for the Group's 2022 consolidated financial statements are stated as follows:

Valuation of inventory

Description

Refer to Notes 4(13), 5(2) and 6(5) for a description of accounting policy on inventory valuation, accounting estimates and assumptions in relation to inventory and details of loss allowance account.

The Group is mainly engaged in manufacturing and selling connectors and cable wires. Due to rapid technological innovations and fluctuations in market demand, there is a higher risk of inventory obsolescence. As inventories are stated at the lower of cost and net realisable value, the determination of net realisable value of inventories is subject to subjective judgment and uncertainties. Thus, we considered the valuation of inventory as a key audit matter.

As of December 31, 2022, the amount of inventories and allowance for inventory valuation losses were NT\$299,689 thousand and NT\$25,873 thousand, respectively.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Assessed the reasonableness of provision policies on and procedures of allowance for inventory valuation losses, including understanding the operations and nature of the industry, and the historical information of actual clearance of inventory, to judge the reasonableness and consistency of valuation policies on the inventory valuation losses.
2. Reviewed the stock count plan and observed the annual stock count in order to assess the effectiveness of internal controls over obsolete inventory.
3. Verified management's appropriateness of the systematic logic used in the inventory aging report and confirmed whether the information was consistent with its policies.
4. Verified whether inventory valuation losses were calculated in accordance with its policies, and ascertained the adequacy of the allowance for inventory valuation losses.

Recognition of export sales revenue

Description

Refer to Note 4(29) for accounting policies on sales revenue recognition.

The Group is mainly engaged in manufacturing and selling connectors and cable wires, which were used in consumer PCs, automobile and communication market. The types of sales include domestic sales, export sales and warehouse sales. Revenue from export sales are recognised based on the terms of the contract. As the determination as to when the control of the products has transferred to customers involves management's subjective judgment, this may lead to improper revenue recognition. Thus, we considered the recognition of export sales revenue as a key audit matter.

For the year ended December 31, 2022, the net amount of sales revenue was NT\$1,873,163 thousand.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Obtained an understanding of the effectiveness of internal controls over the timing of revenue recognition.
2. Selected samples of export sales transactions and ascertained the consistency in the timing of export revenue recognition with the terms specified in the contracts.
3. Selected samples of receivable accounts and sent out confirmations to ascertain existence of export sales revenue.
4. Ascertained the reasonableness of revenue recognition timing against supporting documents of revenue from export sales during a certain period before and after the balance sheet date.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of Chant Sincere Co., Ltd. as at and for the years ended December 31, 2022 and 2021.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by

Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

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

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

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

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

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

Wu, Wei-Hao

Cheng, Ya-Huei

For and on behalf of PricewaterhouseCoopers, Taiwan

March 16, 2023

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

CHANT SINCERE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 827,473	26	\$ 987,940	33
1110	Financial assets at fair value through profit or loss - current	6(2)	11,492	-	1,794	-
1120	Financial assets at fair value through other comprehensive income - current	6(3)	81,821	3	125,314	4
1136	Financial assets at amortised cost - current	6(1)	145,000	5	113,064	4
1150	Notes receivable, net	6(4)	2,578	-	2,081	-
1170	Accounts receivable, net	6(4)	562,874	17	508,260	17
1180	Accounts receivable due from related parties, net	6(4) and 7	2,615	-	1,651	-
1200	Other receivables		1	-	56	-
130X	Inventories	6(5)	273,816	8	186,156	6
1410	Prepayments		51,875	2	42,054	1
11XX	Total current assets		<u>1,959,545</u>	<u>61</u>	<u>1,968,370</u>	<u>65</u>
Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	252,726	8	496,643	16
1550	Investments accounted for under equity method	6(6)	345,143	11	36,784	1
1600	Property, plant and equipment	6(7) and 8	518,584	16	443,428	15
1755	Right-of-use assets	6(8)	69,577	2	15,559	-
1760	Investment property - net	6(9)	47,967	1	47,967	2
1780	Intangible assets	6(10)	5,745	-	3,058	-
1840	Deferred tax assets	6(22)	19,032	1	18,579	1
1900	Other non-current assets		7,188	-	5,190	-
15XX	Total non-current assets		<u>1,265,962</u>	<u>39</u>	<u>1,067,208</u>	<u>35</u>
1XXX	Total assets		<u>\$ 3,225,507</u>	<u>100</u>	<u>\$ 3,035,578</u>	<u>100</u>

(Continued)

CHANT SINCERE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings		\$ 5,000	-	\$ -	-
2150	Notes payable		1,763	-	1,253	-
2170	Accounts payable		319,864	10	266,310	9
2180	Accounts payable to related parties	7	741	-	29,918	1
2200	Other payables	6(11)	149,000	5	131,340	4
2230	Current income tax liabilities	6(22)	70,897	2	37,110	1
2250	Provisions for liabilities - current		14,063	-	8,503	-
2280	Lease liabilities - current		18,558	1	11,240	1
2320	Long-term liabilities, current portion	6(12)	78,555	2	-	-
2399	Other current liabilities		23,998	1	26,127	1
21XX	Total current liabilities		<u>682,439</u>	<u>21</u>	<u>511,801</u>	<u>17</u>
Non-current liabilities						
2530	Convertible bonds payable	6(12)	-	-	118,740	4
2570	Deferred tax liabilities	6(22)	47,310	1	45,224	1
2580	Lease liabilities - non-current		51,127	2	4,908	-
2600	Other non-current liabilities	6(13)	16,966	1	22,227	1
25XX	Total non-current liabilities		<u>115,403</u>	<u>4</u>	<u>191,099</u>	<u>6</u>
2XXX	Total liabilities		<u>797,842</u>	<u>25</u>	<u>702,900</u>	<u>23</u>
Equity attributable to owners of parent						
	Share capital	6(14)				
3110	Common stock		797,726	25	785,459	26
	Capital surplus	6(15)				
3200	Capital surplus		398,423	12	369,572	12
	Retained earnings	6(16)				
3310	Legal reserve		351,366	11	333,203	11
3350	Unappropriated retained earnings		844,156	26	604,242	20
	Other equity interest	6(17)				
3400	Other equity interest		25,030	1	216,267	7
31XX	Total equity attributable to owners of the parent		<u>2,416,701</u>	<u>75</u>	<u>2,308,743</u>	<u>76</u>
36XX	Non-controlling interest		10,964	-	23,935	1
3XXX	Total equity		<u>2,427,665</u>	<u>75</u>	<u>2,332,678</u>	<u>77</u>
	Significant contingent liabilities and unrecognised contract commitments	9				
3X2X	Total liabilities and equity		<u>\$ 3,225,507</u>	<u>100</u>	<u>\$ 3,035,578</u>	<u>100</u>

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

CHANT SINCERE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

Items	Notes	Year ended December 31				
		2022		2021		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(18) and 7	\$ 1,873,163	100	\$ 1,599,466	100
5000	Operating costs	6(5)(20)(21) and 7	(1,194,979)	(63)	(1,131,196)	(71)
5900	Gross profit from operations		<u>678,184</u>	<u>37</u>	<u>468,270</u>	<u>29</u>
	Operating expenses	6(20)(21) and 7				
6100	Selling expenses		(118,643)	(6)	(106,901)	(7)
6200	Administrative expenses		(187,828)	(10)	(147,985)	(9)
6300	Research and development expenses		(45,823)	(3)	(41,201)	(2)
6450	Expected credit loss	12(2)	(1,085)	-	(46)	-
6000	Total operating expenses		(353,379)	(19)	(296,133)	(18)
6900	Operating profit		<u>324,805</u>	<u>18</u>	<u>172,137</u>	<u>11</u>
	Non-operating income and expenses					
7100	Interest income		4,752	-	4,732	-
7010	Other income		12,614	1	13,594	1
7020	Other gains and losses	6(19)	39,109	2	(6,587)	(1)
7050	Finance costs		(1,716)	-	(4,470)	-
7060	Share of (loss)/profit of subsidiaries, associates and joint ventures accounted for under equity method	6(6)	<u>25,613</u>	<u>1</u>	<u>1,631</u>	<u>-</u>
7000	Total non-operating income and expenses		<u>80,372</u>	<u>4</u>	<u>8,900</u>	<u>-</u>
7900	Profit before income tax		<u>405,177</u>	<u>22</u>	<u>181,037</u>	<u>11</u>
7950	Income tax expense	6(22)	(83,273)	(5)	(35,424)	(2)
8200	Profit for the year		<u>\$ 321,904</u>	<u>17</u>	<u>\$ 145,613</u>	<u>9</u>

(Continued)

CHANT SINCERE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

Items	Notes	Year ended December 31			
		2022		2021	
		AMOUNT	%	AMOUNT	%
Other comprehensive income (net)					
Items that will not be reclassified to profit or loss					
8311		\$ 4,208	-	\$ 744	-
8316	6(3)				
8349	6(22)	(102,857)	(5)	234,871	15
8310		(842)	-	(149)	-
8310		(99,491)	(5)	235,466	15
Items that will be reclassified to profit or loss					
8361	6(17)				
8370	6(17)	4,007	-	(2,042)	-
8399	6(22)	(120)	-	-	-
8360		(798)	-	408	-
8300		3,089	-	(1,634)	-
8500		<u>(\$ 96,402)</u>	<u>(5)</u>	<u>\$ 233,832</u>	<u>15</u>
8500		<u>\$ 225,502</u>	<u>12</u>	<u>\$ 379,445</u>	<u>24</u>
Profit attributable to:					
8610		\$ 321,972	17	\$ 146,435	9
8620		(68)	-	(822)	-
		<u>\$ 321,904</u>	<u>17</u>	<u>\$ 145,613</u>	<u>9</u>
Comprehensive income attributable to:					
8710		\$ 225,552	12	\$ 380,269	24
8720		(50)	-	(824)	-
		<u>\$ 225,502</u>	<u>12</u>	<u>\$ 379,445</u>	<u>24</u>
Earnings per share (in dollars) 6(23)					
9750		<u>\$</u>	<u>4.06</u>	<u>\$</u>	<u>2.02</u>
9850		<u>\$</u>	<u>3.92</u>	<u>\$</u>	<u>1.82</u>

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

CHANT SINCERE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Equity attributable to owners of the parent								Total	Non-controlling interest	Total equity
		Capital Reserves		Retained Earnings		Other Equity Interest						
		Common stock	Capital surplus, additional paid-in capital	Capital surplus, treasury share transactions	Capital surplus, subsidiary and its interest in a disposal of equity interest in a joint ventures accounted for using equity method	Capital surplus, share options	Legal reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income		
2021												
Balance at January 1, 2021		\$ 718,391	\$ 191,142	\$ 8,509	\$ 1,826	\$ 318,385	\$ 545,466	\$ 16,136	\$ 33,767	\$ 1,810,905	\$ 11,759	\$ 1,822,664
Profit (loss) for the year		-	-	-	-	-	146,435	-	-	146,435	(822)	145,613
Other comprehensive income (loss) for the year	6(17)	-	-	-	-	-	(595)	(1,632)	234,871	233,834	(2)	233,832
Total comprehensive income (loss)		-	-	-	-	-	147,030	(1,632)	234,871	380,269	(824)	379,445
Disposal of investments in equity instruments at fair value through other comprehensive income	6(17)	-	-	-	-	-	-	-	-	-	-	-
Conversion of convertible bonds	6(12)	67,068	164,811	-	-	-	34,603	-	(34,603)	-	-	-
Increase in non-controlling interests		-	-	-	-	-	-	-	-	225,608	-	225,608
Appropriations and distribution of retained earnings:		-	-	-	(6,271)	-	-	-	-	-	13,000	13,000
Legal reserve		-	-	-	-	14,818	(14,818)	-	-	-	-	-
Cash dividends	6(16)	-	-	-	-	(108,039)	-	-	-	(108,039)	-	(108,039)
Balance at December 31, 2021		\$ 785,459	\$ 355,953	\$ 8,509	\$ 1,826	\$ 333,203	\$ 604,242	\$ 17,768	\$ 234,035	\$ 2,308,743	\$ 23,935	\$ 2,332,678
2022												
Balance at January 1, 2022		\$ 785,459	\$ 355,953	\$ 8,509	\$ 1,826	\$ 333,203	\$ 604,242	\$ 17,768	\$ 234,035	\$ 2,308,743	\$ 23,935	\$ 2,332,678
Profit (loss) for the year		-	-	-	-	-	321,972	-	-	321,972	(68)	321,904
Other comprehensive income (loss) for the year	6(17)	-	-	-	-	-	(3,366)	3,071	(102,857)	(96,420)	18	(96,402)
Total comprehensive income (loss)		-	-	-	-	-	325,338	3,071	(102,857)	225,552	(50)	225,502
Disposal of investments in equity instruments at fair value through other comprehensive income	6(17)	-	-	-	-	-	91,451	-	(91,451)	-	-	-
Change in net equity of associates and joint ventures accounted for using equity method	6(6)	-	-	-	-	-	-	-	-	74	-	74
Conversion of convertible bonds	6(12)	12,267	29,914	-	(1,135)	-	-	-	-	41,046	-	41,046
Decrease in non-controlling interests		-	-	-	-	-	-	-	-	-	(12,921)	(12,921)
Capital surplus, changes in ownership interests in subsidiaries		-	-	(2)	-	-	-	-	-	-	(2)	(2)
Appropriations and distribution of retained earnings:		-	-	-	-	-	-	-	-	-	-	-
Legal reserve		-	-	-	-	18,163	(18,163)	-	-	-	-	-
Cash dividends	6(16)	-	-	-	-	(158,712)	-	-	-	(158,712)	-	(158,712)
Balance at December 31, 2022		\$ 797,726	\$ 385,867	\$ 8,509	\$ 1,824	\$ 351,366	\$ 844,156	\$ 14,697	\$ 39,727	\$ 2,416,701	\$ 10,964	\$ 2,427,665

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

CHANT SINCERE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 405,177	\$ 181,037
Adjustments			
Adjustments to reconcile profit (loss)			
Gains on valuation of financial assets at fair value through profit or loss	6(19)	(2,039)	(6,688)
Expected credit impairment loss	12(2)	1,085	46
Share of profit of associates and joint ventures accounted for using equity method	6(6)	(25,613)	(1,631)
Losses on disposals of investments	6(19)	2,275	-
Losses on disposals of property, plant and equipment	6(19)	-	171
Depreciation charges on property, plant and equipment (including right-of-use assets)	6(20)	38,944	39,139
Amortisation	6(20)	3,150	5,903
Interest income		(4,752)	(4,732)
Interest expense		1,716	4,470
Dividend income		(12,614)	(13,594)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets measured at fair value through profit or loss, net		(7,790)	5,564
Notes receivable, net		(497)	(767)
Accounts receivable		(55,699)	(167,599)
Accounts receivable due from related parties, net		(964)	(249)
Other receivables		55	(43)
Inventories		(87,660)	(27,323)
Prepayments		(12,039)	(10,091)
Changes in operating liabilities			
Notes payable		510	334
Accounts payable		53,554	65,338
Accounts payable to related parties		(29,177)	(5,812)
Other payables		19,011	18,241
Provisions for liabilities - current		5,560	(2,559)
Other current liabilities		(2,129)	75
Other non-current liabilities		(1,817)	(6,597)
Cash inflow generated from operations		288,247	72,633
Interest received		4,752	4,732
Interest paid		(724)	(966)
Payment of income tax		(48,067)	(36,378)
Income taxes refund		247	7,793
Dividends received		27,496	13,594
Net cash flows from operating activities		<u>271,951</u>	<u>61,408</u>

(Continued)

CHANT SINCERE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through other comprehensive income		(\$ 154,976)	(\$ 59,906)
Proceeds from disposal of financial assets at fair value through other comprehensive income		64,096	143,056
(Increase) decrease in financial assets at amortised cost		(31,936)	11,329
Acquisition of investments accounted for using equity method		(40,766)	-
Disposal of investment proceeds using the equity method		18,042	-
Purchase of property, plant and equipment	6(24)	(102,325)	(54,753)
Increase in intangible assets	6(10)	(5,849)	(3,036)
Increase in refundable deposits		(2,431)	(1,138)
Decrease in refundable deposits		454	822
Net cash flows (used in) from investing activities		(255,691)	36,374
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term loans		5,000	-
Payments of lease liabilities	6(8)	(13,206)	(14,382)
Increase in guarantee deposits		-	1,522
Decrease in guarantee deposits		(133)	(78)
Cash dividends paid	6(16)	(158,712)	(108,039)
Change in non-controlling interests		(12,921)	13,000
Net cash flows used in financing activities		(179,972)	(107,977)
Effects due to changes in exchange rate		3,245	(1,557)
Net decrease in cash and cash equivalents		(160,467)	(11,752)
Cash and cash equivalents at beginning of year		987,940	999,692
Cash and cash equivalents at end of year		\$ 827,473	\$ 987,940

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

Attachment VII

Chant Sincere Co., Ltd.
Earning Distribution Table
2022

		Unit:NT\$
Beginning unappropriated earnings	\$	427,366,933
Add : Net income		321,972,008
Pension actuarial benefit		3,365,965
Disposal of equity instruments measured at fair value through other comprehensive income		91,451,060
Less : 10% legal reserve		(41,678,903)
Total available-for-distribution earnings		<hr/> 802,477,063
Distribution :		
Cash dividend		240,067,836
Undistributed earnings at the end of 2022	\$	<hr/> <hr/> 562,409,227

Chairman:
Lien-Hsi Wu

Manager:
Lien-Hsi Wu

Accounting Supervisor:
Mei-Hui Liao

Attachment VIII

Chant Sincere Co., Ltd.

Comparison of the Articles of the “Articles of Association” Before and After
Amendment

Amended Article	Current Article	Description
<p>Article 9 The Company holds two types of shareholder meeting. The general shareholders’ meeting is held by the board according to law once a year, within six months after the end of each accounting period. The extraordinary shareholders’ meetings may be held according to law whenever necessary. <u>The shareholders' meeting of the Company may be held by video conference or other means announced by the central competent authority.</u></p>	<p>Article 9 The Company holds two types of shareholder meeting. The general shareholders’ meeting is held by the board according to law once a year, within six months after the end of each accounting period. The extraordinary shareholders’ meetings may be held according to law whenever necessary.</p>	<p>Revised in compliance with Article 172-2 of the Company Act.</p>
<p>Article 20 If there is any surplus in the Company's annual accounts, it will be distributed in the following order. I. Appropriation for taxes. II. Making up for past losses. III. Allocating 10% as legal reserve. However, no further allocation will be required if the legal reserve has reached the total share capital <u>paid-in capital</u>. IV. Appropriating or reversing the special reserve in accordance with the law or regulations of the authority. V. For the rest, the board meeting shall formulate an earnings distribution plan in accordance with the dividend policy in Paragraph 2 of this Article; when the dividend is from</p>	<p>Article 20 If there is any surplus in the Company's annual accounts, it will be distributed in the following order. I. Appropriation for taxes. II. Making up for past losses. III. Allocating 10% as legal reserve. However, no further allocation will be required if the legal reserve has reached the total share capital. IV. Appropriating or reversing the special reserve in accordance with the law or regulations of the authority. V. For the rest, the board meeting shall formulate an earnings distribution plan in accordance with the dividend policy in Paragraph 2 of this Article; when the dividend is from issuing new shares, it shall be</p>	<p>Revised in compliance with Article 237 of the Company Act.</p>

<p>issuing new shares, it shall be submitted to the shareholders' meeting for resolution on the distribution.</p> <p>The following is abbreviated.</p>	<p>submitted to the shareholders' meeting for resolution on the distribution.</p> <p>The following is abbreviated.</p>	
<p>Article 20-1 In order to motivate employees and the management team, the Company shall allocate 2% 2% to 15% of the current pre-tax net profit before the deduction of employees' remuneration and directors' remuneration as employees' remuneration, and no more than 2% as director's remuneration. However, profits must first be taken to offset cumulative losses, if any.</p> <p>The following is abbreviated.</p>	<p>Article 20-1 In order to motivate employees and the management team, the Company shall allocate 5% to 15% of the current pre-tax net profit before the deduction of employees' remuneration and directors' remuneration as employees' remuneration, and no more than 2% as director's remuneration. However, profits must first be taken to offset cumulative losses, if any.</p> <p>The following is abbreviated.</p>	<p>In order to diversify employee incentive tools, adjust the allocation ratio of employees' remuneration.</p>
<p>The Articles of Association was established on March 31, 1986; the first revision was made on March 11, 1987, the second revision was made on August 15, 1987, the third revision was made on December 5, 1991, the fourth revision was made on July 1, 1992, the fifth amendment was made on October 3, 1992, the sixth amendment was made on March 21, 1997, the seventh amendment was made on September 16, 1997, the eighth amendment was on October 26, 1998, the ninth amendment was on January 12, 1999, the tenth amendment was on May 1, 1999, the eleventh amendment was made on April 7, 2000, the twelfth amendment was made on June 15, 2000, the thirteenth amendment was made on June 4, 2001, the fourteenth amendment was on January 8, 2002, the fifteenth amendment was on June 19, 2002, the sixteenth amendment was on June 10, 2003, the seventeenth amendment was on June 10, 2004,</p>	<p>The Articles of Association was established on March 31, 1986; the first revision was made on March 11, 1987, the second revision was made on August 15, 1987, the third revision was made on December 5, 1991, the fourth revision was made on July 1, 1992, the fifth amendment was made on October 3, 1992, the sixth amendment was made on March 21, 1997, the seventh amendment was made on September 16, 1997, the eighth amendment was on October 26, 1998, the ninth amendment was on January 12, 1999, the tenth amendment was on May 1, 1999, the eleventh amendment was made on April 7, 2000, the twelfth amendment was made on June 15, 2000, the thirteenth amendment was made on June 4, 2001, the fourteenth amendment was on January 8, 2002, the fifteenth amendment was on June 19, 2002, the sixteenth amendment was on June 10, 2003, the seventeenth amendment was on June 10, 2004,</p>	<p>Add revision date</p>

<p>the eighteenth amendment was on June 9, 2006, the nineteenth amendment was on June 6, 2007, the twentieth revision was made on June 13, 2008, the twenty-first revision was made on June 16, 2009, the twenty-second revision was made on June 25, 2010, the twenty-third amendment was made on June 12, 2012, the twenty-fourth amendment was made on June 18, 2013, the twenty-fifth amendment was made on June 20, 2014, the twenty-sixth amendment was on June 23, 2016, the twenty-seventh amendment was on June 19, 2019, the twenty-eighth revision was made on June 16, 2020, and the twenty-ninth revision was made on June 15, 2022, <u>and the thirty revision was made on June 14, 2023.</u></p>	<p>the eighteenth amendment was on June 9, 2006, the nineteenth amendment was on June 6, 2007, the twentieth revision was made on June 13, 2008, the twenty-first revision was made on June 16, 2009, the twenty-second revision was made on June 25, 2010, the twenty-third amendment was made on June 12, 2012, the twenty-fourth amendment was made on June 18, 2013, the twenty-fifth amendment was made on June 20, 2014, the twenty-sixth amendment was on June 23, 2016, the twenty-seventh amendment was on June 19, 2019, the twenty-eighth revision was made on June 16, 2020, and the twenty-ninth revision was made on June 15, 2022.</p>	
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Appendix I (Before Amendment)

Articles of Association, Chant Sincere Co., Ltd.

Chapter 1 General provisions

- Article 1 The Company is organized in accordance with the provisions of the Company Act, and is named Chant Sincere Co., Ltd.
- Article 2 Business activities of the Company are as follows:
1. CC01080 Electronic components manufacturing.
 2. CC01100 Telecom regulation radio frequency equipment manufacturing.
 3. F119010 Electronic materials wholesale.
 4. F219010 Electronic materials retail.
 5. F401010 International trade.
 6. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 2-1 The Company may make reinvestment externally and may become a shareholder of other limited liabilities company upon the board's resolution. The total reinvestment amount is not be subject to the reinvestment limit in Article 13 of the Company Act.
- Article 3 The head office of the Company is located in New Taipei City. If necessary, branch offices both at home or abroad may be established by the resolution of the board of directors.
- Article 4 The Company's public announcements shall be made in accordance with Article 28 of the Company Act.
- Article 4-1 Due to business needs, the Company may provide endorsements/guarantees in accordance with the Company's Procedures for Endorsements/Guarantees.

Chapter 2 Shares

- Article 5 The total rated capital of the Company is NT\$1 billion, divided into 100 million shares with a par value of NT\$10 per share. NTD38,500,000 is reserved in the amount of capital in the preceding paragraph, which is divided into 3,850,000 shares, each with an amount of NT\$10, which is reserved for the issuance of employee stock option certificates for the exercise of stock options. The shares may be issued in installments according to the resolution of the board meeting.
- Article 5-1 The Company's repurchased treasury shares may be transferred to employees at a price lower than the average price of the actually repurchased shares, provided that it is executed in accordance with relevant laws and regulations and the shareholders' meeting with the presence of shareholders representing more than half of the total number of issued shares, and with the approval of more than two-thirds of their voting rights.
- Article 6 The share certificates of the Company shall be registered and signed or stamped by the director representing the Company, and be certified before issuance. Shares of the Company may be exempted from physical printing, but shall be registered with the Taiwan Depository and Clearing Corporation.
- Article 7 Changes of registration or transfers of shares cannot be made within 60 days prior to a general shareholders' meetings, 30 days prior to extraordinary shareholders' meetings, or 5 days before the ex-dates of dividends or bonuses.

Article 8 Shares issued by the Company may be exchanged for large-denomination stocks, and the related stock affairs shall be handled in accordance with the relevant regulations of the competent authority.

Article 8-1 A shareholder's liability to the Company is limited to the full repayment of the share amount. If a shareholder abuses the Company's legal person status, thus causing the Company to bear specific debts which is obviously difficult to be paid off, and the circumstances are serious, the shareholder shall be responsible for paying off the debt.

Chapter 3 Shareholder meetings

Article 9 The Company holds two types of shareholder meeting. The general shareholders' meeting is held by the board according to law once a year, within six months after the end of each accounting period. The extraordinary shareholders' meetings may be held according to law whenever necessary.

Article 10 Shareholders unable to attend the meetings may offer to show a power of attorney issued by the Company, which specifies the scope of authorization and commission their representatives to attend the meetings.

Article 11 Each shareholder has one voting right per share, except in the circumstances specified in Article 179 of the Company Act.

Article 12 Unless otherwise stipulated in relevant laws and regulations, resolutions of a shareholders' meeting shall be adopted at a meeting attended by shareholders representing a majority of the total number of issued shares, with the approval of more than half of these shareholders' voting rights. Shareholders who exercise their voting rights electronically shall be deemed to have attended the meeting in person, and relevant matters shall be handled according to laws and regulations.

Article 12-1 If a shareholders' meeting is convened by the board, the meeting shall be chaired by the Chairman. When the Chairman is absent, the Chairman shall appoint a director as his agent; if no appointment is made, the directors shall select from among themselves one person to serve as chairperson. If the meeting is convened by a person not from the board but with the power to convene, the convening person shall be the chairperson of the meeting. When there are two or more such convening persons, they shall select a chairperson between themselves.

Article 12-2 The resolutions of the shareholders' meeting shall be recorded in the minutes, and such minutes shall be signed or stamped by the chairperson of the meeting and distributed to each shareholder with 20 days. The production and distribution of the minutes may be done electronically. The Company may distribute the minutes by entering them on the MOPS.

Article 12-3 If the Company wants to cancel its public offering, in addition to the approval of the board of directors, it must be approved in a shareholders' meeting with the presence of shareholders representing more than half of the total number of issued shares, and with the approval of more than two-thirds of their voting rights.

Chapter 4 Directors

Article 13 The Company had seven to nine seats of directors, who are elected via a candidate nomination system with a term of three years. The directors shall be elected at the shareholders' meeting from the list of director candidates via a cumulative voting system in accordance with the provisions of Article 198 of the Company Act, and re-election is allowed. However, the aggregate shareholding ratio of the directors shall comply with the regulations of the competent securities authorities.

When the Company re-elected its directors at the 2020 general shareholders' meeting, the Audit Committee was established in accordance with Article 14-4 of the Securities and Exchange Act, and the provisions of this Articles of Association regarding supervisors ceased to apply. The Audit Committee is composed of all independent directors, and the exercise of its functions and powers and related matters are in accordance with relevant laws and regulations.

- Article 13-1 In the above-mentioned number of directors of the Company, the number of independent directors shall not be less than three and not less than one-fifth of the number of directors. The candidate nomination system is adopted, and the shareholders shall select and appoint independent directors from the list of independent director candidates. Relevant laws of the securities authority govern restrictions concerning independent directors' eligibility, shareholding, concurrent employment, independence, nomination, method of election and all other compliance issues.
- Article 13-2 The board meeting shall be convened once a quarter, and the reason for convening shall be specified and the directors be notified seven days in advance; however, the meeting may be convened at any time in the event of an emergency. The notice of a board meeting may be sent via fax or e-mail instead of in writing.
- Article 14 The board of directors shall be organized by the directors, with more than two-thirds of the directors present and a majority of the directors present agree to elect a Chairman and a Vice-Chairman; the Chairman represents the Company externally. If the Chairman is on leave or unable to exercise the rights and responsibilities for any reason, an agent shall be assigned in accordance with the provisions of Article 208 of the Company Act.
- Article 15 A director who is unable to attend a board meeting may appoint another director to attend by issuing a power of attorney stating the scope of authorization with respect to the reasons for convening the meeting. The agent referred to in the previous paragraph may accept the appointment of only one person.
- Article 16 For the remuneration of the Chairman and directors, the board of directors is authorized to make a decision based on their level of participation in and contribution to the Company's operation, with reference to the industry standards at home and abroad. The Company may purchase liability insurance for directors.
- Article 16-1 Unless otherwise stipulated in the Company Act, a board resolution is passed only if more than half of total board members are present in the board meeting, with the approval of more than half of the attending directors.
- Article 16-2 After a director is elected, a filing shall be made to the competent authority regarding his holding of the Company's shares at the time of the election; during his term of office, if the director of the Company transfers more than half of his holding of the Company's shares which were held at the time of his election, the director shall be considered dismissed. When the directors of the Company increase or decrease their shareholdings during their term of office, they shall report it to the competent authority and make a public announcement. After being elected as a director of the Company, if the director transfers more than half of the Company's shares he held at the time of election before taking office, or transfers more than half of the shares held during the stock transfer suspension period for a shareholders' meeting, his election shall lose its effect.
- Article 16-3 The directors of the Company who set up or release the pledge of his shares shall immediately notify the Company, and the Company shall then report to the competent authority the change of the pledge within 15 days after the set up or release of the pledge. When the shares pledged by a director of the Company exceed one-half of his shares held at the time of election, he may not exercise the voting rights of the excess shares,

and these voting rights shall not be included in the total voting rights of the shareholders present at a board meeting.

Chapter 5 Managers

Article 17 The Company may, in accordance with the resolution of the board meeting, set up a Chief Strategy Officer and a Chief Executive Officer to coordinate the operation and decision-making of the Company and its related enterprises within the scope of the functions and powers, and set up a President and several other managers. Their appointment, dismissal and remuneration shall be handled in accordance with Article 29 of the Company Act.

Chapter 6 Accounting

Article 18 At the end of each fiscal year, the board of directors shall prepare the (I) business report, (II) financial statements, and (III) proposal of earnings distribution or loss compensation, and submit them to the Audit Committee 30 days before the general shareholders' meeting. After the review, it is submitted to the general shareholders' meeting for recognition.

Article 19 Deleted

Article 20 If there is any surplus in the Company's annual accounts, it will be distributed in the following order.

- I. Appropriation for taxes.
- II. Making up for past losses.
- III. Allocating 10% as legal reserve. However, no further allocation will be required if the legal reserve has reached the total share capital.
- IV. Appropriating or reversing the special reserve in accordance with the law or regulations of the authority.
- V. For the rest, the board meeting shall formulate an earnings distribution plan in accordance with the dividend policy in Paragraph 2 of this Article; when the dividend is from issuing new shares, it shall be submitted to the shareholders' meeting for resolution on the distribution.

The Company is in the business growth stage, and the policy of distributing dividends must take into account the Company's current and future investment environment, capital needs, domestic and international competition, capital budget and other factors, as well as the interests of shareholders and the balance between dividends and the Company's long-term financial planning. According to the law, the board meeting shall formulate a distribution proposal and submit it to the shareholders' meeting. The distribution of dividends to shareholders includes 20% to 100% of the total dividends from cash dividends and 0% to 80% of the total dividends from stock dividends.

In accordance with the provisions of Paragraph 5 of Article 240 of the Company Act, the Company authorizes the board meeting to decide on the distribution in cash all or part of the stock and cash dividends and bonuses, or the legal reserve and capital reserve prescribed in Paragraph 1, Article 241 of the Company Act, and report the decision to the shareholders' meeting; the board meeting shall be attended by more than two-thirds of the directors, and the resolution shall be approved by more than half of the directors present.

Article 20-1 In order to motivate employees and the management team, the Company shall allocate 5% to 15% of the current pre-tax net profit before the deduction of employees' remuneration and directors' remuneration as employees' remuneration, and no more than

2% as director's remuneration. However, profits must first be taken to offset cumulative losses, if any.

The employees' remuneration in the preceding paragraph may be in stock or in cash, and the recipients of the payment may include employees of subordinate companies who meet certain conditions set by the board meeting. The director's remuneration in the preceding paragraph may only be made in cash.

The distribution in the two paragraphs above is subject to a resolution of the board meeting attended by more than two-thirds of the directors, and the resolution shall be approved by more than half of the directors present and reported to the shareholders' meeting.

Chapter 7 Supplemental provisions

- Article 21 Matters not stipulated in this Articles of Association shall be handled in accordance with the provisions of the Company Act.
- Article 22 The Company's organizational rules and operating rules shall be separately formulated by the board of directors.
- Article 23 The Articles of Association was established on March 31, 1986; the first revision was made on March 11, 1987, the second revision was made on August 15, 1987, the third revision was made on December 5, 1991, the fourth revision was made on July 1, 1992, the fifth amendment was made on October 3, 1992, the sixth amendment was made on March 21, 1997, the seventh amendment was made on September 16, 1997, the eighth amendment was on October 26, 1998, the ninth amendment was on January 12, 1999, the tenth amendment was on May 1, 1999, the eleventh amendment was made on April 7, 2000, the twelfth amendment was made on June 15, 2000, the thirteenth amendment was made on June 4, 2001, the fourteenth amendment was on January 8, 2002, the fifteenth amendment was on June 19, 2002, the sixteenth amendment was on June 10, 2003, the seventeenth amendment was on June 10, 2004, the eighteenth amendment was on June 9, 2006, the nineteenth amendment was on June 6, 2007, the twentieth revision was made on June 13, 2008, the twenty-first revision was made on June 16, 2009, the twenty-second revision was made on June 25, 2010, the twenty-third amendment was made on June 12, 2012, the twenty-fourth amendment was made on June 18, 2013, the twenty-fifth amendment was made on June 20, 2014, the twenty-sixth amendment was on June 23, 2016, the twenty-seventh amendment was on June 19, 2019, the twenty-eighth revision was made on June 16, 2020, and the twenty-ninth revision was made on June 15, 2022.

Chant Sincere Co., Ltd.

Chairman: Lien-Hsi Wu

Appendix II

Chant Sincere Co., Ltd.

Directors' Shareholdings

The base date is the book-close date of the general shareholders' meeting on April 16, 2023.

I. The minimum shareholding to be held by all directors and the detailed list of the shareholdings per the shareholder register.

Position	Minimum shareholding	Shareholding per the shareholder register
Directors	6,402,291	10,452,005

II. Details of the shareholdings of directors

Position	Name	Shareholding per the shareholder register
Chairman	Lien-Hsi Wu	4,005,942
Directors	Ting-Ting Shih	1,368,054
Directors	Wu-Hsiung Chen	1,173,194
Directors	Chia-Hsiang Wu	1,587,041
Directors	Chun-Wei Wu	2,317,774
Subtotal		10,452,005
Independent directors	Ming-Lei Chang	0
Independent directors	Yin-Tien Wang	0
Independent directors	Chang-Lin Chan	0
Subtotal		0
Total		10,452,005

Note: The shareholdings of all directors have reached the legal percentage.

Other Remarks

Handling of shareholders' proposals for the current general shareholders' meeting:

Details:

1. According to Article 172, Paragraph 1 of the Company Act, shareholders that own more than 1% of the Company's outstanding shares are entitled to proposing only one motion up to 300 words to the general shareholders' meeting for discussion.
2. The Company had accepted shareholders' proposals for this year's annual general meeting from April 7 to April 17, 2023, with relevant announcements made on MOPS.
3. The Company did not receive any proposal from shareholders.