

Stock Code: 6016

康和綜合證券股份有限公司
Concord Securities Co. Ltd

**Handbook for the 2023 Annual
Meeting of Shareholders**
(Translations)

Time and Date: 9:00 a.m., Wednesday, June 7, 2023

Location: B2, No. 176, Sec. 1, Keelung Rd., Hsin-yi Dist., Taipei City

Shareholders meeting will be held by means of physical shareholders meeting

Table of Contents

I. Meeting Procedure.....	1
II.Meeting Agenda	
1. Reported matters.....	2
2. Acknowledged matters.....	3
3. Questions and Motions.....	5
III. Appendices	
1. 2022 Annual Business Report.....	7
2. Audit Committee’s Review Report.....	11
3. Independent Auditor’s Report.....	12
4. 2021 Financial Statements.....	20
5. The Table for Amended Articles of “The Ethical Corporate Management Best Practice Principles and The Table for Amended Articles of “The Ethical Corporate Management Operational Procedures and Guidelines”	37
6. Articles of Incorporation.....	41
7. Rules of Procedure for Shareholders Meeting.....	47
8. The Ethical Corporate Management Best Practice Principles and The Ethical Corporate Management Operational Procedures and Guidelines... ..	55
9. Shareholding of Directors	69

Concord Securities Co. Ltd

2023 Annual Shareholders' Meeting Agenda

Time : 9:00 a.m., Wednesday, June 7, 2023

Location: B2,No.176,Sec.1,Keelung Rd.,Hsin-yi Dist.,Taipei City

Shareholders meeting will be held by means of physical shareholders meeting

Call the Meeting to Order

Chairperson Remarks

Reported matters

1. 2022 Business Report.
2. Audit Committee's Review Report.
3. 2022 Employees and remuneration to directors assigned case report.
4. Amend the Company's "The Ethical Corporate Management Best Practice Principles" and "The Ethical Corporate Management Operational Procedures and Guidelines " report. .

Acknowledged matters.

1. 2022 Business Report and Financial Statements
2. The Proposal for 2022 Deficit Compensation

Questions and Motions

Adjournment

Reported matters

I. 2022 Business Report.

Explanation:

The 2022 Business Report is attached as Appendix 1(pp. 7 ~ 10)..

II. Audit Committee's Report

Explanation:

Audit Committee's Review Report is attached as Appendix 2 (pp.11).

III.2022 Employees and remuneration to directors assigned case report.

Explanation :

1. According to article 25 of the Articles of Incorporation, if the company is profitable for the year, it shall pay 1% to 3% of the employee's compensation, and not more than 5% of the directors' remuneration.
2. From the net profit before tax in 2022, the company listed NT\$112,000 in employee remuneration at 1.9% and NT\$290,000 in directors' compensation at 4.9%, both in cash.
3. The above allocation amounts are consistent with the estimated expense amount recognized in the financial statements for Fiscal Year 2022.

IV. Amend the Company's "The Ethical Corporate Management Best Practice Principles"and"The Ethical Corporate Management Operational Procedures and Guidelines " report.

Explanation :

1. " The Ethical Corporate Management Best Practice Principles " and " The Ethical Corporate Management Operational Procedures and Guidelines" have been revised to align with the internal organizational adjustments of the company.
2. Please refer to Annexes 5 (pages 37-40) for the comparison table of the revised articles.

Acknowledged matters:

Proposal 1: Proposed by the Board of Directors

Proposal: 2022 Business Report and Financial Statements

Explanation:

1. Concord Securities Co. Ltd's Financial Statements, including the balance sheet, income statement, statement of changes in shareholders' equity, and statement of cash flows, were audited by independent auditors, Pi-Yu Chuang and Hsiu-Chun Huang of Deloitte & Touche. Also Business Report and Financial Statements have been approved by the Board and examined by the Audit Committee.
2. Please refer to Annexes 1 to 4 (pages 7-36) of this manual for the above statements..
3. Kindly acknowledge.

Resolution:

Proposal 2: Proposed by the Board of Directors

Proposal: 2.The Proposal for 2022 Deficit Compensation

Explanation:

1. Our company's net loss after tax for the year ended on Year 2022 is NTD 148,734,626. In accordance with the regulations of the Company Law and the Company's Articles of Association, we have prepared the Profit Deficit Compensation Statement for the year ended on Year 2022, as attached in the schedule:

Concord Securities Co., Ltd. Deficit Compensation Statement 2022

(Unit: NTD\$)

Items	Total
Unappropriated retained earnings of prior years	17,077,929
Defined benefit plan remeasurement recognized in retained earnings	107,644,992
Disposal of equity instruments measured at fair value through other comprehensive income	(2,100,070)
Adjusted Undistributed Earnings	122,622,851
Net loss after tax for the year 2022	(148,734,626)
Deficit yet to be compensated – at the end of 2022	(26,111,775)
Items for compensating deficit:	
Statutory reserves	26,111,775
Special reserves	0
Undistributed surplus at the end of the period	0

Chairman: Cheng, Ta-Yu

President: Chiu, Jung-Cheng

Head of Accounting: Ho, Chia-Lin

2. The Profit Deficit Compensation Statement for the year ended on Year 2022 has been approved by the Board of Directors and submitted to the Audit Committee for review and completion.
3. Kindly acknowledge.

Resolution:

Questions and Motions

Adjournment

Appendices

1.2022 Annual Business Report

【General Macroeconomic Environment and Management Policy】

Looking back at 2022, although the world continued to be impacted by the COVID-19 pandemic, but with a general rebound in economic performance with the arrival of the post-pandemic era, corporate profits have climbed and the stock market has performed well in 2021. Therefore, countries around the world remained optimistic about economic development prospects in 2022. However, the Russian-Ukrainian war broke out in late February when Russia invaded Ukraine and still continues to this day. The global economy is paying a high price, including slowing economic growth and higher-than-expected price spikes, creating a serious inflationary problems around the world. To curb runaway inflation, the U.S. Federal Reserve (FED) has adopt a tightened monetary policy, seeing four consecutive 0.75 percentage point increases in interest rates. The Federal Funds Rate rose sharply from 0~0.25% at the beginning of the year to 4.25~4.5%, the most aggressive rate hike since the 1980s. Furthermore, the energy crisis in Europe, a wave of layoffs in the technology industry, and China's continued lockdown control policies have caused most stock markets around the world to experience double-digit declines in 2022. To sum up the performance of Taiwan stocks in FY2022, although the market hit a record high of 18,619.61 points on January 5 under a bullish investment sentiment in January, it was subsequently affected by the Russian-Ukraine war, hikes in inflation, and China's pandemic lockdown control and other negative factors, which caused a heavy drop in the overall volume of Taiwan stocks, with the total average daily volume of the centralized market and OTC market (excluding bonds) being NT\$304.13 billion, a significant decline of 36.2% from FY2021. The total market value of listed stocks was NT\$44.26 trillion, down NT\$12.02 trillion from NT\$56.28 trillion at the end of last year.

The Company has always adhered to its management philosophy of “integrity, stability, service, sustainability”. With the joint and concerted efforts of our employees and the steadfast support of our customers, we have continued to develop steadily. Last year, we launched an employee stock ownership trust in order to enhance the welfare of our employees and motivate them to improve the effectiveness of our operations, hoping to create a mutually beneficial situation for our employees, the Company and our shareholders. This year, the Company shall continue to build on its strengths, integrate resources in various securities services systems, build diversified revenues by focusing on core areas,

implement operational plans, enhance profitability, and strengthen our information systems with professional research and development capabilities to supplement the profitability of our major businesses such as “brokerage”, “underwriting”, and “proprietary dealer business”, and provide convenient, diversified and competitive products and high value-added financial services that exceed customers' expectations through continuous improvement and innovation, and strengthening internal control and risk management mechanisms.

【Business Operations and Achievements】

In recent years, the Company has been asking its business units to actively develop diversified revenue sources to increase profitability. In terms of the brokerage business, the market share of the Company's brokerage business was 0.94% and the market share of financing balance was 2.0% in FY2022. As a result of the shrinkage of trading volume, brokerage revenue has also shrunk. In addition to the active transition of the Company's business to wealth management business, we are planning to develop new businesses to increase profitability. In terms of underwriting business, due to the impact of the COVID-19 pandemic, it is still difficult to develop overseas business in Taiwan, but the domestic IPO underwriting business have performed well, acting as lead underwriter for Taiwan Super Topic International, Jioushun, Meribank, YI CHUN Green Technology, Merdury, and REGiMMUNE. The Company has also co-underwrote domestic IPOs such as IPEVO, Mortech, Jason's Entertainment, Revivegen Environmental Technology, Tan De Technology, and Game Hours Inc., which have all completed the signing process. On the proprietary dealing business, in 2022, due to the acceleration of interest rate hikes by central banks, led by the U.S. Federal Reserve, and the downward trend adjustment of asset valuation in major global stock markets, the proprietary business was able to benefit from portfolio management and risk control mechanisms, and was able to reduce its annual loss amidst the largest inflationary hike in the U.S. and Europe in 40 years and the increased tensions of cross-strait relations. In terms of bond business, 2022 was a difficult year for the global bond market. Taiwan's bond market has been going short since the central bank meeting in March when interest rates were raised. With the tightening of liquidity and the short-side pressure in the international bond market, market confidence in holding securities was weak, which affected investors' willingness to trade and thus limited the room for profit. In terms of new financial instruments business, the Company issued 1,230 warrants in 2022, an increase of 251 warrants from 2021, with a

total amount of NT\$8.482 billion. In addition to expanding the scale of warrant issuance and market-making business, we also continued to optimize various trading strategy modules and products.

【Profitability】

The Company reported consolidated revenue of NT\$2,056,778,000 in FY2022, net income after tax of NT\$143,700,000, translating to loss per share of NT\$0.25. At the end of FY2022, the total equity was NT\$7,897,771,000 and the net value per share was NT\$13.19. In terms of financial ratios, the Company has a current ratio of 108.85% and a debt ratio of 77.97%, showing a stable overall financial structure. The Company obtained a domestic long-term rating of A- (tw) and a domestic short-term rating of F2(tw) affirmed by Fitch Ratings in 2022, with the outlook remaining stable.

【Business Outlook】

The year 2023 is expected to be a year full of challenges and opportunities. The Company will continue to strengthen its corporate governance, instill the spirit and concrete actions of ESG into every employee and implement them in daily life, uphold the four management principles of the Company, strengthen the integration of the Group's resources, and achieve the goal of corporate sustainability. In addition, we shall focus on our core business and provide differentiated securities and financial services based on our key strengths to help our customers make the most comprehensive investment and financial planning and establish a long-term partnership with them for mutual growth. We shall also continue to strengthen the monitoring and management of the performance of each business unit and division, and carry out prudent risk control and internal control mechanisms to enhance the competitiveness of each business. On digitalized financial services, the Company has been actively recruiting professional IT talents in recent years, and has received recognition for a number of patents, demonstrating the results of our efforts in information security, financial technology and data innovation, so as to provide customers with more diversified and high-quality product choices. Looking ahead, the Company will not rule out the feasibility of various collaboration or new investment opportunities in the diversification of business development. We hope to increase our sources of profitability through business collaboration and diversified investment. The management team and all employees will continue to leverage

our influence as financial professionals to move toward the ESG management goals of responsible investment, inclusive finance, fair treatment of customers, friendly environment, social care, and due diligence.

Concord Securities Co., Ltd.

Chairman	Cheng, Ta-Yu
President	Chiu, Jung-Cheng
Head of Accounting	Ho, Chia-Lin

2. Audit Committee's Review Report

Concord Securities Co., Ltd. Audit Committee's Review Report

The Board of Directors has prepared the Corporation's 2022 Business Report, Financial Statements and Deficit Compensation Statement. The financial statements have been audited by Deloitte & Touche, for which they issued an auditors' report. The above reports have been reviewed and complied with regulations by the Audit Committee. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, we hereby submit this report.

Sincerely,
2023 Annual Shareholders' Meeting

Concord Securities Co., Ltd.
Convener of the Audit Committee
Huang, Tien-Chang

March 9, 2023

3. INDEPENDENT AUDITORS' REPORT

The Board of Directors and the Shareholders
Concord Securities Co., Ltd.

Opinion

We have audited the accompanying financial statements of Concord Securities Co., Ltd. (the "Corporation"), which comprise the balance sheets as of December 31, 2022 and 2021, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the Other Matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Firms and other regulations.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the 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 Financial Statements section of our report. We are independent of the Corporation 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 based on our audits and the reports of other auditors.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Corporation's financial statements for the year ended December 31, 2022 is as follows:

Accuracy of Brokerage Handling Fee Revenue

Brokerage handling fee revenue of the Corporation amounted to \$802,885 thousand in 2022. The calculation of discounts on brokerage handling fee revenue is complicated since it varies based on counterparties, ways of placing orders and transaction volume, and any calculation errors in the discounts will affect the accuracy of brokerage handling fee revenue. Therefore, the accuracy of brokerage handling fee revenue is identified as the key audit matter for the year ended December 31, 2022.

Refer to Notes 4, 23 and 28 to the financial statements for the accounting policies and disclosures related to brokerage handling fee revenue.

Brokerage handling fee revenue is mainly dependent on automatic calculation through information processing systems, where the control procedures for the input of discount rates and automatic calculation logic have a material impact on the calculation accuracy of brokerage handling fee revenue. We performed tests of controls to assess the process of recognition of discount on brokerage handling fee revenue, evaluated the design of the related controls, determined whether the controls have been implemented, and tested the operating effectiveness of the controls. Moreover, we verified the correctness of the recorded brokerage handling fee revenue by performing our own calculations on sampled transactions.

Other Matter

We did not audit the financial statements of some investments accounted for using equity method included in the financial statements for the years ended December 31, 2022 and 2021, but such financial statements were audited by other auditors. Therefore, our opinion, insofar as it relates to the amounts and other relevant information of the aforementioned investee companies as disclosed in the notes, is based solely on the report of other auditors. As of December 31, 2022 and 2021, the total investments in subsidiaries amounted to \$547,497 thousand and \$565,528 thousand, accounting for 1.77% and 1.66% of total assets, respectively; for the years ended December 31, 2022 and 2021, the share of the comprehensive loss of these subsidiaries amounted to \$18,032 thousand and \$11,886 thousand, which accounted for 15.65% and (0.86%) of the total comprehensive income or loss, respectively.

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

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

In preparing the financial statements, management is responsible for assessing the Corporation'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 Corporation 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 Corporation's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

1. Identify and assess the risks of material misstatement of the 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 Corporation'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 Corporation'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 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 Corporation to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Corporation to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the 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 financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Pi-Yu Chuang and Hsiu-Chun Huang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 9, 2023

Notice to Readers

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

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

INDEPENDENT AUDITORS' REPORT

The Board of Directors and the Shareholders
Concord Securities Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Concord Securities Co., Ltd. and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of 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 Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, other regulations, International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the 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 based on our audits and the reports of other auditors.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Group's consolidated financial statements for the year ended December 31, 2022 is as follows:

Accuracy of Brokerage Handling Fee Revenue

Brokerage handling fee revenue of the Group amounted to \$1,499,080 thousand in 2022. The calculation of discounts on brokerage handling fee revenue is complicated since it varies based on counterparties, ways of placing orders and transaction volume, and any calculation errors in the discounts will affect the accuracy of brokerage handling fee revenue. Therefore, the accuracy of brokerage handling fee revenue is identified as the key audit matter for the year ended December 31, 2022.

Refer to Notes 4, 27 and 32 to the consolidated financial statements for accounting policies and disclosures related to brokerage handling fee revenue.

Brokerage handling fee revenue is mainly dependent on automatic calculation through information processing systems, where the control procedures for the input of discount rates and automatic calculation logic have a material impact on the calculation accuracy of brokerage handling fee revenue. We performed tests of controls to assess the process of recognition of discount on brokerage handling fee revenue, evaluated the design of the related controls, determined whether the controls have been implemented, and tested the operating effectiveness of the controls. Moreover, we verified the correctness of the recorded brokerage handling fee revenue by performing our own calculations on sampled transactions.

Other Matter

We did not audit the financial statements of some of the Group's subsidiaries and investments accounted for using equity method included in the Group's consolidated financial statements for the years ended December 31, 2022 and 2021, but such financial statements were audited by other auditors. Therefore, our opinion, insofar as it relates to the amounts and other relevant information of the aforementioned investee companies as disclosed in the notes, is based solely on the report of other auditors. As of December 31, 2022 and 2021, the total assets of these subsidiaries and investments in associates amounted to \$548,093 thousand and \$565,763 thousand, accounting for 1.53% and 1.44% of consolidated total assets, respectively; for the years ended December 31, 2022 and 2021, no operating revenue was recognized, and the share of the comprehensive loss of these associates accounted for using equity method amounted to \$18,032 thousand and \$11,886 thousand, which accounted for 16.72% and (0.85%) of the consolidated total comprehensive income or loss, respectively.

We have also audited the parent company only financial statements of Concord Securities Co., Ltd. as of and for the years ended December 31, 2022 and 2021 on which we have issued an unmodified opinion with Other Matter paragraph.

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 Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, and other regulations, IFRS, IAS, IFRIC and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the 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 maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 and appropriate audit evidence regarding the financial information of 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 for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Pi-Yu Chuang and Hsiu-Chun Huang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 9, 2023

Notice to Readers

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

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

4.2021 Financial Statements

CONCORD SECURITIES CO., LTD.

BALANCE SHEETS DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

ASSETS	2022		2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents	\$ 4,398,025	14	\$ 1,197,568	4
Financial assets at fair value through profit or loss - current	7,885,625	26	8,585,042	25
Financial assets at fair value through other comprehensive income - current	177,633	1	27,802	-
Margin loans receivable	4,229,493	14	7,629,748	23
Refinancing margin	40,461	-	6,910	-
Refinancing collateral receivable	31,124	-	6,732	-
Security borrowing collateral price	960,904	3	523,023	2
Security borrowing margin	1,046,647	3	474,557	1
Notes receivable	95	-	146	-
Accounts receivable	4,422,355	14	6,861,166	20
Prepayments	8,031	-	8,205	-
Other receivables	7,037	-	6,372	-
Other financial assets - current	-	-	64,360	-
Restricted assets - current	165,705	1	317,157	1
Other current assets	160,445	-	1,698,812	5
Total current assets	<u>23,533,580</u>	<u>76</u>	<u>27,407,600</u>	<u>81</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current	3,181,959	10	2,554,574	7
Investments accounted for using equity method	1,976,551	7	1,901,340	6
Property and equipment	806,045	3	786,949	2
Right-of-use assets	108,173	-	118,230	-
Investment property	559,069	2	559,693	2
Intangible assets	18,973	-	9,181	-
Deferred tax assets	27,539	-	125,818	-
Net defined benefit assets - non-current	3,854	-	-	-
Other non-current assets	637,675	2	518,062	2
Total non-current assets	<u>7,319,838</u>	<u>24</u>	<u>6,573,847</u>	<u>19</u>
TOTAL	<u>\$ 30,853,418</u>	<u>100</u>	<u>\$ 33,981,447</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings	\$ 690,000	2	\$ 1,650,000	5
Commercial paper payable	5,222,701	17	4,164,759	12
Financial liabilities at fair value through profit or loss - current	2,522,930	8	2,761,630	8
Liabilities for bonds with attached repurchase agreements	4,498,096	15	4,098,467	12
Securities financing refundable deposits	675,595	2	313,901	1
Deposits payable for securities financing	620,246	2	503,833	2
Refinancing borrowings	100,240	-	1,800,556	5
Securities lending refundable deposits	16,185	-	-	-
Accounts payable	3,562,940	12	5,720,837	17
Other payables	199,782	1	662,468	2
Other financial liabilities - current	3,622,333	12	756,678	2
Current tax liabilities	34,665	-	119,458	1
Provisions - current	21,608	-	20,606	-
Lease liabilities - current	45,145	-	38,268	-
Other current liabilities	126,976	-	1,675,337	5
Total current liabilities	<u>21,959,442</u>	<u>71</u>	<u>24,286,798</u>	<u>72</u>
NON-CURRENT LIABILITIES				
Financial liabilities at fair value through profit or loss - non-current	913,241	3	520,297	1
Provisions - non-current	12,560	-	12,080	-
Lease liabilities - non-current	62,159	-	79,196	-
Deferred tax liabilities	63,871	1	776	-
Guarantee deposits received	3,811	-	3,794	-
Net defined benefit liabilities - non-current	-	-	203,511	1
Total non-current liabilities	<u>1,055,642</u>	<u>4</u>	<u>819,654</u>	<u>2</u>
Total liabilities	<u>23,015,084</u>	<u>75</u>	<u>25,106,452</u>	<u>74</u>
EQUITY				
Share capital	5,944,550	19	5,944,550	17
Capital surplus	175,320	1	175,320	1
Retained earnings				
Legal reserve	265,503	1	132,144	-
Special reserve	1,087,890	3	821,171	3
Unappropriated retained earnings (accumulated deficits)	(26,110)	-	1,338,562	4
Total retained earnings	<u>1,327,283</u>	<u>4</u>	<u>2,291,877</u>	<u>7</u>
Other equity	391,181	1	463,248	1
Total equity	<u>7,838,334</u>	<u>25</u>	<u>8,874,995</u>	<u>26</u>
TOTAL	<u>\$ 30,853,418</u>	<u>100</u>	<u>\$ 33,981,447</u>	<u>100</u>

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche auditors' report dated March 9, 2023)

CONCORD SECURITIES CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2022		2021	
	Amount	%	Amount	%
REVENUE				
Brokerage handling fee revenue	\$ 846,984	63	\$ 1,454,428	40
Income from securities lending	43,420	3	29,987	1
Revenue from underwriting commission	34,993	3	41,303	1
Gains (losses) on sale of operating securities, net	(1,827,681)	(137)	1,565,238	43
Revenue from providing agency service for stock affairs	26,669	2	24,999	1
Interest income	349,939	26	390,181	11
Dividend income	1,448,951	109	277,662	8
Valuation gains (losses) on operating securities at fair value through profit or loss, net	(650,731)	(49)	205,003	6
Gains (losses) on covering of borrowed securities and bonds with resale agreements - short sales, net	16,012	1	(145,953)	(4)
Valuation gains on borrowed securities and bonds with resale agreements - short sales at fair value through profit or loss, net	140,680	10	22,430	1
Gains (losses) on issuance of call (put) warrants, net	423,225	32	(163,570)	(5)
Futures commission income	11,724	1	12,869	-
Gains (losses) on derivative instruments - futures, net	(28,461)	(2)	656	-
Gains (losses) on derivative instruments - OTC, net	368,562	28	(106,235)	(3)
Impairment gains and reversal of impairment losses (impairment losses)	1,319	-	(3,081)	-
Other operating income	127,426	10	2,612	-
Total revenue	1,333,031	100	3,608,529	100
COSTS AND EXPENSES				
Brokerage handling fee expenses	(75,484)	(6)	(125,650)	(4)
Proprietary handling fee expenses	(11,821)	(1)	(10,319)	-
Refinancing handling fee expenses	(737)	-	(630)	-
Finance costs	(96,540)	(7)	(61,523)	(2)
Loss from securities borrowing transactions	(4,558)	-	(6,982)	-
Securities commission expenses	(6,370)	(1)	(8,512)	-
Clearing and settlement expenses	(3,880)	-	(4,462)	-
Other operating costs	(20,027)	(2)	(35,809)	(1)
Employee benefits expenses	(736,097)	(55)	(1,415,235)	(39)
Depreciation and amortization expenses	(79,319)	(6)	(76,849)	(2)
Other operating expenses	(493,249)	(37)	(483,308)	(14)
Total costs and expenses	(1,528,082)	(115)	(2,229,279)	(62)

(Continued)

CONCORD SECURITIES CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING PROFIT (LOSS)	<u>(195,051)</u>	<u>(15)</u>	<u>1,379,250</u>	<u>38</u>
NON-OPERATING INCOME AND EXPENSES				
Share of profit of subsidiaries accounted for using equity method	91,850	7	73,456	2
Other gains and losses	<u>108,724</u>	<u>8</u>	<u>91,329</u>	<u>3</u>
Total non-operating income and expenses	<u>200,574</u>	<u>15</u>	<u>164,785</u>	<u>5</u>
PROFIT BEFORE INCOME TAX	5,523	-	1,544,035	43
INCOME TAX EXPENSE	<u>(154,258)</u>	<u>(11)</u>	<u>(158,112)</u>	<u>(5)</u>
NET PROFIT (LOSS) FOR THE YEAR	<u>(148,735)</u>	<u>(11)</u>	<u>1,385,923</u>	<u>38</u>
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss				
Gains (losses) on remeasurement of defined benefit plans	133,142	10	(65,086)	(2)
Unrealized gains (losses) on investments in equity instruments measured at fair value through other comprehensive income	(29,820)	(2)	65,417	2
Share of other comprehensive income or loss of subsidiaries accounted for using equity method	48,731	3	(8,314)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>(26,628)</u>	<u>(2)</u>	<u>13,017</u>	<u>-</u>
	<u>125,425</u>	<u>9</u>	<u>5,034</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss				
Exchange differences on the translation of foreign operations	9,046	1	5,464	-
Unrealized losses on investments in debt instruments measured at fair value through other comprehensive income	(100,992)	(8)	(7,221)	-
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>-</u>	<u>-</u>	<u>(1,780)</u>	<u>-</u>
	<u>(91,946)</u>	<u>(7)</u>	<u>(3,537)</u>	<u>-</u>

(Continued)

CONCORD SECURITIES CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2022		2021	
	Amount	%	Amount	%
Other comprehensive income for the year, net of income tax	<u>33,479</u>	<u>2</u>	<u>1,497</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	<u>\$ (115,256)</u>	<u>(9)</u>	<u>\$ 1,387,420</u>	<u>38</u>
EARNINGS (LOSS) PER SHARE				
Basic	<u>\$ (0.25)</u>		<u>\$ 2.33</u>	
Diluted	<u>\$ (0.25)</u>		<u>\$ 2.32</u>	

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche auditors' report dated March 9, 2023)

(Concluded)

CONCORD SECURITIES CO., LTD.

**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)**

	Retained Earnings					Other Equity		Total Equity
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Retained Earnings (Accumulated Deficits)	Exchange Differences on the Translation of Foreign Operations	Unrealized Gains (Losses) on Financial Assets at Fair Value Through Other Comprehensive Income	
BALANCE AT JANUARY 1, 2021	\$ 5,944,550	\$ 175,307	\$ 28,684	\$ 614,251	\$ 1,040,583	\$ (11,116)	\$ 420,538	\$ 8,212,797
Appropriation of 2020 earnings								
Legal reserve	-	-	103,460	-	(103,460)	-	-	-
Special reserve	-	-	-	206,920	(206,920)	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(725,235)	-	-	(725,235)
Other changes in capital surplus								
Exercise of disgorgement	-	13	-	-	-	-	-	13
Net profit for the year ended December 31, 2021	-	-	-	-	1,385,923	-	-	1,385,923
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	(52,329)	3,684	50,142	1,497
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	1,333,594	3,684	50,142	1,387,420
BALANCE AT DECEMBER 31, 2021	5,944,550	175,320	132,144	821,171	1,338,562	(7,432)	470,680	8,874,995
Appropriation of 2021 earnings								
Legal reserve	-	-	133,359	-	(133,359)	-	-	-
Special reserve	-	-	-	266,719	(266,719)	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(921,405)	-	-	(921,405)
Net loss for the year ended December 31, 2022	-	-	-	-	(148,735)	-	-	(148,735)
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	107,646	9,046	(83,213)	33,479
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	(41,089)	9,046	(83,213)	(115,256)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(2,100)	-	2,100	-
BALANCE AT DECEMBER 31, 2022	<u>\$ 5,944,550</u>	<u>\$ 175,320</u>	<u>\$ 265,503</u>	<u>\$ 1,087,890</u>	<u>\$ (26,110)</u>	<u>\$ 1,614</u>	<u>\$ 389,567</u>	<u>\$ 7,838,334</u>

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche auditors' report dated March 9, 2023)

CONCORD SECURITIES CO., LTD.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 5,523	\$ 1,544,035
Adjustments for:		
Depreciation expense	72,666	71,259
Amortization expense	6,653	5,590
Expected credit loss (gain)	(1,319)	3,081
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	512,992	(227,433)
Finance costs	96,540	61,523
Interest income (including financial income)	(359,621)	(395,080)
Dividend income	(1,470,404)	(295,804)
Share of profit of subsidiaries accounted for using equity method	(91,850)	(73,456)
Gain on disposal of property and equipment	-	(324)
Loss on disposal of investments	-	8,495
Changes in operating assets and liabilities		
Decrease in financial assets at fair value through profit or loss	45,922	1,783,709
Decrease (increase) in margin loans receivable	3,401,223	(2,934,946)
Decrease (increase) in refinancing margin	(33,551)	10,404
Decrease (increase) in refinancing collateral receivable	(24,392)	7,730
Increase in security borrowing collateral price	(437,881)	(93,411)
Increase in security borrowing margin	(572,090)	(85,378)
Decrease (increase) in notes receivable	51	(82)
Decrease (increase) in accounts receivable	2,441,183	(945,875)
Decrease (increase) in prepayments	174	(1,698)
Increase in net defined benefit assets	(3,854)	-
Decrease (increase) in other receivables	428	(1,996)
Decrease in other financial assets	64,360	134,438
Decrease (increase) in other current assets	1,689,819	(1,521,946)
Increase (decrease) in liabilities for bonds with attached repurchase agreements	399,629	(780,901)
Increase in financial liabilities at fair value through profit or loss	294,669	1,353,250
Increase (decrease) in securities financing refundable deposits	361,694	(81,425)
Increase in deposits payable for securities financing	116,413	68,663
Increase (decrease) in refinancing borrowings	(1,700,316)	1,800,556
Increase in securities lending refundable deposits	16,185	-
Decrease in accounts payable	(2,161,627)	(1,766,131)
Increase (decrease) in other payables	(462,542)	198,003
Decrease in net defined benefit liabilities	(70,369)	(41,559)
Increase in provisions	887	359
Increase in other financial liabilities	2,865,655	756,678
Increase (decrease) in other current liabilities	<u>(1,548,361)</u>	<u>1,424,131</u>
Cash generated from (used in) operations	3,454,489	(15,541)
Interest received	356,484	394,826
Dividends received	1,448,632	278,976
Interest paid	(107,326)	(60,657)

(Continued)

CONCORD SECURITIES CO., LTD.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
Income tax paid	<u>(104,305)</u>	<u>(43,492)</u>
Net cash generated from operating activities	<u>5,047,974</u>	<u>554,112</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(1,059,750)	(584,825)
Proceeds from disposal of financial assets at fair value through other comprehensive income	147,249	15,781
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	1,526	4,329
Proceeds from disposal of investments accounted for using equity method	-	180,681
Acquisition of property and equipment	(47,349)	(20,785)
Proceeds from disposal of property and equipment	-	675
Increase in clearing and settlement fund	-	(22,259)
Decrease in clearing and settlement fund	5,842	-
Increase in refundable deposits	(131,288)	(8,040)
Acquisition of intangible assets	(8,697)	(3,811)
Increase in other non-current assets	(2,615)	(10,816)
Dividends received	<u>86,822</u>	<u>95,055</u>
Net cash used in investing activities	<u>(1,008,260)</u>	<u>(354,015)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	-	1,260,000
Decrease in short-term borrowings	(960,000)	-
Increase in commercial papers payable	1,073,000	-
Decrease in commercial papers payable	-	(2,393,000)
Increase in guarantee deposits received	17	10
Payments of lease liabilities	(43,055)	(45,362)
Cash dividends paid	(921,405)	(725,235)
Exercise of disgorgement	<u>-</u>	<u>13</u>
Net cash used in financing activities	<u>(851,443)</u>	<u>(1,903,574)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>12,186</u>	<u>5,450</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,200,457	(1,698,027)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,197,568</u>	<u>2,895,595</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 4,398,025</u>	<u>\$ 1,197,568</u>

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche auditors' report dated March 9, 2023)

(Concluded)

CONCORD SECURITIES CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

ASSETS	2022		2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents	\$ 4,588,277	13	\$ 1,655,266	4
Financial assets at fair value through profit or loss - current	7,935,375	22	8,609,633	22
Financial assets at fair value through other comprehensive income - current	177,633	1	27,802	-
Margin loans receivable	4,229,493	12	7,629,748	20
Refinancing margin	40,461	-	6,910	-
Refinancing collateral receivable	31,124	-	6,732	-
Customer margin account	4,790,287	13	5,203,109	13
Futures exchanges margins receivable	12	-	26	-
Security borrowing collateral price	960,904	3	523,023	1
Security borrowing margin	1,046,647	3	474,557	1
Notes and accounts receivable	4,428,567	12	6,864,196	18
Prepayments	9,149	-	9,179	-
Other receivables	54,615	-	85,574	-
Other financial assets - current	646,120	2	388,760	1
Current tax assets	1,263	-	1,261	-
Restricted assets - current	167,705	1	319,157	1
Other current assets	160,577	-	1,698,831	4
Total current assets	<u>29,268,209</u>	<u>82</u>	<u>33,503,764</u>	<u>85</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current	3,535,019	10	2,851,904	7
Investments accounted for using equity method	546,741	1	561,421	2
Property and equipment	1,051,657	3	1,033,293	3
Right-of-use assets	117,489	-	123,136	-
Investment property	319,975	1	322,787	1
Intangible assets	65,137	-	49,734	-
Deferred tax assets	29,090	-	132,596	-
Net defined benefit assets - non-current	3,854	-	-	-
Other non-current assets	909,856	3	810,213	2
Total non-current assets	<u>6,578,818</u>	<u>18</u>	<u>5,885,084</u>	<u>15</u>
TOTAL	<u>\$ 35,847,027</u>	<u>100</u>	<u>\$ 39,388,848</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings	\$ 690,000	2	\$ 1,650,000	4
Commercial paper payable	5,222,701	15	4,164,759	11
Financial liabilities at fair value through profit or loss - current	2,522,930	7	2,761,630	7
Liabilities for bonds with attached repurchase agreements	4,498,096	13	4,098,467	10
Securities financing refundable deposits	675,595	2	313,901	1
Deposits payable for securities financing	620,246	2	503,833	1
Refinancing borrowings	100,240	-	1,800,556	5
Securities lending refundable deposits	16,185	-	-	-
Futures traders' equity	4,769,767	13	5,145,251	13
Accounts payable	3,580,010	10	5,739,177	15
Other payables	277,062	1	805,802	2
Other financial liabilities - current	3,622,333	10	756,678	2
Current tax liabilities	54,513	-	119,459	-
Provisions - current	26,186	-	25,092	-
Lease liabilities - current	49,337	-	39,898	-
Other current liabilities	162,146	-	1,708,308	4
Total current liabilities	<u>26,887,347</u>	<u>75</u>	<u>29,632,811</u>	<u>75</u>
NON-CURRENT LIABILITIES				
Financial liabilities at fair value through profit or loss - non-current	913,241	3	520,297	1
Provisions - non-current	12,560	-	12,080	-
Lease liabilities - non-current	67,305	-	82,426	-
Deferred tax liabilities	63,871	-	776	-
Guarantee deposits received	2,468	-	2,468	-
Net defined benefit liabilities - non-current	2,464	-	208,010	1
Total non-current liabilities	<u>1,061,909</u>	<u>3</u>	<u>826,057</u>	<u>2</u>
Total liabilities	<u>27,949,256</u>	<u>78</u>	<u>30,458,868</u>	<u>77</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION				
Share capital	5,944,550	17	5,944,550	15
Capital surplus	175,320	-	175,320	1
Retained earnings				
Legal reserve	265,503	1	132,144	-
Special reserve	1,087,890	3	821,171	2
Unappropriated retained earnings (accumulated deficits)	(26,110)	-	1,338,562	4
Total retained earnings	<u>1,327,283</u>	<u>4</u>	<u>2,291,877</u>	<u>6</u>
Other equity	391,181	1	463,248	1
Total equity attributable to owners of the Corporation	7,838,334	22	8,874,995	23
NON-CONTROLLING INTERESTS	59,437	-	54,985	-
Total equity	<u>7,897,771</u>	<u>22</u>	<u>8,929,980</u>	<u>23</u>
TOTAL	<u>\$ 35,847,027</u>	<u>100</u>	<u>\$ 39,388,848</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated March 9, 2023)

CONCORD SECURITIES CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2022		2021	
	Amount	%	Amount	%
REVENUE				
Brokerage handling fee revenue	\$ 1,543,234	75	\$ 2,126,601	49
Income from securities lending	43,420	2	29,987	1
Revenue from underwriting commission	34,993	2	41,303	1
Gains (losses) on sale of operating securities, net	(1,827,681)	(89)	1,565,238	36
Revenue from providing agency service for stock affairs	26,633	1	24,963	1
Interest income	349,939	17	390,181	9
Dividend income	1,448,951	71	277,662	6
Valuation gains (losses) on operating securities at fair value through profit or loss, net	(650,731)	(32)	205,003	5
Gains (losses) on covering of borrowed securities and bonds with resale agreements - short sales, net	16,012	1	(145,953)	(3)
Valuation gains on borrowed securities and bonds with resale agreements - short sales at fair value through profit or loss, net	140,680	7	22,430	-
Gains (losses) on issuance of call (put) warrants, net	423,225	21	(163,570)	(4)
Gains (losses) on derivative instruments - futures, net	(15,172)	(1)	8,507	-
Gains (losses) on derivative instruments - OTC, net	368,562	18	(106,235)	(2)
Futures administrative fee revenues	1	-	-	-
Impairment gains and reversal of impairment losses (impairment losses)	3,707	-	(2,935)	-
Other operating income	<u>151,005</u>	<u>7</u>	<u>25,663</u>	<u>1</u>
Total revenue	<u>2,056,778</u>	<u>100</u>	<u>4,298,845</u>	<u>100</u>
COSTS AND EXPENSES				
Brokerage handling fee expenses	(199,517)	(10)	(265,285)	(6)
Proprietary handling fee expenses	(12,584)	(1)	(11,472)	-
Refinancing handling fee expenses	(737)	-	(630)	-
Finance costs	(96,734)	(5)	(61,729)	(2)
Loss from securities borrowing transactions	(4,558)	-	(6,982)	-
Futures commission expenses	(88,377)	(4)	(62,427)	(2)
Clearing and settlement expenses	(85,498)	(4)	(96,780)	(2)
Other operating costs	(25,542)	(1)	(42,110)	(1)
Employee benefits expenses	(965,708)	(47)	(1,619,899)	(38)
Depreciation and amortization expenses	(92,252)	(4)	(90,891)	(2)
Other operating expenses	<u>(587,321)</u>	<u>(29)</u>	<u>(570,412)</u>	<u>(13)</u>
Total costs and expenses	<u>(2,158,828)</u>	<u>(105)</u>	<u>(2,828,617)</u>	<u>(66)</u>

(Continued)

CONCORD SECURITIES CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING PROFIT (LOSS)	<u>(102,050)</u>	<u>(5)</u>	<u>1,470,228</u>	<u>34</u>
NON-OPERATING INCOME AND EXPENSES				
Share of loss of associates accounted for using equity method	(8,844)	-	(7,050)	-
Other gains and losses	<u>147,558</u>	<u>7</u>	<u>105,169</u>	<u>2</u>
Total non-operating income and expenses	<u>138,714</u>	<u>7</u>	<u>98,119</u>	<u>2</u>
PROFIT BEFORE INCOME TAX	36,664	2	1,568,347	36
INCOME TAX EXPENSE	<u>(180,364)</u>	<u>(9)</u>	<u>(178,245)</u>	<u>(4)</u>
NET PROFIT (LOSS) FOR THE YEAR	<u>(143,700)</u>	<u>(7)</u>	<u>1,390,102</u>	<u>32</u>
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss				
Gains (losses) on remeasurement of defined benefit plans	134,620	6	(65,425)	(1)
Unrealized gains on investments in equity instruments measured at fair value through other comprehensive income	25,910	1	58,708	1
Share of other comprehensive loss of associates accounted for using equity method	(5,836)	-	(1,659)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>(26,924)</u>	<u>(1)</u>	<u>13,085</u>	<u>-</u>
	<u>127,770</u>	<u>6</u>	<u>4,709</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss				
Exchange differences on the translation of foreign operations	9,046	1	5,464	-
Unrealized losses on investments in debt instruments measured at fair value through other comprehensive income	(100,992)	(5)	(7,221)	-
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>-</u>	<u>-</u>	<u>(1,780)</u>	<u>-</u>
	<u>(91,946)</u>	<u>(4)</u>	<u>(3,537)</u>	<u>-</u>

(Continued)

CONCORD SECURITIES CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2022		2021	
	Amount	%	Amount	%
Other comprehensive income for the year, net of income tax	35,824	2	1,172	-
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	\$ (107,876)	(5)	\$ 1,391,274	32
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Corporation	\$ (148,735)	(7)	\$ 1,385,923	32
Non-controlling interests	5,035	-	4,179	-
	\$ (143,700)	(7)	\$ 1,390,102	32
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Corporation	\$ (115,256)	(5)	\$ 1,387,420	32
Non-controlling interests	7,380	-	3,854	-
	\$ (107,876)	(5)	\$ 1,391,274	32
EARNINGS (LOSS) PER SHARE				
Basic	\$ (0.25)		\$ 2.33	
Diluted	\$ (0.25)		\$ 2.32	

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

(With Deloitte & Touche auditors' report dated March 9, 2023)

(Concluded)

CONCORD SECURITIES CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Corporation					Other Equity		Total	Non-controlling Interests	Total Equity
	Share Capital	Capital Surplus	Retained Earnings			Exchange Differences on the Translation of Foreign Operations	Unrealized Gains (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income			
			Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficits)					
BALANCE AT JANUARY 1, 2021	\$ 5,944,550	\$ 175,307	\$ 28,684	\$ 614,251	\$ 1,040,583	\$ (11,116)	\$ 420,538	\$ 8,212,797	\$ 54,577	\$ 8,267,374
Appropriation of 2020 earnings										
Legal reserve	-	-	103,460	-	(103,460)	-	-	-	-	-
Special reserve	-	-	-	206,920	(206,920)	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(725,235)	-	-	(725,235)	-	(725,235)
Other changes in capital surplus										
Exercise of disgorgement	-	13	-	-	-	-	-	13	-	13
Net profit for the year ended December 31, 2021	-	-	-	-	1,385,923	-	-	1,385,923	4,179	1,390,102
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	(52,329)	3,684	50,142	1,497	(325)	1,172
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	1,333,594	3,684	50,142	1,387,420	3,854	1,391,274
Change in non-controlling interests	-	-	-	-	-	-	-	-	(3,446)	(3,446)
BALANCE AT DECEMBER 31, 2021	5,944,550	175,320	132,144	821,171	1,338,562	(7,432)	470,680	8,874,995	54,985	8,929,980
Appropriation of 2021 earnings										
Legal reserve	-	-	133,359	-	(133,359)	-	-	-	-	-
Special reserve	-	-	-	266,719	(266,719)	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(921,405)	-	-	(921,405)	-	(921,405)
Net loss for the year ended December 31, 2022	-	-	-	-	(148,735)	-	-	(148,735)	5,035	(143,700)
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	107,646	9,046	(83,213)	33,479	2,345	35,824
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	(41,089)	9,046	(83,213)	(115,256)	7,380	(107,876)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(2,100)	-	2,100	-	-	-
Change in non-controlling interests	-	-	-	-	-	-	-	-	(2,928)	(2,928)
BALANCE AT DECEMBER 31, 2022	<u>\$ 5,944,550</u>	<u>\$ 175,320</u>	<u>\$ 265,503</u>	<u>\$ 1,087,890</u>	<u>\$ (26,110)</u>	<u>\$ 1,614</u>	<u>\$ 389,567</u>	<u>\$ 7,838,334</u>	<u>\$ 59,437</u>	<u>\$ 7,897,771</u>

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

(With Deloitte & Touche audit report dated March 9, 2023)

CONCORD SECURITIES CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 36,664	\$ 1,568,347
Adjustments for:		
Depreciation expense	81,017	80,840
Amortization expense	11,235	10,051
Expected credit loss (gain)	(3,707)	2,935
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	514,989	(227,423)
Finance costs	96,734	61,729
Interest income (including financial income)	(387,663)	(410,286)
Dividend income	(1,478,597)	(303,219)
Share of loss of associates accounted for using equity method	8,844	7,050
Loss (gain) on disposal of property and equipment	9	(324)
Loss (gain) on disposal of investments	(33)	8,476
Changes in operating assets and liabilities		
Decrease in financial assets at fair value through profit or loss	18,799	1,785,517
Decrease (increase) in margin loans receivable	3,401,223	(2,934,946)
Decrease (increase) in refinancing margin	(33,551)	10,404
Decrease (increase) in refinancing collateral receivable	(24,392)	7,730
Decrease (increase) in customer margin account	412,822	(1,185,929)
Decrease in futures exchanges margins receivable	2,402	120
Increase in security borrowing collateral price	(437,881)	(93,411)
Increase in security borrowing margin	(572,090)	(85,378)
Decrease (increase) in notes receivable	51	(82)
Decrease (increase) in accounts receivable	2,437,950	(946,034)
Decrease (increase) in prepayments	30	(1,731)
Increase in net defined benefit assets	(3,854)	-
Decrease (increase) in other receivables	33,303	(27,583)
Decrease (increase) in other financial assets	(257,360)	218,139
Decrease (increase) in other current assets	1,689,706	(1,521,755)
Increase (decrease) in liabilities for bonds with attached repurchase agreements	399,629	(780,901)
Increase in financial liabilities at fair value through profit or loss	294,669	1,351,261
Increase (decrease) in securities financing refundable deposits	361,694	(81,425)
Increase in deposits payable for securities financing	116,413	68,663
Increase (decrease) in refinancing borrowings	(1,700,316)	1,800,556
Increase in securities lending refundable deposits	16,185	-
Increase (decrease) in futures traders' equity	(375,484)	1,142,578
Decrease in accounts payable	(2,162,897)	(1,768,633)
Increase (decrease) in other payables	(528,596)	260,556
Decrease in net defined benefit liabilities	(97,900)	(28,555)
Increase in provisions	979	570
Increase in other financial liabilities	2,865,655	756,678
Increase (decrease) in other current liabilities	<u>(1,546,162)</u>	<u>1,428,842</u>
Cash generated from operations	3,190,519	173,427

Continued)

CONCORD SECURITIES CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022	2021
Interest received	383,275	410,431
Dividends received	1,448,632	278,976
Interest paid	(107,389)	(60,792)
Income tax paid	<u>(78,711)</u>	<u>(54,441)</u>
Net cash generated from operating activities	<u>4,836,326</u>	<u>747,601</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(1,059,750)	(584,825)
Proceeds from disposal of financial assets at fair value through other comprehensive income	147,249	15,781
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	1,526	4,329
Acquisition of property and equipment	(48,581)	(23,684)
Proceeds from disposal of property and equipment	5	675
Increase in clearing and settlement fund	-	(20,044)
Decrease in clearing and settlement fund	17,257	-
Increase in refundable deposits	(124,503)	(17,833)
Acquisition of intangible assets	(16,030)	(7,782)
Increase in other non-current assets	(3,705)	(12,625)
Dividends received	<u>29,646</u>	<u>25,557</u>
Net cash used in investing activities	<u>(1,056,886)</u>	<u>(620,451)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	-	1,260,000
Decrease in short-term borrowings	(960,000)	-
Increase in commercial paper payable	1,073,000	-
Decrease in commercial paper payable	-	(2,393,000)
Increase in guarantee deposits received	-	10
Payments of lease liabilities	(47,332)	(49,856)
Cash dividends paid	(921,405)	(725,235)
Change in non-controlling interests	(2,928)	(3,446)
Exercise of disgorgement	<u>-</u>	<u>13</u>
Net cash used in financing activities	<u>(858,665)</u>	<u>(1,911,514)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
	<u>12,236</u>	<u>5,480</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,933,011	(1,778,884)

(Continued)

CONCORD SECURITIES CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,655,266</u>	<u>3,434,150</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 4,588,277</u>	<u>\$ 1,655,266</u>

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

(With Deloitte & Touche auditors' report dated March 9, 2023)

5. The Table for Amended Articles of “The Ethical Corporate Management Best Practice Principles”

Revised Article	Current Version	Explanation
<p>Article 17</p> <p>The directors, supervisors, managers, employees, mandataries, and substantial controllers of The Company shall exercise the due care of good administrators to urge the company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.</p> <p>To achieve sound ethical corporate management, The Board <u>Secretary's office</u> is responsible for coordinating with all units to ensure the implementation of the integrity management policies. Each unit is responsible for allocating sufficient resources and personnel to carry out their duties, collaborating with one another to develop and supervise the implementation of integrity management policies and prevention measures. The specialized unit is required to report to the Board at least once a year.:</p> <ol style="list-style-type: none"> 1.Assisting in incorporating ethics and moral values into the company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations. 2.Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business scope, adopting accordingly programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the company's operations and business. 3.Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct. 4.Promoting and coordinating awareness and educational activities with respect to ethics policy. 5.Developing a whistle-blowing system and ensuring its operating effectiveness. 6.Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures. 	<p>Article 17</p> <p>The directors, supervisors, managers, employees, mandataries, and substantial controllers of The Company shall exercise the due care of good administrators to urge the company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.</p> <p>To achieve sound ethical corporate management, The Board <u>Chairman Office</u> is responsible for coordinating with all units to ensure the implementation of the integrity management policies. Each unit is responsible for allocating sufficient resources and personnel to carry out their duties, collaborating with one another to develop and supervise the implementation of integrity management policies and prevention measures. The specialized unit is required to report to the Board at least once a year.:</p> <ol style="list-style-type: none"> 1.Assisting in incorporating ethics and moral values into the company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations. 2.Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business scope, adopting accordingly programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the company's operations and business. 3.Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct. 4.Promoting and coordinating awareness and educational activities with respect to ethics policy. 5.Developing a whistle-blowing system and ensuring its operating effectiveness. 6.Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures. 	<p>Cooperate with the company's internal organization and operation adjustment</p>

The Table for Amended Articles of “The Ethical Corporate Management Operational Procedures and Guidelines ”

Revised Article	Current Version	Explanation
<p>Article 5 The Company assigns the <u>Secretary's office</u> as the dedicated unit that is in charge of establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The dedicated unit shall be in charge of the following matters, and shall report to the board of directors on a regular basis (at least once a year):</p> <ol style="list-style-type: none"> 1. Assisting in incorporating ethics and moral values into the company’s business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations. 2. <u>All responsible units are required to analysing and assessing the risks of unethical conduct within the business scope on a regular basis and accordingly adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to this Corporation's operations and business..</u> 3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct. 4. Promoting and coordinating awareness and educational activities with respect to ethics policy. 5. Developing a whistle-blowing system and ensuring its operating effectiveness. 6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures. 7. <u>Preparing and retaining properly documented information such as ethical management policy and compliance statements, situations concerning the performance of undertakings and enforcement etc.</u> 	<p>Article 5 The Company assigns the <u>Chairman Office</u> as the dedicated unit that is in charge of establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The dedicated unit shall be in charge of the following matters, and shall report to the board of directors on a regular basis (at least once a year):</p> <ol style="list-style-type: none"> 1. Assisting in incorporating ethics and moral values into the company’s business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations. 2. <u>Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business scope, adopting accordingly programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the company's operations and business.</u> 3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct. 4. Promoting and coordinating awareness and educational activities with respect to ethics policy. 5. Developing a whistle-blowing system and ensuring its operating effectiveness. 6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures. 	<ol style="list-style-type: none"> 1. Cooperate with the company's internal organization and operation adjustment. 2. Cooperate with " Sample Template for XXX Co., Ltd. Procedures for Ethical Management and Guidelines for Conduct" repair just.

<p>Article 11 When a Company director , officer or other stakeholder attending or present at a board meeting, or the juristic person represented thereby, has a stake in a <u>matter under discussion in the meeting</u> , that director, officer or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of The Company would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner. <u>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.</u> When Company personnel implement company business and discover themselves or the juristic person that they represent have conflict of interests, or possibly obtain improper benefits for themselves, their spouses, parents, children or any other person is an interested party, they shall report the relevant situation to the department superior and the Company’s Dedicated Unit, and the department superior shall offer proper guidance. The Company personnel shall neither put the Company’s resources in business activities that are irrelevant to the Company, nor affect their working performance from participating in business activities that are irrelevant to the Company.</p>	<p>Article 11 When a Company director , supervisor, officer or other stakeholder attending or present at a board meeting, or the juristic person represented thereby, has a stake in a <u>proposal at the meeting</u> , that director, supervisor, officer or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of The Company would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner. When Company personnel implement company business and discover themselves or the juristic person that they represent have conflict of interests, or possibly obtain improper benefits for themselves, their spouses, parents, children or any other person is an interested party, they shall report the relevant situation to the department superior and the Company’s Dedicated Unit, and the department superior shall offer proper guidance. The Company personnel shall neither put the Company’s resources in business activities that are irrelevant to the Company, nor affect their working performance from participating in business activities that are irrelevant to the Company.</p>	<ol style="list-style-type: none"> 1. Discretionary revision of the first word of this article. 2. Cooperate with " Sample Template for XXX Co., Ltd. Procedures for Ethical Management and Guidelines for Conduct" repair just.
<p>Article 12 All units of the Company shall pay attention to the operations of the management, storage, and security of the Company’s trade secrets, trademarks, patents, and other intellectual properties in each unit. <u>All personnel of The Company shall faithfully follow the operational directions pertaining to intellectual properties as mentioned in the preceding paragraph and may not disclose to any other party any trade secrets, trademarks, patents, works, and other intellectual properties of this Corporation of which they have learned, nor may they inquire about or collect any trade secrets, trademarks, patents, and other intellectual properties of this Corporation unrelated to their individual duties.</u></p>	<p>Article 12 All units of the Company shall pay attention to the operations of the management, storage, and security of the Company’s trade secrets, trademarks, patents, and other intellectual properties in each unit.</p>	<p>The original article 13 is adjusted to the second item of this article</p>
<p>Article 13 <u>The company shall engage in business activities in accordance with the Fair Trade Act and relevant competition laws and shall not engage in unfair competition.</u></p>	<p>Article 13 All personnel of The Company shall faithfully follow the operational directions pertaining to intellectual properties as mentioned in the preceding paragraph and may not disclose to any other party any trade secrets, trademarks, patents, works, and other intellectual properties of this Corporation of which they have learned, nor may they inquire about or collect any trade secrets, trademarks, patents, and other intellectual properties of this Corporation unrelated to their individual duties.</p>	<p>Cooperate with " Sample Template for XXX Co., Ltd. Procedures for Ethical Management and Guidelines for</p>

		Conduct" repair just.
<p>Article 14 <u>When the company conducts business, it should follow relevant laws and international standards, implement them in operational activities, and set up a special area for interested parties on the website to prevent damage to the rights and interests of interested parties.</u> <u>When it is reported by the media or there are sufficient facts to confirm that the company's products and services may endanger the rights and interests of stakeholders, the company shall immediately investigate whether the facts are true and propose a review and improvement plan.</u> <u>Relevant units of the company shall report to the board of directors the matter in the preceding paragraph, how to deal with it, and follow-up review and improvement measures.</u></p>	<p>Article 14 The Company's personnel shall comply with the regulations of the "Securities and Exchange Act" that neither uses the learned undisclosed information to engage in insider trading, nor leaks out to other in order to prevent them from using the undisclosed information to engage in insider trading.</p>	<p>Cooperate with " Sample Template for XXX Co., Ltd. Procedures for Ethical Management and Guidelines for Conduct" repair just.</p>
<p>Article 15 <u>The Company's personnel shall comply with the regulations of the "Securities and Exchange Act" that neither uses the learned undisclosed information to engage in insider trading, nor leaks out to other in order to prevent them from using the undisclosed information to engage in insider trading.</u> Institutions or persons participated in the Company's mergers, spin offs, acquisitions, share assignments, crucial memorandums, strategic alliances, other business cooperation plans, or crucial contracts shall sign the non-disclosure agreement with the Company, promising not to leak the learned commercial confidential of the Company or other crucial information to others, nor use the information without the Company's approval.</p>	<p>Article 15 Institutions or persons participated in the Company's mergers, spin offs, acquisitions, share assignments, crucial memorandums, strategic alliances, other business cooperation plans, or crucial contracts shall sign the non-disclosure agreement with the Company, promising not to leak the learned commercial confidential of the Company or other crucial information to others, nor use the information without the Company's approval.</p>	<p>The original article 14 is adjusted to the first item of this article.</p>
<p>Article 16 <u>This Corporation shall request its directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.</u> The Company shall promulgate the ethical corporate management policy in the internal regulations, annual reports, company website or the prospectus, and declare the policy in external activities such as investor conference so that suppliers, clients or other relevant institutions or personnel can clearly understand the concepts and norms of the Company's ethical corporate management.</p>	<p>Article 16 The Company shall promulgate the ethical corporate management policy in the internal regulations, annual reports, company website or the prospectus, and declare the policy in external activities such as investor conference so that suppliers, clients or other relevant institutions or personnel can clearly understand the concepts and norms of the Company's ethical corporate management.</p>	<p>Cooperate with " Sample Template for XXX Co., Ltd. Procedures for Ethical Management and Guidelines for Conduct" repair just.</p>

6. Articles of Incorporation

Chapter One General Provisions

Article 1 The Company shall be incorporated as a company limited by shares under The Company Act and its name shall be “Concord Securities Co., Ltd.”(hereinafter referred to as the “Company”).

Article 2 The scope of business of the Company shall be as follows:

- I. H301011 Securities merchant .
- II. H408011 Futures introducing broker.
- III. H401011 Futures commission merchants (business is limited by the approval of the competent authorities) .

Article 2-1 The Company shall engage in the following business activities::

- I. To accept orders to trade securities on the centralized securities exchange market.
- II. To trade securities on its own account on the centralized securities exchange market.
- III. To underwrite securities.
- IV. To accept orders to trade securities at its own business location.
- V. To trade securities on its own account at its own business location.
- VI. To act as an agent in stock and equity-related affairs.
- VII. To take charge of securities margin-purchase and short-sale business.
- VIII. To engage in securities-related futures brokerage and services.
- IX. To accept orders to trade foreign securities.
- X. To engage in securities-related futures proprietary trading.
- XI. To engage in other business which is approved by the competent authority.

Article 3 The head office of the Company is established in Taipei and may, subject to business requirement with the resolution of the Board of Directors and the approval of competent authority, set up branch office(s) in/outside Taiwan.

Article 4 (Deleted)

Chapter Two Shares

Article 5 The total authorized capital of the Company shall be NT\$15 billion, divided into 1500 million shares with a par value of NT\$10 each, which the Board has been authorized to issue in stages, of which 200 million shares shall be reserved for exercising options.

Article 5-1 The Company may, with the resolution of the most recent shareholders’ meeting which is attended by shareholders holding at least 50% of the issued capital stock and resolved by more than two-thirds of the voting rights by shareholders attending the meeting, transfer the treasury shares to its employees at a price lower than the average repurchased price.

Article 5-2 The Company may, with the resolution of a shareholders’ meeting which is attended by

shareholders holding at least 50% of the issued capital stock and resolved by more than two-thirds of the voting rights by shareholders attending the meeting, issue employee stock options to its employees at a price below the market price and by installments within one year of the said shareholders' meeting.

Article 6 The share certificates issued and printed by The Company shall be affixed with the signatures or personal seals of the director representing the company, and shall be duly certified or authenticated by the bank which is competent to certify shares under the laws before issuance.

For the shares to be issued by a company, the Company may be exempted from printing any share certificate for the shares issued.

The Company not printing its share certificate in accordance with the provision of the preceding paragraph shall register the issued shares with a centralized securities depositary enterprise and follow the regulations of that enterprise.

Article 7 The Company's administration of shareholder services shall be handled in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" issued by the competent authority.

Article 8 (Deleted)

Article 9 (Deleted)

Article 10 (Deleted)

Article 11 Registration of share transfers shall be suspended in the following circumstances: for a 60-day period prior to an annual meeting of the shareholders; for a 30-day period prior to a special meeting of the shareholders; and for a 5-day period prior to the record date for distribution of dividend, bonuses or other benefits.

Chapter Three Shareholders' Meetings

Article 12 Shareholders' meetings of the Company are of two types, namely: (1) annual meetings and (2) special meetings. Annual meetings shall be convened, by the Board of Directors, within six (6) months after the close of each fiscal year. Special meetings shall be convened at such time as necessary in accordance with the relevant laws, rules and regulations.

Electronic voting at the shareholders' meeting shall be applied as one of the methods for the Company's shareholders to exercise their voting rights. The relevant operations shall be handled in accordance with the regulations required by the securities competent authority.

The Company may hold its shareholders' meeting by means of visual communication network or other methods promulgated by the central competent authority. For the conditions, operating procedures, and other matters for compliance that shall be satisfied for holding the shareholders' meeting by means of visual communication network, the Company shall comply with the provisions otherwise prescribed by the competent authority in charge of securities affairs.

- Article 13 If a shareholder is unable to attend a meeting, he or she may appoint a proxy to attend and vote on behalf of the shareholder at the shareholders' meeting by completing and submitting to the Company, a form prescribed by the Company stating the scope of authorization. All proxy appointments must comply with Article 177 of The Company Act and Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies.
- Article 14 Except where other legal requirements apply, shareholders of the Company shall be entitled to one vote for each share held at the shareholders' meeting.
- Article 15 Unless otherwise required by The Company Act, all resolutions of a shareholders' meeting of the Company shall be passed at a meeting attended by shareholders holding at least 50% of the issued capital stock and resolved by more than 50% of the shareholders attending the meeting.
- Chapter Four Directors and the board of directors**
- Article 16 The Company shall have 5 to 15 Directors. The number of independent directors shall be no less than three and shall represent no less than one fifth of the total number of directors. Directors shall be elected on candidate list by the shareholders at a shareholders' meeting. The total percentage of shareholdings by all Directors must comply with the relevant rules and regulations.
The election of directors (including independent directors) shall make use of a candidate nomination system pursuant to the provisions of Article 192-1 of the Company Act. The receipt, announcement etc. of nominations for directorship candidates shall be handled in accordance with the relevant rules and regulations prescribed by the securities governing authorities.
- Article 17 The tenure of offices for Directors shall be three years and the Directors shall be eligible for re-election and re-appointment.
- Article 18 Where vacancies of the Board of Directors exceed one-third of the total number of the Directors or all the independent directors are dismissed, the Board shall convene a special shareholders' meeting within 60 days to elect new Directors to fill the vacancies until the incumbent term expires. With respect to a director appointed by a corporate shareholder or its representative, the corporate shareholder may re-appoint its representative at any time due to a change in official functions and duties of the original representative until the incumbent term expires.
- Article 19 The Board shall be formed by the directors. A Chairman and a Vice Chairman shall be elected from the Directors by a majority vote of the Directors at a Board meeting attended by at least two thirds of all the Directors. The Chairman shall have the right to execute the resolutions of the Board of Directors and the shareholders' meeting. The Chairman of the Board shall chair all shareholders' and directors' meetings internally and represent the Company externally.
- Article 19-1 The resolutions of the Board, unless otherwise required by *The Company Act*, shall be resolved by a simple majority of the Directors at a Board meeting attended by at least

50% of all the Directors. If any director or a juristic person represented by a director is an interested party with respect to any agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. If the Board meeting is held in the form of a video conference, participation via video conference is deemed as participation in person.

Article 19-2 Board meetings shall be convened in accordance with The Company Act. The notice of the Board meetings may be made and delivered by writing, email or facsimile to the Directors.

Article 19-3 The Company shall establish an Audit Committee pursuant to the provisions of Article 14-4 of the Securities and Exchange Act. The Audit Committee and its members shall fulfill their supervisory duties pursuant to the relevant provisions of the Company Act, the Securities and Exchange Act, and other relevant laws and regulations. The number and tenure of office of audit committee members, powers of the audit committee, rules of procedure for meetings of the audit committee shall be defined in an audit committee charter in accordance with Regulations Governing the Exercise of Powers by Audit Committees of Public Companies.

Article 20 When the Chairman of the Board is on leave or unable to perform his duties, the designation proxy shall be made in accordance with Article 208 of *The Company Act*. When a director is unable to attend the Board Meeting, the designation proxy shall be made in accordance with Article 205 of *The Company Act*.

Article 21 The Board is authorized to determine the remuneration of the Directors of the Company (including independent directors) according to individual degrees of participation and value of contribution in business operation of the Company, as well as levels of remuneration generally adopted in the industry.

Article 21-1 The Company may purchase liability insurance for Directors to cover legal obligations and liabilities arisen from performing their duties during their terms of occupancy.

Chapter Five Managerial Officers

Article 22 The Company shall have one President, several Vice Presidents, Assistant Vice Presidents and Managers pursuant to Article 29 of *The Company Act*.

Chapter Six Accounting

Article 23 The fiscal year for The Company must start on January 1st of each year and end on December 31st of the same year.

Article 24 After the close of each fiscal year, The Board shall prepare the following financial statements and documents:

- I. Business report
- II. Financial statements
- III. Proposal of allocation of profit or covering of losses.

Article 25 If making any profits in a fiscal year, the Company shall set aside from 1% to 2% of the profits for employees' compensation following the board resolution to distribute in stock or cash dividend for eligible employees of the Company and subsidiaries. The

board resolution in remuneration to directors may not exceed five percent of the profit. The employees' compensation and remuneration to directors shall be proposed by the Board of Directors and resolved in the shareholders' meeting

If the Company has cumulated losses, the profit shall be first utilized for making up losses for previous years and then following the afore-mentioned percentage to distribute the employees' compensation and remuneration to directors.

Article 25-1

Where the Company made profit after the close of a fiscal year after the yearly settlement of accounts, the profit shall be first utilized for paying taxes, making up losses for previous years, setting aside reserves as follow:

I. Statutory surplus reserves (Legal reserve): 10% of the profit

II. Special reserve: 20% of the profit

However, if the accumulated amount of reserves reaches or exceeds the paid-in capital amount, no further fund needs to be set aside. The reminders shall be set aside according to the regulation or reverse to special reserve. IF there is a balance in the remaining of the profit combining with the cumulated un-appropriated retained earnings, the board may stipulate the distribution plan and propose to distribute the shareholders' dividend bounce in the resolution of the shareholders' meeting.

Our dividend policy, considering the necessity, future business development plan, investment environment, funding need, competitiveness in international wide and the interest of shareholders, The un-appropriated retained earnings shall be used as the basis for the distribution of dividends and bonus to shareholders, subject to no less than 50% of the basis. The board of directors is authorized to make no distribution of dividends and bonus to shareholders when the un-appropriated retained earnings are less than 0.5% of paid-in capital. The board may resolve to distribute dividends and bonus to shareholders in stock or cash dividend. Cash dividend may not be less than 10% of total dividend.

Chapter Seven Bylaws

Article 26

Matters not specifically provided for in these Articles of Incorporation shall be governed by The Company Act, The Securities and Exchange Act and other relevant legislations.

Article 27

These Articles of Incorporation were enacted on October 7th, 1990, and were amended on June 20th, 1991, as the 1st amendment; on November 17th, 1992, as the 2nd amendment; on March 30th, 1995, as the 3rd amendment; on May 22, 1997, as the 4th amendment; on April 24th, 1998, as the 5th amendment; on May 15th, 1999, as the 6th amendment; on June 29th, 2000, as the 7th amendment; on December 12th, 2000, as the 8th amendment; on May 31st, 2002, as the 9th amendment; on May 30th, 2003, as the 10th amendment; on May 27th, 2004, as the 11th amendment; on June 17th, 2005, as the 12th amendment; on June 9th, 2006, as the 13th amendment; on June 15th, 2007, as the 14th amendment; on June 13th, 2008, as the 15th amendment; on June 15th, 2010, as the 16th amendment; on June 22th, 2012, as the 17th amendment; on

June 20th, 2014, as the 18th amendment, and on June 12th, 2015, as the 19th amendment, and on June 17th, 2016, as the 20th amendment, and on June 5th, 2020, as the 21st amendment., and on July 12, 2021, as the 22st amendment, and on June 8, 2022, as the 23st amendment.

7. Rules of Procedure for Shareholders Meeting

- Article 1 To establish a strong governance system and sound supervisory capabilities for this Corporation's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.
- Article 2 The rules of procedures for this Corporation's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.
- Article 3 Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.
- This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, this Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent it entrusted as well as being distributed on-site at the meeting place.
- The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.
- Matters pertaining to election or discharge of directors, alteration of the Articles of InCompany, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, spin-off, or any matters as set forth in Paragraph I, Article 185, Articles 26-1 and 43-6 of the Securities and Exchange Act or Article 56-1 and Article 60-2 Regulations Governing the Offering and Issuance of Securities by Securities Issuers hereof shall be itemized in the causes or subjects to be described and the essential contents shall be explained in the notice to convene a meeting of shareholders, and shall not be brought up as extemporary motions; the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the company, and such website shall be indicated in the above notice.
- If the cause(s) or subject(s) of the shareholders' meeting has been indicated the full re-election of directors and the date of appointment, the appointment date may not be changed by extemporary motions or other means after the re-election of the shareholders' meeting in the

same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to The Company a written proposal for discussion at a regular shareholders meeting. The number of items so proposed, however, is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.

Shareholders may propose to urge the Company to promote public interests or fulfill its social responsibilities. The procedure shall be in accordance with Article 172-1 of the Company Act. The number of items is limited to one only, and no proposal containing more than one item will be included in the meeting agenda.

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

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

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

Article 4

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

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

After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronic means, a written notice of proxy cancellation shall be submitted to this Corporation before 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5

The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

Article 6

This Corporation shall specify in its shareholders meeting notices the time during which

shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. Shareholders and their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification. This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

Article 7

If a shareholders' meeting is called by the board of directors, the board chairman shall preside at the said shareholders' meeting. In case the chairman is on leave of absence, or cannot exercise his powers and authority, an agent acting on his behalf shall be appointed according to the regulations in the Company Act. It is advisable that shareholders meetings convened by the board of directors be attended by a majority of the directors.

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.

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

This Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

Article 8

This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures. The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 9

Attendance at shareholders meetings shall be calculated based on numbers of shares. The

number of shares in attendance shall be calculated according to the shares indicated by sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time and announce relevant information such as the number of non-voting rights and the number of shares present at the same time.

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

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

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

Article 10

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Relevant motions, including temporary motions and amendments to the original motions, should be decided on a case-by-case basis. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders meeting convened by a party with the power to convene that is not the board of directors. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the attending shareholders may elect a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

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

Article 11

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

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

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

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

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

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

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

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

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

Article 13 A shareholder shall be entitled to one vote for each share held, except where other legal requirements apply.

When this Corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting. It is therefore advisable that this Corporation avoid the submission of extraordinary motions and amendments to original proposals.

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

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

Except as otherwise provided in the Company Act and in this Corporation's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

If no attending shareholder voices an objection following an inquiry by the chair, the proposal will be deemed approved. If there is an objection or abstention, which involves in those exercised by correspondence or electronic means, the proposal shall be brought to a vote.

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

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

Article 14

The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by The Company, and the voting results shall be announced on-site immediately, including the names of

those elected and unsuccessfully elected as directors and the numbers of votes with which they were elected.

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

Article 15 Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes in accordance with Article 183 of the Company Act.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results. When there are directors elected, the number of votes for each candidate should be disclosed. The minutes shall be retained for the duration of the existence of this Company.

If no attending shareholder voices an objection following an inquiry by the chair, the proposal will be deemed approved, and the statement "consultation by Chairman without any opposition raised" should be documented in the minutes of meeting. If there is an objection, the meeting minutes shall record the method of voting adopted therefore and the total number of votes for the proposal.

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

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

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

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

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

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

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

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue. A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

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

Article 20 These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings. These Rules of Procedure for Shareholders Meeting were enacted on June 13th, 2008, and were amended on June 15th, 2011, as the 1st amendment; on June 22th, 2012, as the 2nd amendment; on June 14th, 2013, as the 3rd amendment; on June 20, 2014, as the 4th amendment; on June 12, 2015, as the 5th amendment; on June 5, 2020, as the 6th amendment; on July 12, 2021, as the 7th amendment.

8. The Ethical Corporate Management Best Practice Principles

Article 1

These Principles are adopted to assist The Companies to foster a corporate culture of ethical management and sound development, and offer a reference framework for establishing good commercial practices.

The Company is advised to, in accordance with these Principles, adopt its own ethical corporate management best practice principles applicable to its business groups and organizations of The Company, which comprise its subsidiaries, any foundation to which The Company's direct or indirect contribution of funds exceeds 50 percent of the total funds received, and other institutions or juridical persons which are substantially controlled by such company ("business group").

Article 2

When engaging in commercial activities, directors, supervisors, managers, employees, and mandataries of The Company or persons having substantial control over The Company ("substantial controllers") shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty ("unethical conduct") for purposes of acquiring or maintaining benefits.

Parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and their directors, supervisors, managers, employees or substantial controllers or other stakeholders.

Article 3

"Benefits" in these Principles means any valuable things, including money, endowments, commissions, positions, services, preferential treatment or rebates of any type or in any name. Benefits received or given occasionally in accordance with accepted social customs and that do not adversely affect specific rights and obligations shall be excluded.

Article 4

The Company shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/GTSM listing rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.

Article 5

The Company shall comply with the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and obtain approval from the board of directors, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.

Article 6

The Company shall in their own ethical management policy clearly and thoroughly prescribe the specific ethical management practices and the programs to forestall unethical conduct ("prevention programs"), including operational procedures, guidelines, and training.

When establishing the prevention programs, The Company shall comply with relevant laws and regulations of the territory where the companies and their business group are operating.

In the course of developing the prevention programs, The Company are advised to negotiate with staff, labor unions members, important trading counterparties, or other stakeholders.

Article 7

The Company shall establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly and review their adequacy and effectiveness on a regular basis.

The Precautionary Scheme established by the company shall at least include precautionary measures against the following:

1. Offering and acceptance of bribes.
2. Illegal political donations.
3. Improper charitable donations or sponsorship.
4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits.
5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights.
6. Engaging in unfair competitive practices.
7. Damage to the rights of stakeholders.

Article 8

The Company shall request their directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.

The Company and their respective business group shall clearly specify in their rules and external documents and on the company website the ethical corporate management policies and the commitment by the board of directors and senior management on rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities.

The Company shall compile documented information on the ethical management policy, statement, commitment and implementation mentioned in the first and second paragraphs and retain said information properly.

Article 9

The Company shall engage in commercial activities in a fair and transparent manner based on the principle of ethical management.

Prior to any commercial transactions, The Company shall take into consideration the legality of their agents, suppliers, clients, or other trading counterparties and whether any of them are involved in unethical conduct, and shall avoid any dealings with persons so involved.

When entering into contracts with their agents, suppliers, clients, or other trading counterparties, The Company shall include in such contracts terms requiring compliance with ethical corporate management policy and that in the event the trading counterparties are involved in unethical conduct, the The Company may at any time terminate or rescind the contracts.

Article 10

When conducting business, The Company and their directors, supervisors, managers, employees, mandataries, and substantial controllers, may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders.

Article 11

When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, The Company and their directors, supervisors, managers, employees, mandataries, and substantial controllers, shall comply with the Political Donations Act and their own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.

Article 12

When making or offering donations and sponsorship, The Company and their directors, supervisors, managers, employees , mandataries, and substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.

Article 13

The Company and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.

Article 14

The Company and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations, the company's internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.

Article 15

The Company shall comply with laws and regulations and the Prevention Program when conducting business.

Article 16

The Company and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations and international standards. They shall also set up a stakeholder area on the Company's website to protect the rights and interests of the stakeholders.

Article 17

The directors, supervisors, managers, employees, mandataries, and substantial controllers of The Company shall exercise the due care of good administrators to urge the company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.

To achieve sound ethical corporate management, The Board Secretary's office is responsible for coordinating with all units to ensure the implementation of the integrity management policies. Each unit is responsible for allocating sufficient resources and personnel to carry out their duties, collaborating with one another to develop and supervise the implementation of integrity management policies and prevention measures. The specialized unit is required to report to the Board at least once a year.:

1. Assisting in incorporating ethics and moral values into the company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.
2. Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business scope, adopting accordingly programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the company's operations and business.
3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.
4. Promoting and coordinating awareness and educational activities with respect to ethics policy.
5. Developing a whistle-blowing system and ensuring its operating effectiveness.
6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.

Article 18

The Company and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall comply with laws and regulations and the prevention programs when conducting business.

Article 19

The Company shall adopt policies for preventing conflicts of interest to identify, monitor, and manage risks possibly resulting from unethical conduct, and shall also offer appropriate means for directors, supervisors, managers, and other stakeholders attending or present at board meetings to voluntarily explain whether their interests would potentially conflict with those of the company.

When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, supervisors, managers, and other stakeholders attending or present at board meetings of a The Company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.

The Company' directors, supervisors, managers, employees, mandataries, and substantial controllers shall not take advantage of their positions or influence in the companies to obtain improper benefits for themselves, their spouses, parents, children or any other person.

Article 20

The Company shall establish effective accounting systems and internal control systems for business activities which may at a higher risk of being involved in an Unethical Conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results.

The internal audit unit of a The Company shall, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans including auditees, audit scope, audit items, audit frequency, etc., and examine accordingly the compliance with the prevention programs. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.

The results of examination in the preceding paragraph shall be reported to senior management and the ethical management dedicated unit and put down in writing in the form of an audit report to be submitted to the board of directors.

Article 21

The Company shall establish operational procedures and guidelines in accordance with Article 6 hereof to guide directors, supervisors, managers, employees, and substantial controllers on how to conduct business. The procedures and guidelines should at least contain the following matters:

1. Standards for determining whether improper benefits have been offered or accepted.
2. Procedures for offering legitimate political donations.
3. Procedures and the standard rates for offering charitable donations or sponsorship.
4. Rules for avoiding work-related conflicts of interests and how they should be reported and handled.
5. Rules for keeping confidential trade secrets and sensitive business information obtained in the ordinary course of business.
6. Regulations and procedures for dealing with suppliers, clients and business transaction counterparties suspected of unethical conduct.
7. Handling procedures for violations of these Principles.
8. Disciplinary measures on offenders.

Article 22

The chairperson, general manager, or senior management of a The Company shall communicate the importance of corporate ethics to its directors, employees, and mandataries on a regular basis.

The Company shall periodically organize training and awareness programs for directors, supervisors, managers, employees, mandataries, and substantial controllers and invite the companies' commercial transaction counterparties so they understand the companies' resolve to implement ethical corporate management, the related policies, prevention programs and the consequences of committing unethical conduct.

The Company shall apply the policies of ethical corporate management when creating its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.

Article 23

The Company shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following:

1. An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow internal and external personnel of the company to submit reports.
2. Dedicated personnel or unit appointed to handle the whistle-blowing system. Any tip involving a director or senior management shall be reported to the independent directors or supervisors. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.
3. Follow-up measures to be adopted depending on the severity of the circumstances after investigations of cases reported are completed. Where necessary, a case shall be reported to the competent authority or referred to the judicial authority.
4. Documentation of case acceptance, investigation processes, investigation results, and relevant documents.
5. Confidentiality of the identity of whistle-blowers and the content of reported cases, and an undertaking regarding anonymous reporting.
6. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.
7. Whistle-blowing incentive measures.

When material misconduct or likelihood of material impairment to The Company comes to their awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the independent directors or supervisors in written form.

Article 24

The Companies shall adopt and publish a well-defined disciplinary and appeal system for handling violations of the ethical corporate management rules, and shall make immediate disclosure on the company's internal website of the title and name of the violator, the date and details of the violation, and the actions taken in response.

Article 25

The Company shall collect quantitative data about the promotion of ethical management and continuously analyze and assess the effectiveness of the promotion of ethical management policy. They shall also disclose the measures taken for implementing ethical corporate management, the status of implementation, the foregoing quantitative data, and the

effectiveness of promotion on their company websites, annual reports, and prospectuses, and shall disclose their ethical corporate management best practice principles on the Market Observation Post System.

Article 26

The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage their directors, supervisors, managers, and employees to make suggestions, based on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.

Article 27

The ethical corporate management best practice principles of The Company shall be implemented after the board of directors grants the approval, and reported at a shareholders' meeting. The same procedure shall be followed when the principles have been amended.

When The Company submits its ethical corporate management best practice principles to the board of directors for discussion pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. Any objections or reservations of any independent director shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.

The Ethical Corporate Management Operational Procedures and Guidelines

Article 1

Based on the principles of fair, honesty, abidance, and transparency when engaging in commercial activities, the Company promulgates “The Ethical Corporate Management Operational Procedures and Guidelines” (Operational Procedures and Guidelines) in order to implement the ethical corporate policy and to prevent Unethical Conducts according to the regulations from Article 18 of the “Concord Securities Co. Ltd , The Ethical Corporate Management Best Practice Principles.”

The Operational Procedure and Guidelines is applicable to the Company and its subsidiary business groups and organizations, any foundation to which the Company's direct or indirect contribution of funds exceeds 50% of the total funds received, and other institutions or juridical persons which are substantially controlled by such company ("Business Group")

Article 2

The term "personnel of The Company" refers to any director, supervisor, managerial officer, employee, mandatary or person having substantial control, of The Company or its group enterprises and organizations.

Any provision, promise, request, or acceptance of improper benefits by any personnel of The Company through a third party will be presumed to be an act by the personnel of this Corporation.

Article 3

The Unethical Conduct mentioned in Operational Procedures and Guidelines refers to the conduct of a direct or indirect offering, promise to offer, request or accept any improper benefits, or commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty (“Unethical Conduct”) for purposes of acquiring or maintaining benefits during the profession practice of the Company’s personnel.

“Parties” referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and their directors (or the members of the council), supervisors, managers, employees or substantial controllers or other interested parties.

Article 4

“Benefits” in the Operational Procedures and Guidelines means any valuable things, including money, endowments, commissions, positions, services, preferential treatment, rebates, lobbying fee, hospitality, or social engagement of any type or in any name.

Article 5

The Company assigns the Secretary's office as the dedicated unit that is in charge of establishing and supervising the implementation of the ethical corporate management policies and prevention programs.

The dedicated unit shall be in charge of the following matters, and shall report to the board of directors on a regular basis (at least once a year):

1. Assisting in incorporating ethics and moral values into the company’s business strategy and adopting appropriate

prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.

2. All responsible units are required to analysing and assessing the risks of unethical conduct within the business scope on a regular basis and accordingly adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to this Corporation's operations and business.
3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.
4. Promoting and coordinating awareness and educational activities with respect to ethics policy.
5. Developing a whistle-blowing system and ensuring its operating effectiveness.
6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.
7. Preparing and retaining properly documented information such as ethical management policy and compliance statements, situations concerning the performance of undertakings and enforcement etc.

Article 6

When engaging in directly or indirectly offering, promising to offer, requesting or accepting the benefits defined in Article 4, the Company's personnel shall comply with the regulations of the "Concord Securities Co. Ltd, The Ethical Corporate Management Best Practice Principles" and the Operational Procedures and Guidelines following the relevant procedures. The personnel are allowed to do such under the situations listed below:

1. When doing domestic and overseas visits, receiving foreign guests, expanding business, communicating, and coordinating, the conduct is based on the business demand following the local manners, practices, and customs.
2. Attending normal social activities or inviting others to such activities based on the normal social customs, business purposes, or to boost ties.
3. The personnel invites clients or to be invited to participate specific business activities based on the business demand, which clarifies the means of bearing expenses, number of people attended, accommodation level and period of the activities mentioned above.
4. Participating in festivals that are publicly held and open to the public.
5. Reward, assistance, amenities, or appreciation from a superior.
6. Other activities meets the regulations of the Company.

Article 7

Apart from the situations prescribed in all paragraphs of preceding article, the Company personnel shall follow the procedures listed below when engaging in directly or indirectly offering, promising to offer, requesting or accepting the benefits defined in Article 4:

1. The Company personnel shall report to the department superior and inform the Dedicated Unit if necessary, within three days after receiving the benefits if the person of offering or promising to offer has any interests with the personnel.
2. The Company personnel shall return or refuse the benefits if the person of offering or promising to offer has any interest with the personnel, and the personnel shall report to the department superior and inform the Dedicated Unit. When it is unable to return the benefits, the Company personnel shall hand in the benefits to the Dedicated Unit within three days after receiving the benefits.

The conflict of interest to the position prescribed in preceding paragraphs refers to following situations:

1. Having relations of business contacts, directing and supervising, expense subsidies and allowances.
2. Seeking and progressing to establish a contractual relation, or contracted purchase and sale agreement or other contracts.
3. Other interests suffering from beneficial or unfavorable influences based on the decision and implementation of the business.

The Company's Dedicated Unit shall put forward proposals of Benefit returning, paying to receive, donating to charity organizations, or other proper proposals. The proposals shall be reported to and approved by the general manager before implementation.

Article 8

The Company shall not offer or promise to offer any lobbying fee.

The Company personnel who offer or promise to offer lobbying fee due to intimidation or threats shall record the process of intimidation or threats and report to the department superior and inform the Dedicated Unit.

The Company's Dedicated Unit shall cope with the report immediately and review relevant situation after receiving the notice prescribed in order to lower the risk of the same circumstances from happening again. If any illegal matter was found, the Dedicated Unit shall inform juridical authorities immediately.

Article 9

Political contributions by The Company shall be made in accordance with the relevant regulations and the following provisions, and be authorized according to the Hierarchical Responsibility Checklist :

1. It shall be ascertained that the political contribution is in compliance with the laws and regulations governing political contributions in the country in which the recipient is located, including the maximum amount and the form in which a contribution may be made.
2. A written record of the decision-making process shall be kept.
3. Account entries shall be made for all political contributions in accordance with applicable laws and regulations and relevant procedures for accounting treatment.
4. In making political contributions, commercial dealings, applications for permits, or carrying out other matters involving the interests of this Corporation with the related government agencies shall be avoided.

Article 10

Charitable donations or sponsorships by this Corporation shall be provided in accordance with the following provisions and be authorized according to the Hierarchical Responsibility Checklist:

1. It shall be ascertained that the donation or sponsorship is in compliance with the laws and regulations of the country where this Corporation is doing business.
2. A written record of the decision making process shall be kept.
3. A charitable donation shall be given to a valid charitable institution and may not be a disguised form of bribery.
4. The returns received as a result of any sponsorship shall be specific and reasonable, and the subject of the sponsorship may not be a counterparty of this Corporation's commercial dealings or a party with which any personnel of this Corporation has a relationship of interest.
5. After a charitable donation or sponsorship has been given, it shall be ascertained that the destination to which the money flows is consistent with the purpose of the contribution.

Article 11

When a Company director , officer or other stakeholder attending or present at a board meeting, or the juristic person represented thereby, has a stake in a matter under discussion in the meeting , that director, officer or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of The Company would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner. 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.

When Company personnel implement company business and discover themselves or the juristic person that they represent have conflict of interests, or possibly obtain improper benefits for themselves, their spouses, parents, children or any other person is an interested party, they shall report the relevant situation to the department superior and the Company's Dedicated Unit, and the department superior shall offer proper guidance.

The Company personnel shall neither put the Company's resources in business activities that are irrelevant to the Company, nor affect their working performance from participating in business activities that are irrelevant to the Company.

Article 12

All units of the Company shall pay attention to the operations of the management, storage, and security of the Company's trade secrets, trademarks, patents, and other intellectual properties in each unit.

All personnel of The Company shall faithfully follow the operational directions pertaining to intellectual properties as mentioned in the preceding paragraph and may not disclose to any other party any trade secrets, trademarks, patents, works, and other intellectual properties of this Corporation of which they have learned, nor may they inquire about or collect any trade secrets, trademarks, patents, and other intellectual properties of this Corporation unrelated to their individual duties.

Article 13

The company shall engage in business activities in accordance with the Fair Trade Act and relevant competition laws and shall not engage in unfair competition..

Article 14

When the company conducts business, it should follow relevant laws and international standards, implement them in operational activities, and set up a special area for interested parties on the website to prevent damage to the rights and interests of interested parties.

When it is reported by the media or there are sufficient facts to confirm that the company's products and services may endanger the rights and interests of stakeholders, the company shall immediately investigate whether the facts are true and propose a review and improvement plan.

Relevant units of the company shall report to the board of directors the matter in the preceding paragraph, how to deal with it, and follow-up review and improvement measures..

Article 15

The Company's personnel shall comply with the regulations of the "Securities and Exchange Act" that neither uses the learned undisclosed information to engage in insider trading, nor leaks out to other in order to prevent them from using the undisclosed information to engage in insider trading.

Institutions or persons participated in the Company's mergers, spin offs, acquisitions, share assignments, crucial memorandums, strategic alliances, other business cooperation plans, or crucial contracts shall sign the non-disclosure agreement with the Company, promising not to leak the learned commercial confidential of the Company or other crucial information to others, nor use the information without the Company's approval.

Article 16

This Corporation shall request its directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.

The Company shall promulgate the ethical corporate management policy in the internal regulations, annual reports, company website or the prospectus, and declare the policy in external activities such as investor conference so that suppliers, clients or other relevant institutions or personnel can clearly understand the concepts and norms of the Company's ethical corporate management.

Article 17

Before developing a commercial relationship with another party, The Company shall evaluate the legality and ethical management policy of the party and ascertain whether the party has a record of unethical conduct, in order to ensure that the party conducts business in a fair and transparent manner and will not request, offer, or take bribes.

When this Corporation carries out the evaluation under the preceding paragraph, it may adopt appropriate audit procedures for a review of the counterparty with which it will have commercial dealings with respect to the following matters, in order to gain a comprehensive knowledge of its ethical management:

- 1.The enterprise's nationality, location of business operations, organizational structure, and management policy, and place where it will make payment.
- 2.Whether the enterprise has adopted an ethical management policy, and the status of its implementation.
- 3.Whether enterprise's business operations are located in a country with a high risk of corruption.
- 4.Whether the business operated by the enterprise is in an industry with a high risk of bribery.
- 5.The long-term business condition and degree of goodwill of the enterprise.
- 6.Consultation with the enterprise's business partners on their opinion of the enterprise.
- 7.Whether the enterprise has a record of unethical conduct such as bribery or illegal political contributions.

Article 18

The Company personnel shall explain the ethical corporate management policy and relevant regulations of the Company to the trade parties when engaging in the process of business activities, and they shall explicitly refuse to directly or indirectly offer, promise to offer, request or accept benefits in any form or any name.

Article 19

The Company personnel shall avoid engaging in business transactions with unethical business parties. If the Company personnel discover unethical conduct from the business or cooperation parties, the personnel may suspend the

business contacts with them and list them in the blacklist account in order to carry out the Company's ethical corporate management policy.

Article 20

When signing contracts with others, the Company shall fully understand the situation of the ethical corporate management of the counter party, and the ethical corporate management clause and the matters listed below shall also be included in the contract:

- 1.If any party learns if any personnel has violated the regulations of commission, rebate or other unethical benefits in the clauses of the contract, it shall immediately inform the counter party with the violator's identity, means of offering, promising to offer, requesting or receiving benefits, amount of benefits or other benefits, and it shall also provide relevant evidence and cope with the counter party's investigation. If any party suffers loss from such an act, it shall claim the compensation to the counter party and deduct the same amount of money from the contract payment claimed..
- 2.If any party is involved in the unethical corporate management conduct in the business activities, the counter party may terminate or dissolve without precondition.
- 3.Explicitly and reasonably stipulating the contents of the payment, including payment location, means and relevant tax law and regulation.

Article 21

As an incentive to insiders and outsiders for informing of unethical or unseemly conduct, this Company will grant a reward depending the seriousness of the circumstance concerned.

This Company shall internally establish and publicly announce on its website and the intranet, or provide through an independent external institution, an independent mailbox or hotline, for Company insiders and outsiders to submit reports. A whistleblower shall at least furnish the following information:

- 1.the whistleblower's name and I.D. number, and an address, telephone number and e-mail address where it can be reached.
- 2.the informed party's name or other information sufficient to distinguish its identifying features.
- 3.specific facts available for investigation, such as audio or video files.

Company personnel handling whistle-blowing matters shall represent in writing they will keep the whistleblowers' identity and contents of information confidential. This Corporation also undertakes to protect the whistleblowers from improper treatment due to their whistle-blowing.

Article 22

If the Company personnel encounter unethical conducts, which involve in illegal situation, from others, the Company shall inform judicial and procurement authorities with relevant facts; if government institutions or civil servants are involved in the unethical conducts, the Company shall inform the agency against corruption.

Article 23

The Company shall combine the ethical corporate management with employee performance appraisal and human resource policies and establish explicit and effective reward and punishment and complaint system.

If Company personnel violate serious matters of unethical conducts, the Company shall discharge or dismiss the personnel according to the relevant laws and regulations or the Company's personnel regulations.

The Company shall reveal the information of the title, name, violation date, contents of violation, and the situation of process of the unethical conduct.

Article 24

The Operational Procedure and Guidelines shall be implemented after the Board grants the approval, and shall be reported at a shareholders' meeting. The same procedure shall be followed when the principles have been revised. When these Procedures and Guidelines are submitted to the board of directors for discussion, each independent director's opinions shall be taken into full consideration, and their objections and reservations expressed shall be recorded in the minutes of the board of directors meeting. An independent director that is unable to attend a board meeting in person to express objection or reservation shall provide a written opinion before the board meeting unless there is a legitimate reason to do otherwise, and the opinion shall be recorded in the minutes of the board of directors meeting.

10.Shareholding of Directors

Title	Name	The recorded shares held until the date of closure
Chairman of the Board	Zhongyang Investment Co., Ltd. Representative : Cheng, Ta-Yu	9,679,603
Director	Zhongyang Investment Co., Ltd. Representative : Jinnder Chang	
Director	Zhongyang Investment Co., Ltd. Representative : Lee,Chin-Shen	
Director	Taiming Development Co., Ltd.	22,239,881
Director	Sky Investment Corporation Representative : Chen, Qiong-Ling	8,441,281
Director	De Ye Investment Co., Ltd. Representative : Yang, Min-Wan	164,137
Director	Jia Yi Corp. Representative : Tsai, Sung-Po	973,015
Director	Yuan Long Development Co., Ltd. Representative : Ma, Pei-Chun	875,405
Independent Director	Chang, Yao-Ren	0
Independent Director	Huang, Tien-Chang	0
Independent Director	Huang, Hsiu-Hui	0
The recorded shares held by Board of Directors until the date of closure (April 9,2023)		42,373,322
The minimum shares legally should hold by Board of Directors		19,022,559